

M/S FIRST STEPS BABYWEAR PRIVATE LIMITED

NO. 235-D, III PHASE, BOMMASANDRA INDL AREA, HOSUR ROAD, B'LORE

CIN-U17114KA2001PTC029486

REPORT OF THE DIRECTORS

To,
The Members,
M/s First Steps Babywear Private Limited,
Bangalore.

We are pleased to present the Twenty-Second Annual Report and the Audited Statement of Accounts of the company for the year ended 31st March 2024 and report as under:

1. FINANCIAL RESULTS:

Snapshot of the Company's financial performance, for the year ended March 31, 2024:

(Rs.in Lakhs)

Particulars	Year ended 31 st March 2024	Year ended 31 st March 2023
Gross Income	1,08,554.41	1,12,071.41
Profit Before Tax	9,689.80	21,457.78
Less: Current Tax	2,763.75	5,765.86
Deferred Tax	-138.40	-237.29
Income Tax earlier years	-	-
Profit For The Year	7,064.45	15,929.21
Add: Balance in Profit and Loss Account	52,178.49	36,249.28
Add: Adjustments on account of Transitional Provisions	-	-
Amount Available for Appropriation	59,242.94	52,178.49
Less: Appropriation		-
Preference Dividend	-	-
Tax on Preference Dividend	-	-
Transferred to Reserve	-	-
Balance to be Carried Forward	59,242.94	52,178.49

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STATE OF AFFAIRS:

- (i) The Company is engaged in the business of Manufacturing Babywear.
- ii) There has been no change in the nature of the business of the Company during the financial year ended 31st March, 2024.

The highlights of the Company's performance are as follows: -

- (a) Revenue from operations stood at Rs. 1,06,407.49 Lakhs for the period under review
- (b) Net Profit of the Company stood at Rs. 7,064.45 Lakhs for the period under review.

3. DIVIDEND:

No dividend has been proposed for the financial year ended 31st March 2024 in view of the ongoing Investment in the wholly owned subsidiary Companies.

4. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

5. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

The Company has three wholly owned subsidiaries in India and one Wholly Owned Subsidiary abroad as listed below:

First Steps Babywear Lanka (Private) Limited – Foreign Subsidiary

Colortone Textiles Private Limited – Indian Subsidiary

Miniklub Retail Private Limited – Indian Subsidiary

Colortone Garments Private Limited- Indian Subsidiary

6. MEETINGS:

Seven meetings of the Board of Directors were held during the financial year.

7. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

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8. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same.

In view of the applicable provisions of the Companies Act, 2013, the Company is not mandatorily required to appoint any whole time KMPs. However, the company has in place, a Whole-time company secretary, Mr. Nurani Hariharan Viswanathan.

9. AUDITORS:

RAGHAVAN CHAUDHURY & NARAYANAN, Firm of Chartered Accountants with Firm Registration Number 007761S, are the statutory auditors of the company. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away by Companies Amendment Act, 2017 vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of the appointment of Auditors.

SECRETARIAL AUDITORS:

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Sudhir Vishnupant Hulyalkar, Company Secretaries to undertake the Secretarial Audit of the Company for Financial Year 2023-24.

COST AUDITORS:

The Company is not required to appoint Cost Auditors as per Companies (Cost Record and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity.

REPORTING OF FRAUDS BY AUDITORS

There were no frauds reported by Auditors as per Section 134(3) and Section 143(12) of the Act.

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10. PARTICULARS OF LOANS AND INVESTMENT:

The Company has not given guarantee and securities under section 186 of Companies Act, 2013 other than Corporate Guarantee issued in favour of SBI, Federal Bank and HDFC Bank for Colortone Textiles Private Limited.

Particulars of Investments made are provided in the Notes to Financial Statements.

11. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

12. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Your Directors confirm that in line with the mandatory requirements of the new Companies Act, your Company has constituted a Corporate Social Responsibility Committee on 30th October, 2014 and has also established a formal CSR Policy in accordance with the Act.

The CSR obligation of the Company for the FY 2023-2024 is Rs. 230.71 Lakhs.

As per section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014, as amended, the Company is required to transfer any unspent amount, pursuant to any ongoing project undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, within a period of thirty days from the end of the financial year to a special account opened by the Company in that behalf for that financial year in any scheduled bank called Unspent Corporate Social Responsibility Account.

Due to delay in commencement of project as compared to approved timelines, some part of the mandatory spend for few ongoing projects remained unspent as on 31 March 2024, thereby requiring it to be transferred to Unspent CSR Account.

The Company has transferred the Unspent amount towards the ongoing project to the First Steps Babywear Private Limited Unspent CSR Account 2023-2024. Further there are no unspent amount that are required to be transferred to a fund specified in Schedule VII of the Companies Act.

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Your Directors believe that in the coming financial year, the CSR amount as stipulated by the Companies Act will be spent on the qualifying activities.

The CSR policy has been hosted on the website of the Company and can be accessed at <https://www.firststepsindia.com/csr/index.html>

Annual Report details of CSR activities is annexed hereto as Annexure A and forms part of this report.

13. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

No agreement was entered with related parties by the Company other than the loan agreements entered into with the Subsidiary Companies.

Particulars of contracts or arrangements made with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed form AOC-2 is appended as an Annexure to the Board's report. The disclosure of transactions with related party for the year is also given under the Notes to the Financial Statements.

14. DEPOSIT:

The Company has neither accepted nor renewed any deposits during the year under review.

15. RISK MANAGEMENT POLICY:

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have also been formulated and clearly spelt out in the said policy.

16. TRANSFER TO RESERVE:

No amount was transferred to the reserves during the financial year ended 31st March, 2024.

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17. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

18. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

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

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complaint during the year 2023-2024.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

a. Conservation of Energy:

(i) The steps taken or impact on conservation of energy – Nil

(ii) The steps taken by the company for utilising alternate sources of energy: Nil.

(iii) The capital investment on energy conservation equipments: Nil.

b. Technology Absorption: The Company has not spent any amount towards Technology Absorption.

c. Foreign Exchange Earnings and Outgo:

i. Total earnings in foreign exchange - 97,283.14 Lakhs

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ii. Total outgo in foreign exchange - 23,178.95 Lakhs

21. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is applicable only for Listed Company. Hence the above data is not applicable.

22. WEB LINK OF ANNUAL RETURN:

The Company is having website i.e. www.firststepsindia.com and annual return of Company has been published on the following link:

<https://firststepsindia.com/annualreturn/index.html>.

23. BOARD'S COMMENT ON THE AUDITORS' REPORT:

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment:

24. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings

25. ESTABLISHMENT OF VIGIL MECHANISM:

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the higher levels of supervisors.

Whistle Blower Policy of your Company is available on the Company's website and can be accessed at the Web-link:

<https://firststepsindia.com/whistleblowerpolicy/index.html>.

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26. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- a) In the preparation of the annual accounts for the year ended March 31, 2024, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- 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 as at March 31,2024 and of the profit of the Company for the year ended on that date.
- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Directors have prepared the annual accounts on a 'going concern' basis.
- e) The Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.
- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

26A.PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE,2016:

No application has been made or any proceeding is pending under the IBC, 2016. Hence this clause is not applicable.

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26B. ONE TIME SETTLEMENT:

The Company has never made any one-time settlement against the loans obtained from Banks and Financial Institution during the financial year. Hence this clause is not applicable.

27. FUTURE PROSPECTS:

- The commencement of full-scale commercial operations in our wholly owned subsidiary, Colortone Textiles Pvt Ltd., has significantly reduced fabric inventory and lead times for servicing orders.
- We are planning an expansion of garmenting capacity. This plan will be solidified during the forthcoming financial year, and work on the new plant is expected to commence shortly thereafter.

28. GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- (i) Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- (iii) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

29. ACKNOWLEDGEMENT:

The Board of Directors wishes to place on record its sincere appreciation for the support and co-operation received from the shareholders, bankers, various departments of the Central and State Government, staff, vendors and the

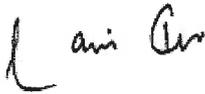
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continued patronage of the customers. The Board of Directors also wish to thank all the employees for their unstinted efforts and Co-operation. With your continued support, the Company's turnover and profits would continue to grow during this financial year.

For and on behalf of the Board



Manish Pasi
Managing Director
DIN:00369354

Place: Bangalore

Date: 12th September, 2024



Anjana Pasi
Whole Time Director
DIN:00366791

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ANNEXURE A

ANNUAL REPORT DETAILS OF CSR ACTIVITIES:

1. Brief outline of the Company's CSR policy:

The Board of Directors adopted the CSR policy on October 24, 2014. Corporate Social Responsibility (CSR) at First Steps Babywear goes beyond business and extends to the implementation of socially relevant activities for the benefit of society at large.

2. Composition of CSR Committee:

S.No	Name of the Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Manish Pasi	Managing Director	2	2
2	Anjana Pasi	Whole Time Director	2	2
3.	Mahalingam Hariharasudhan	Whole Time Director	2	2

3. Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company

<https://firststepsindia.com/csr/index.html>

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not Applicable - As the Company does not have an average CSR obligation of 10 Crores or more in the three immediately preceding financial years.

5. (a) Average net profit of the Company as per sub-section (5) of section 135: Rs. 11535.27 Lakhs

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135: Rs. 230.71 Lakhs

(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: Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 230.71 Lakhs

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

(b) Amount spent in Administrative Overheads: Nil

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(c) Amount spent on Impact Assessment, if applicable: NA

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

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

Total Amount Spent for the Financial Year (in Rs. Lakhs)	Amount Unspent (in Rs. Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of Transfer	Name of the fund	Amount	Date of Transfer
Nil	Rs. 230.71 Lakhs	30-4-2024	N.A	Nil	N.A

The Company has not spent the required CSR amount in the financial year 2023-2024 and hence the Company will spend the same within next 3 years towards the ongoing project out of the funds available in Unspent CSR Account.

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

S.No	Particulars	Amount (in Rs.Lakhs)
i.	Two percent of average net profit of the Company as per sub-section (5) of section 135	Rs. 116.36 Lakhs
ii.	Total amount spent for the Financial Year	-
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	-
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
V.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

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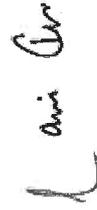
7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

S.No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account Under subsection (6) of section 135	Balance in Unspent CSR Account under Subsection (6) of section 135	Amount Spent in the Financial Year	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	Deficiency, if any
					Amount	Date of Transfer		
1	FY 2020-21*	-	-	-	-	-	-	-
2	FY 2021-22	-	-	-	-	-	-	-
3.	FY 2022-23	92.66 lakhs	92.66 Lakhs	-	-	-	-	-

* The Company had voluntarily transferred a sum of Rs. 3,41,31,070 to an escrow account in the financial year 2020-2021 to ensure the prompt implementation of the project committed

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 per cent of the average net profit as per subsection (5) of section 135: Due to delay in commencement of project as compared to approved timelines, some part of the mandatory spend with respect to ongoing project remained unspent as on 31 March 2024



Manish Pasi
Chairman, CSR Committee
DIN:00369354
Place: Bangalore
Date: 12th September, 2024



Anjana Pasi
Whole Time Director
DIN:00366791

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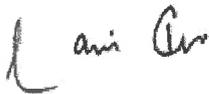
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**CONTENTS OF CSR POLICY
(APPROVED BY THE BOARD OF DIRECTORS AS ON OCTOBER 24, 2014)**

Our aim is to be one of the most respected companies in India delivering superior and sustainable value to all our customers, business partners, employees and other stake holders.

The Company's commitment to CSR projects and programmes will be by investing resources into any of the following areas:

- Improving the quality of life in rural areas;
- Eradicating hunger, poverty and malnutrition;
- Promoting healthcare including preventive healthcare;
- Employment enhancing vocational skills;
- Promotion of education including investment in technology and infrastructure in schools;
- Ensuring environmental sustainability including measures for reducing inequalities faced by socially and economically backward groups;
- Promoting Sports including rural and Olympic Sports;
- Contribution to funds for promoting technology;
- Investing in various rural development projects;
- Contributing to the Prime Minister's National Relief Fund or any other fund setup by the Central Government for development and relief; and
- Other areas approved by CSR Committee that are covered in the CSR Rules as amended from time to time.



Manish Pasi
Chairman, CSR Committee
DIN:00369354



Anjana Pasi
Whole Time Director
DIN:00366791

Place: Bangalore

Date: 12th September, 2024

**Annexure-A
Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries (Rs. In Lakhs)**

Sl. No.	1	2	3	4
Name of the subsidiary	First Steps Babywear Lanka (Private) Limited 31 st March, 2024	Colortone Textiles Private Limited 31 st March, 2024	Miniklub Retail Private Limited 31 st March, 2024	Colortone Garments Private Limited 31 st March, 2024
Reporting currency	Sri Lankan Rupee	Indian Rupee	Indian Rupee	Indian Rupee
Exchange Rate on the last day of the financial year	0.2774	-	-	-
Equity Share Capital	1532.33	9441.30	110	1018.37
Preference Share Capital	-	3558.70	6700	-
Reserves & Surplus	335.19	4771.51	(2955.75)	(36.98)
Total Assets	9102.37	75297.34	13826.16	1005.46
Total Liabilities	9102.37	75297.34	13826.16	1005.46
Investments	-	-	-	-
Turnover	25380.98	40017.80	10763.71	-
Profit before taxation	96.26	3382.80	(1185.30)	(19.80)
Provision for taxation	3.13	82.21	(283.09)	(2.82)
Profit after taxation	99.40	3300.59	(902.21)	(16.98)
Proposed Dividend	-	-	-	-

% of shareholding	100.00	99.9999	99.9999	99.9999
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Notes:

- Names of subsidiaries which are yet to commence operations – Colortone Garments Private Limited
- Names of subsidiaries which have been liquidated or sold during the year - **None**

Part "B": Associates and Joint Ventures – Not Applicable

For and on behalf of Board of Directors

Manish Pasi 

Manish Pasi Anjana Pasi

Managing Director Whole Time Director
DIN: 00369354 **DIN: 00366791**

For First Steps Babywear Private Limited

Nilesh Hasmukhray Pattani 

Nilesh Hasmukhray Pattani NH. Viswanathan
Chief Finance Officer **Company Secretary**

Place: Bangalore

Date: 12th September, 2024

FORM NO. AOC - 2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014:

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.s

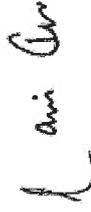
1. Details of contracts or arrangements or transactions not at arm's length basis: Nil

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name of Related Party and Nature of Relationship	Nature of Transactions	Transaction Value (Rs. In Lakhs)	Salient Terms	Date of approval by the Board	Amount paid as advances, if any:
First Steps Babywear Lanka (Private) Limited : Wholly Owned Subsidiary	Purchase	24223.61	Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis	Since Related Party Transactions are in the ordinary course of business and are at arm's length basis, approval of the board is not applicable	N/A
	Sale of Fabrics etc.	1689.37			
	Reimbursement	6.41			
	Receipts	1951.02			
	Payments	19842.42			
Sale of Machines	90.56				
Miniklub Retail Private Limited - Wholly Owned Subsidiary	Reimbursement	58.28			N/A
	Sale of Garments	384.07			
	Interest Income	112.12			
	Loans and Advances	1965.00			
	Purchases	129.37			
Sale of Trademark	159.11				

Name of Related Party and Nature of Relationship	Nature of Transactions	Transaction Value (Rs. In Lakhs)	Salient Terms	Date of approval by the Board	Amount paid as advances, if any: (Rs. In Lakhs)
Colortone Textiles Private Limited : Wholly Owned Subsidiary	Investment	6405.66	Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis	Since Related Party Transactions are in the ordinary course of business and are at arm's length basis, approval of the board is not applicable	4811.79
	Reimbursement	260.63			
	Purchases and Job work	23076.50			
	Sales	986.97			
	Corporate Loan	7400.00			
	Interest on Loan	217.68			
Colortone Garments Private Limited : Wholly Owned Subsidiary	Commission Income	42.00			
	Investment	1008.37			0.79
	Reimbursement	1.26			

For and on behalf of the Board



Manish Pasi
Director

DIN: 00369354

Place: Bangalore

Date: 12th September, 2024



Anjana Pasi
Director

DIN: 00366791

Independent Auditor's Report

To the Members of FIRST STEPS BABYWEAR PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **FIRST STEPS BABYWEAR PRIVATE LIMITED** ("the Company"), having its registered office at 235-D, Bommasandra Industrial Area, Phase III, Hosur Road, Bangalore - 560 099 which comprise the Balance Sheet as at **31st March 2024**, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at **31st March 2024**, and its **profit**, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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



Key Audit Matters

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

S. No	Key Audit Matter	Auditor's Responses
1	<p>Application of IND AS 116</p> <p>Ind AS 116 – “Leases” introduces a lease accounting model, whereby lessees are required to recognise a right-of-use assets (ROU) and a lease liability arising from a lease on its balance sheet.</p> <p>Significant judgement is required in determining whether a contract is appropriately identified as being within or outside the scope of Ind AS 116, assessment of lease term and determination of appropriate incremental borrowing rate there by affecting the measurement of lease liability and corresponding ROU asset.</p> <p>In view of the above we have identified measurement of lease liability and corresponding ROU asset determination as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>In view of the significance of the matter, we applied the following audit procedures in this area, among other procedures, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none">• We assessed the appropriateness of the accounting policy for leases.• We examined relevant contracts on a sample basis to identify those which may contain a lease and tested whether the same has been so accounted for.• We examined sample contracts to evaluate whether Company's determination of the lease term is appropriate.• On a sample basis, we have assessed the appropriateness of incremental borrowing rate considered for calculating the lease obligation. We have also involved specialists to evaluate key assumptions/ judgements relating to the discount rate considered by the Company.• For samples selected using statistical sampling, we verified that the amounts considered for calculations of ROU assets and lease liabilities are in accordance with the terms of the contract.• Assessed the adequacy of the disclosures included in the standalone financial statements



Information Other than the Standalone Financial Statements and Auditor's Report Thereon

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those charged with governance for the Standalone Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.



As part of an audit in accordance with Standards on Auditing, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

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

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



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 Ind AS specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
 - (g) The provisions of Section 197(16) of the Act is not applicable to the Company, hence reporting under the same is not required;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company doesn't have any pending litigations as on 31st March, 2024 other than stated in the Note.36 to financial statement;
 - (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31 March 2024;
 - (iii) There has been no delay in transferring amounts, required to be transferred, 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 (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;

(v) The company has not declared any dividends during the year;

(vi) Based on our examination, which included test check, the company has used accounting software for maintaining its books of account which has a feature of recording the audit trail (edit log) facility has been operating throughout the year for all relevant transactions recorded in the software. Further, during the audit we did not come across any instance of audit trail feature being tampered with;

As proviso to Rule 3(1) of the Companies (Account) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

for Raghavan, Chaudhuri & Narayanan

Chartered Accountants

FRN: 007761S



Kiran Roy Chaudhuri

Partner

Membership No. 027360

Place : Bengaluru

Date : 12th September 2024

UDIN : 24027360BKDCML5110



Annexure 'A' to Independent Auditors' Report - 31st March 2024 (Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets;
 - (B) The Company has maintained proper records showing full particulars of intangible assets;
 - (b) The company has a regular program of physically verifying all the Property, Plant and Equipment at its plants/ offices in a phased manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification;
 - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the standalone financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date;
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year;
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies noticed on such physical verification, were less than 10% in aggregate for each class of inventory and have been properly dealt within the books of account;

In respect of inventories with third parties, which have not been physically verified, there is a process of obtaining confirmation from such parties;

- (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore during the year, from banks on the basis of security of current assets and in our opinion, the quarterly returns or statements filed by the company are in agreement with the books of the accounts;



- iii. (a) The Company has provided loans in the nature of loans to its subsidiaries, and provided for guarantee, or security to subsidiaries & made investments in subsidiaries during the year as per details given below:

Particulars	Guarantees	Loans	Investments
Aggregate amount provided / granted/ invested during the year - Subsidiaries	Rs. 4200.00 Lakhs	Rs. 9365.00 Lakhs	Rs. 7414.02 Lakhs
Balance outstanding as at balance sheet date in respect of above cases: - Subsidiaries	Rs. 38200.00 Lakhs	Rs. 10,065.00 Lakhs	Rs. 18,533.68 Lakhs

- (b) In our opinion, and according to the information and explanations given to us, the Loans granted, investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company;
- (c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amount and receipts of interest are regular as per stipulation;
- (d) According to the information and explanation given to us, in respect of loans and advances there is no overdue amount as at balance sheet;
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties;
- (f) The Company has not provided advances in the nature of loans repayable on demand or without specification of any terms or period of repayment;
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of 186 of the Act in respect of investments & loans granted. Further, in our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of guarantees provided;
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable;



vii. In respect of statutory dues:

- (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and service tax, duty of customs, and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable;
- (b) There are no dues in respect of income tax, sales tax, Goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with appropriate authorities on account of any disputes except the following;

Name of the Statute	Nature of the dues	Period to which the amount relate	Forum where dispute is pending	Amount Involved (Rs. In Lakhs)
Income Tax Act, 1961	Income Tax Penalty proceed	FY 2016-17	CIT (Appeal)	5.00

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);

- ix. (a) The Company has not defaulted in repayment of loans or borrowings to any lender during the year;
- (b) 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 given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained;
- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company;
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting on clause 3(ix)(e) of the order is not applicable;
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;



- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed reported during the year;
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;
- (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 and hence reporting under clause (xii) of the Order is not applicable;
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act;
- xiv (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under the audit, issued to the company during the year and till date, in determining the nature, timing and extent of our audit procedure;
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;
- xviii. There has been no resignation of the statutory auditors of the Company during the year;



- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- xx. (a) According to the information and explanations given to us in respect of other than ongoing project, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note No. 43 to the Standalone financial statements;
- (b) According to the information and explanations given to us and based on the records, there are no unspent amounts in respect of ongoing projects that are required to be transferred as company has already transferred.

for Raghavan, Chaudhuri & Narayanan
Chartered Accountants
FRN: 007761S




Kiran Roy Chaudhuri
Partner

Membership No. 027360

Place : Bengaluru

Date : 12th September 2024

UDIN : 24027360BKDCML5110

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of FIRST STEPS BABYWEAR PRIVATE LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls over financial reporting of FIRST STEPS BABYWEAR PRIVATE LIMITED (the “Company”) as of March 31, 2024 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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;
- (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 over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the criteria for internal financial control over financial reporting 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 ICAI.

for **Raghavan, Chaudhuri & Narayanan**

Chartered Accountants

FRN: 007761S



Kiran Roy Chaudhuri

Partner

Membership No. 027360

Place : Bengaluru

Date : 12th September 2024

UDIN : 24027360BKDCML5110



M/s FIRST STEPS BABYWEAR PRIVATE LIMITED			
235-D, Bommasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099			
CIN: U17114KA2001PTC029486			
Status: Private limited Company			Previous year: 2023-24
PAN: AAACF6128K			Assessment year: 2024-25
Date of Incorporation: 04th September 2001			
Statement of Computation of Income tax for AY 2024-25			
Particulars	Amount	Amount	Amount
Income From Business:			
Net profit as per Profit & Loss a/c			96,89,79,129
Add: Inadmissible Expenses			
Depreciation as per books	8,77,74,872		
Loss on Sale of Assets	70,81,074		
Disallowed u/s 40(a)(ia)			
Audit Fees	4,64,100		
Disallowed u/s 40 A (3)			
Cash Payments above 10,000 in a day	26,05,781		
Disallowed u/s 37			
CSR provision	2,31,37,304		
Donations	3,20,093		
Interest on TDS/TCS default	26,168		
Provision:			
GST Refund filing	5,60,000		
CST	39,46,116		
Interest on CST	51,39,078		
Lease rent	8,70,336		
Printing & Processing Charges	4,61,349		
Job Work Charges	3,21,025		
Disallowed u/s 36			
PF late payment	1,17,174		
Disallowed u/s 43B			
Bonus	5,12,32,713		
Leave Wages	4,24,15,499		
Provision for Bad debts	29,08,527		
Gratuity disallowance	2,71,34,518		
Add Ind AS Adjustment			
Amortisation as per Ind As 116	6,26,18,272		
Interest Expenses as per Ind AS 116	2,99,14,772		
Rent Expenses amortised - IND AS 109	21,37,862		
			35,11,86,633
			1,32,01,65,762
Less: Income considered Separately			
Interest Income	4,23,13,763		
Long Term Capital Gain on Mutual Funds	3,31,69,549		
Sale of Trademark			
Less: Admissible Expenses			
Audit Fees	5,66,419		
Leave Paid during the year	3,80,41,336		
Leave Wages paid before filling of returns	29,01,411		
Bonus Paid during the year	2,36,09,973		
Bonus paid before the due date of 139(1)	53,96,836		
Depreciation as per Income Tax	7,90,56,153		
Fair Valuation of Financial Asset	1,79,85,034		
Less: Ind AS adjustments			
Rent Expenses - IND AS 116	7,50,08,322		
Interest Income on Fair Valuation - IND AS 109	18,70,436		
			(31,99,19,231)
Income From Business			1,00,02,46,531

M/s FIRST STEPS BABYWEAR PRIVATE LIMITED
 235-D, Bommasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099
 CIN: U17114KA2001PTC029486
 Status: Private limited Company
 PAN: AAACF6128K
 Date of Incorporation: 04th September 2001

Previous year: 2023-24
 Assessment year: 2024-25

Statement of Computation of Income tax for AY 2024-25

Particulars	Amount	Amount
Short term capital gain on mutual funds		
Capital gain on mutual funds	3,31,69,548	
Capital gain on Sale of Trademark		
Income from Capital Gain		3,31,69,548
Interest Income from Deposits	4,23,13,763	
Income From Other sources		4,23,13,763
GROSS TOTAL INCOME		1,07,57,29,842
Less: Deduction U/S 80 G		-
Less: Deduction U/S 80 JJAA		-
NET TAXABLE INCOME		1,07,57,29,842

Statement of Computation of Tax

Tax Liability under normal rates (U/s 115BAA)		26,03,26,622
Tax Liability u/s 115JB		-
Tax payable-Higher of above		26,03,26,622
Add: Education Cess @ 4% (Including 1% higher education cess)		1,04,13,065
NET TAX PAYABLE		27,07,39,687
Less: T.D.S. receivable		51,81,499
Less: T.C.S. receivable		7,950
Less: Advance Tax		27,00,00,000
Balance Payable/(Refund Due)		(44,49,762)
Add: Interest U/s 234A		
Add: Interest U/s 234B		
Add: Interest U/s 234C		
Less: Self Assessment tax paid		
Balance Tax Payable/(Refund due)		(44,49,762)
BALANCE TAX REFUND		(44,49,760)

for and on behalf of Board of Directors
 for First Steps Babywear Private Limited



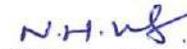
Manish Pasi
 Managing Director
 DIN:00369354


Niles Hasmukhray Pattani
 Chief Finance Officer
 Place: Bengaluru

Date: 12th September 2024



Anjana Pasi
 Whole Time Director
 DIN:00366721


N.H. Viswanathan
 Company Secretary

FIRST STEPS BABYWEAR PRIVATE LIMITED			
235-D, Bommasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099			
Standalone Statement of Balance Sheet as at 31st March 2024			
(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)			
Particulars	Notes	As at 31st March 2024	As at 31st March 2023
ASSETS			
Non-Current Assets			
Property, plant and equipment	2	8,472.14	8,925.69
Other intangible assets	2a	114.83	138.83
Right-to-use assets	3	3,404.62	3,248.11
Financial assets			
(i) Investments	4	25,947.70	18,533.68
(ii) Loans	5	2,699.72	763.78
(iii) Other Financial Assets	6	458.51	488.98
Other Non-Current assets	7	181.40	145.02
Total Non-Current assets		41,278.92	32,244.09
Current Assets			
Inventories	8	10,678.51	10,211.58
Financial assets			
(i) Investments	4a	3,836.00	4,262.91
(ii) Trade receivables	9	14,736.10	16,607.35
(iii) Cash and cash equivalents	10	5,021.79	3,082.72
(iv) Bank balances other than (iii) above	11	274.04	1,275.19
(v) Loans	5	7,417.67	32.82
(vi) Other financial Assets	6	262.87	38.89
Current tax assets (net)	12	49.06	-
Other Current Assets	7	5,150.97	10,487.60
Total Current Assets		47,427.01	45,999.06
Total Assets		88,705.93	78,243.15
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	925.00	925.00
Other equity	14	60,189.69	53,023.32
Total Equity		61,114.69	53,948.32
Liabilities			
Non-Current Liabilities			
Financial liabilities			
(i) Borrowings	15	950.00	1,700.00
(ii) Lease Liability	16	3,218.01	3,029.74
Deferred tax liabilities (Net)	17	412.68	516.80
Total Non-Current Liabilities		4,580.69	5,246.54
Current Liabilities			
Financial liabilities			
(i) Borrowings	15	9,659.34	9,370.49
(ii) Lease liability	16	565.25	443.46
(iii) Trade payables	18		
a) Total outstanding dues to micro and small enterprises		328.04	470.37
b) Total outstanding of creditors other than micro and small		9,965.31	4,769.36
(iv) Other Financial Liabilities	19	1,140.66	1,196.31
Other Current liabilities	20	345.32	365.77
Provisions	21	1,006.63	1,297.27
Current Tax Liabilities (net)	12	-	1,135.26
Total Current Liabilities		23,010.55	19,048.29
Total Liabilities		27,591.24	24,294.83
Total Equity and Liabilities		88,705.93	78,243.15
Material Accounting Policies			
1			

The accompanying notes are an integral part of these financial statements

for Raghavan, Chaudhuri & Narayanan
Chartered Accountants
FRN : 007761S

Kiran Roy Chaudhari
Partner
Membership No.: 027360
Place : Bengaluru
Date: 12th September 2024
UDIN: 24027360BKDCML5110



for and on behalf of the Board of Directors

Manish Pasi
Managing Director
DIN:00369354

Nilesh Hasmukhray Pattani
Chief Finance Officer
Place : Bengaluru
Date: 12th September 2024

Arjana Pasi
Whole Time Director
DIN:00366791

NH.Viswanathan
Company Secretary

FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099

Standalone Statement of Profit and Loss for the year ended 31 March 2024*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)*

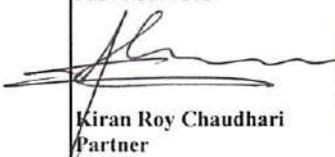
	Particulars	Notes	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
I	Income			
	Revenue from operations	22	1,06,407.49	1,11,000.41
	Other income	23	2,146.92	1,071.00
	Total income		1,08,554.41	1,12,071.41
II	Expenses			
	Cost of materials consumed	24	63,732.02	49,704.87
	Changes in inventories of finished goods, work-in-process and Stock-in-Trade	25	(1,186.10)	1,756.20
	Employee benefit expenses	26	20,999.25	19,313.72
	Finance costs	27	1,971.74	1,939.68
	Depreciation and amortisation expense	28	1,503.93	1,525.97
	Other expenses	29	11,843.77	16,373.19
	Total expenses		98,864.61	90,613.63
III	Profit before exceptional items and tax		9,689.80	21,457.78
IV	Exceptional items - income / (expense)		-	-
V	Profit before tax		9,689.80	21,457.78
VI	Income tax expense			
	Current tax	30	2,763.75	5,765.86
	Deferred tax charge/(credit)	31	(138.40)	(237.29)
VII	Total Tax Expense		2,625.35	5,528.57
	Profit for the year		7,064.45	15,929.21
VIII	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		37.23	(104.21)
	Income tax relating to these items		(9.37)	26.23
	Items that will be reclassified to profit or loss			
	Transactions relating to Derivative instruments		98.97	(190.49)
	Income tax relating to these items		(24.91)	47.98
	Other comprehensive income for the year, net of tax		101.92	(220.49)
IX	Total comprehensive income for the year		7,166.37	15,708.72
X	Earnings per equity share:			
	Basic & Diluted earnings per share		763.72	1,722.08
			763.72	1,722.08

The accompanying notes are an integral part of these financial statements

for **Raghavan, Chaudhuri & Narayanan**

Chartered Accountants

FRN : 007761S



Kiran Roy Chaudhari
Partner

Membership No.: 027360

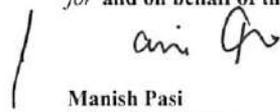
Place : Bengaluru

Date: 12th September 2024

UDIN: 24027360BKDCML5110



for and on behalf of the Board of Directors



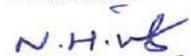
Manish Pasi
Managing Director
DIN:00369354



Nilesh Hasmukhraj Pattani
Chief Finance Officer
Place : Bengaluru
Date: 12th September 2024



Anjana Pasi
Whole Time Director
DIN:00366791



N.H.Viswanathan
Company Secretary

FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099

Cash Flow Statement for the year ended 31st March 2024

(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)

Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Cash flow from operating activities		
Profit before tax from continuing operations	9,689.80	21,457.78
Adjusted for:		
Depreciation / Amortization and Depletion Expense	1,503.93	1,525.97
(Profit) / Loss on sale of fixed assets	70.81	(12.12)
Foreign Fluctuation loss/(profit)	(117.31)	-
Interest expense	1,971.74	1,939.68
Interest income	(423.20)	(130.94)
Interest on fair valuation	(18.70)	(19.12)
Fair Valuation of Assets & Liabilities	(43.65)	256.75
Income from Investment	(331.70)	(68.04)
Operating profit before working capital changes	12,301.72	24,949.96
Adjusted for:		
Trade Payables	5,053.62	(1,944.96)
Short Term Provisions	(290.64)	(109.87)
Other Current Liabilities	(20.45)	(80.32)
Other financial current liabilities	(55.65)	50.69
Trade Receivables	1,988.56	(8,708.62)
Inventories	(466.93)	7,328.14
Other financial assets - current	(304.14)	(2.53)
Other financial assets non current	30.47	(47.02)
Other Current Assets	4,146.31	1,002.90
Other non-current assets	(36.38)	(3.13)
Tax expense	(2,568.92)	(4,600.10)
Net Cash flow from / (Used) in operating activities (A)	19,777.57	17,835.14
Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(562.14)	(364.06)
Proceeds from Disposal of Property, Plant & Equipment	91.16	105.61
Purchase of Mutual fund	(2,758.21)	(5,830.00)
Proceeds from sale of mutual fund investment	3,608.11	1,200.00
Investment in subsidiary	(7,414.02)	-
Amount given as loan	(9,320.79)	(726.34)
Interest received	423.20	122.61
Other Bank Balance	1,001.15	(1,275.19)
Net cash flow from / (Used) in Investing activities (B)	(14,931.54)	(6,767.37)
Cash flow from financing activities		
Proceeds/(Repayment) from Short Term Borrowings (net)	288.85	(7,333.00)
Proceeds/(Repayment) from Long Term Borrowings (net)	(750.00)	(769.42)
Repayment of lease liability	(773.22)	(621.90)
Interest Expense	(1,672.59)	(1,678.34)
Net cash flow from / (Used) in financing activities (C)	(2,906.96)	(10,402.66)
Net increase in cash and cash equivalents (A + B + C)	1,939.07	665.11
Cash and cash equivalents at the beginning of the year	3,082.72	2,417.61
Cash and cash equivalents at the end of the year	5,021.79	3,082.72

for Raghavan, Chaudhuri & Narayanan

Chartered Accountants

FRN : 007761S





Karan Roy Chaudhari
Partner

Membership No. : 027360

Place : Bengaluru

Date: 12th September 2024

UDIN: 24027360BKDCML5110

for and on behalf of the Board of Directors



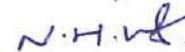
Manish Pasi
Managing Director
DIN:00369354



Anjana Pasi
Whole Time Director
DIN:00366791



Niles Hasmukhray Pattani
Chief Finance Officer
Place : Bengaluru
Date: 12th September 2024



NH. Viswanathan
Company Secretary

FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D Bommasandra Indl Area Phase III Hosur Road Bangalore - 560 099

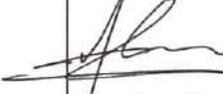
Standalone Statement of Change in Equity for year ended 31st March 2024*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)***A. Equity Share Capital**

Particulars	No. of Shares	Amount
As at 31st March, 2022	9,25,000	925
Changes in equity share capital during the year	-	-
As at 31st March, 2023	9,25,000	925
Changes in equity share capital during the year	-	-
As at 31st March, 2024	9,25,000	925

B Other Equity

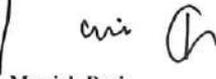
Particulars	Reserves and surplus		Other reserves	Total
	General Reserve	Retained Earnings	Fair Value through Other Comprehensive Income	
Balance as at March 31, 2022	250.66	36,509.16	554.79	37,314.61
Add : Profit for the period	-	15,929.21	-	15,929.21
Add : Other comprehensive income	-	-	(220.50)	(220.50)
Total Adjustment	-	15,929.21	(220.50)	15,708.71
Balance as at March 31, 2023	250.66	52,438.37	334.29	53,023.32
Add : Profit for the period	-	7,064.45	-	7,064.45
Add : Other comprehensive income	-	-	101.92	101.92
Total Adjustment	-	7,064.45	101.92	7,166.37
Balance as at March 31, 2024	250.66	59,502.82	436.21	60,189.69

As per our report annexed
for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN : 007761S


Kiran Roy Chaudhari
Partner
Membership No.: 027360
Place : Bengaluru
Date: 12th September 2024
UDIN: 24027360BKDCML5110

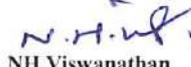


for and on behalf of the Board of Directors


Manish Pasi
Managing Director
DIN:00369354


Nilesh Hasmukhray Pattani
Chief Finance Officer
Place : Bengaluru
Date: 12th September 2024


Anjana Pasi
Whole Time Director
DIN:00366791


NH.Viswanathan
Company Secretary

FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099

Notes forming part of Financial Statements*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)*

As at 31st March 2024										
2 Property, Plant and Equipment(PPE)										
Particulars	Gross Block				Depreciation Block				WDV	
	As at 01-04-2023	Addition	Deletion	As at 31-03-2024	As at 01-04-2023	For the year	On additions	With drawn	As at 31-03-2024	As at 31-03-2024
Building	4,575.47	25.67	-	4,601.14	1,052.73	144.46	0.29	-	1,197.49	3,403.65
Plant & Machinery	6,037.69	204.91	254.89	5,987.71	3,035.51	324.15	7.00	93.13	3,273.53	2,714.18
Electrical Installation	1,472.34	70.36	-	1,542.70	1,041.87	90.80	2.47	-	1,135.13	407.57
Lab Equipments	44.54	3.56	-	48.10	30.40	2.29	0.06	-	32.75	15.35
Office Equipments	590.94	99.27	-	690.21	495.79	27.06	6.89	-	529.75	160.46
Computers	466.89	70.48	-	537.38	408.64	20.99	8.96	-	438.59	98.78
Furniture & Fixtures	1,793.19	73.59	-	1,866.78	1,377.68	107.37	3.19	-	1,488.24	378.54
Vehicles	386.24	7.51	3.72	390.03	137.00	30.95	0.13	3.54	164.54	225.49
Windmill	912.00	-	-	912.00	519.10	38.59	-	-	557.69	354.31
Solar Plant	612.65	-	-	612.65	228.84	29.10	-	-	257.94	354.71
Lease Hold Land	216.97	-	-	216.97	33.21	2.21	-	-	35.42	181.55
Land - Shoolagiri	177.55	-	-	177.55	-	-	-	-	-	177.55
Total PPE	17,286.47	555.36	258.61	17,583.22	8,360.78	817.98	28.99	96.67	9,111.07	8,472.14
2a Other Intangible Assets										
Particulars	Gross Block				Amortization Block				WDV	
	As at 01-04-2023	Addition	Deletion	As at 31-03-2024	As at 01-04-2023	For the year	On additions	With drawn	As at 31-03-2024	As at 31-03-2024
Softwares & Servers	210.05	6.79	-	216.84	71.23	30.03	0.75	-	102.01	114.83
Total	210.05	6.79	-	216.84	71.23	30.03	0.75	-	102.01	114.83



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099

Notes forming part of Financial Statements*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)*

As at 31st March 2023										
2 Property, Plant and Equipment(PPE)										
Particulars	Gross Block				Depreciation Block				WDV	
	As at 01-04-2022	Addition	Deletion	As at 31-03-2023	As at 01-04-2022	For the year	On additions	With drawn	As at 31-03-2023	As at 31-03-2023
Building	4,553.41	22.06	-	4,575.47	908.81	143.76	0.16	-	1,052.73	3,522.73
Plant & Machinery	5,931.34	123.62	17.28	6,037.69	2,691.66	348.11	5.39	9.64	3,035.51	3,002.18
Electrical Installation	1,455.83	16.51	-	1,472.34	925.13	115.58	1.15	-	1,041.87	430.47
Lab Equipments	67.12	1.96	24.54	44.54	44.17	3.77	0.09	17.63	30.40	14.14
Office Equipments	569.52	31.74	10.33	590.94	447.80	48.25	3.38	3.63	495.79	95.14
Computers	428.06	38.83	-	466.89	375.28	24.22	9.15	-	408.64	58.25
Furniture & Fixtures	1,778.03	15.16	-	1,793.19	1,244.22	132.63	0.83	-	1,377.68	415.51
Vehicles	441.43	99.16	154.35	386.24	185.47	28.71	4.92	82.10	137.00	249.24
Windmill	912.00	-	-	912.00	480.51	38.59	-	-	519.10	392.90
Solar Plant	612.65	-	-	612.65	199.74	29.10	-	-	228.84	383.81
Lease Hold Land	216.97	-	-	216.97	31.00	2.21	-	-	33.21	183.76
Land - Shoolagiri	177.55	-	-	177.55	-	-	-	-	-	177.55
Total PPE	17,143.91	349.06	206.50	17,286.47	7,533.78	914.94	25.06	113.01	8,360.78	8,925.69
2a Other Intangible Assets										
Particulars	Gross Block				Amortization Block				WDV	
	As at 01-04-2022	Addition	Deletion	As at 31-03-2023	As at 01-04-2022	For the year	On additions	With drawn	As at 31-03-2023	As at 31-03-2023
Softwares & Servers	195.05	15.00	-	210.05	40.66	30.52	0.05	-	71.23	138.83
Total	195.05	15.00	-	210.05	40.66	30.52	0.05	-	71.23	138.83



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D Bommasandra Indl Area Phase III Hosur Road Bangalore - 560 099

Notes forming part of Financial Statements*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)*

3 Right to use Asset			
Particulars		Amount	
Gross carrying amount			
Balance as at 31 March 2022		5,933.56	
Additions/ Modifications		1,265.48	
Deduction		-	
Balance as at 31 March 2023		7,199.04	
Additions/ Modifications		784.12	
Deduction		1.43	
Balance as at 31 March 2024		7,981.73	
Accumulated amortization			
Balance as at 31 March 2022		3,395.53	
Additions		555.40	
Deduction		-	
Balance as at 31 March 2023		3,950.93	
Additions		626.18	
Deduction		-	
Balance as at 31 March 2024		4,577.11	
Net carrying amount			
Written down value as at 31 March 2023		3,248.11	
Written down value as at 31 March 2024		3,404.62	
4 Non Current Investments			
Particulars		As at 31st March 2024	As at 31st March 2023
a. Investment in Equity Instruments of Subsidiary Companies			
- First steps Babywear Lanka Pvt Ltd.(31 March 2024:55,23,928, 1 April 2023: 55,23,928) equity shares of Lankan Rupee.100 each]	Subsidiary	2,272.38	2,272.38
- Mini Klub Retail P Ltd[(31 March 2024: 1,10,000, 1 April 2023: 1,10,000) equity shares of Rs.100 each]	Subsidiary	110.00	110.00
- Colortone Garments Private limited [(31 March 2024: 10,18,365, 1 April 2023: 10,000) Equity shares of Rs.100 each]	Subsidiary	1,018.36	10.00
- Colortone Textiles Pvt Ltd [(31 Mar 2024: 94,41,300, 1 April 2023: 94,41,300) equity shares of Rs.100 each]	Subsidiary	9,441.30	9,441.30
b. Investment in Preference shares of Subsidiary Company			
- Investments in Zero coupon optionally Convertible & Redeemable Preference Shares of MiniKlub Private Limited (67,00,000 preferential shares of Rs.100 each)	Subsidiary	6,700.00	6,700.00
-Investment in 0% Optionally Convertible & Redeemable Preference Shares of Colortone Textiles P Ltd. (35,58,700 preferential shares of Rs.100 each)	Subsidiary	6,405.66	-
Total		25,947.70	18,533.68
4a Current Investments			
Particulars		As at 31.03.2024	As at 31.03.2023
a) Investments in Mutual Funds			
- ICICI Prudential Ultra Short Term - Direct Plan - Growth		3,836.00	2,313.01
- Investments - BOI Liquid Fund		-	1,949.90
Total		3,836.00	4,262.91



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)

5 Loans		
Particulars	As at 31st March 2024	As at 31st March 2023
Non- Current		
Loan to related parties		
- MiniKlub Private Limited*	2,665.00	763.22
- Colortone Textile Private Limited**	-	-
Loans to Employees - Recoverable after 12 Months	34.72	0.56
Total	2,699.72	763.78
<i>(Refer note 40 & 45- Related party transaction)</i>		
<i>*The additional unsecured loan of Rs. 1965.00 lakhs given to the wholly owned subsidiary of the company, MiniKlub during the year. The repayment period for the loan amounts disbursed will commence on 1st Day of April 2028. The loan amount disbursed in tranches will be repaid along with interest on a lump-sum and periodical basis. The rate of interest applicable to the loan is 8% per annum.</i>		
Particulars	As at 31st March 2024	As at 31st March 2023
Current		
Loan to related parties - CTPL*		
- Colortone Textile Private Limited**	7,400.00	
Loans to Employees**	52.39	33.38
Less: Recoverable after 12 months	(34.72)	(0.56)
Total	7,417.67	32.82
<i>(Refer note 40 & 45- Related party transaction)</i>		
<i>*The additional unsecured loan of Rs. 7400.00 lakhs given to the wholly owned subsidiary of the company, Colortone Textile Private Limited during the year. The repayment period for the loan amounts disbursed will be payable during the year FY 24-25. The loan amount disbursed in tranches will be repaid along with interest on a lump-sum and periodical basis. The rate of interest applicable to the loan is 8.5% per annum.</i>		
<i>**Loans to employees are interest free loans</i>		
6 Other Financial Assets		
Particulars	As at 31st March 2024	As at 31st March 2023
Non Current		
(Unsecured considered good)		
Rental Deposits	293.55	309.87
Receivable Others	52.85	179.11
Interest receivable from related parties*	112.11	-
Total	458.51	488.98
Current		
(Unsecured considered good)		
Derivative Financial Asset	25.03	-
Receivable Others	41.93	38.89
Interest receivable from related parties*	195.91	
Total	262.87	38.89
<i>(*Refer note 40 - Related party transaction)</i>		
7 Other Non-Current/ Current assets		
Particulars	As at 31st March 2024	As at 31st March 2023
Non-current		
Deposit With Government Departments	140.31	136.91
Deposits for Gas, Fuel, Canteen supplies etc with Private agencies.	8.41	8.11
Prepaid Expenses	32.68	
Total	181.40	145.02
Current		
Incentives Receivable	1,911.45	609.95
GST Receivable	1,929.88	3,575.50
Advances payments to Suppliers and Service providers		
-Others	661.10	284.75
-Related party*	11.40	5,136.92
Prepaid Expenses	423.48	377.36
Employee Benefit Asset**	198.02	418.96
Other Current Assets	15.64	84.16
Total	5,150.97	10,487.60
<i>(*Refer note 40 - Related party transaction)</i>		
<i>(**Refer note 35- Employee Benefit)</i>		



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Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)

8 Inventories		
Particulars	As at 31st March 2024	As at 31st March 2023
(Valued at lower of cost and net realisable values and as certified by the Management)		
Raw materials, trims, accessories and spares	4,015.06	4,920.86
Semi-finished goods	3,871.66	2,688.80
Finished goods	2,528.02	2,524.78
Goods in Transit	263.77	77.14
Total	10,678.51	10,211.58

9 Trade Receivables		
Particulars	As at 31st March 2024	As at 31st March 2023
Unsecured, considered good		
- related party	1,870.31	3,757.93
- others	12,865.79	12,849.42
Unsecured, considered doubtful		
- related party	-	-
- others	29.08	-
Provision for the doubtful debts	(29.08)	-
Total	14,736.10	16,607.35
* Includes receivables from related party (refer note 40)		

A. Trade receivable ageing schedule for the year ended as on 31st March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	13,404.23	467.00	791.55	73.32	-	14,736.10
Undisputed trade receivables- increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	25.54	2.81	0.73	29.08
Disputed trade receivables- considered good	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-
Total	13,404.23	467.00	817.09	76.13	0.73	14,765.18
Less: Provision for doubtful debts	-	-	25.54	2.81	0.73	29.08
Total trade receivable as at 31 March 2024	13,404.23	467.00	791.55	73.32	-	14,736.10

B. Trade receivable ageing schedule for the year ended as on 31st March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	less than 6 Months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables- considered good	15,814.69	577.00	215.67	-	-	16,607.35
Undisputed trade receivables- increase in credit risk	-	-	-	-	-	-
Undisputed trade receivables-credit impaired	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-
Total	15,814.69	577.00	215.67	-	-	16,607.35
Less: Allowance for credit loss	-	-	-	-	-	-
Total trade receivable as at 31 March 2023	15,814.69	577.00	215.67	-	-	16,607.35



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Notes forming part of Financial Statements*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)*

10 Cash and cash equivalents			
Particulars		As at 31st March 2024	As at 31st March 2023
Cash on hand		15.86	20.41
Balances with banks			
- in current Account		3,943.01	3,053.98
- Deposits with maturity of less than 3 months		1,046.20	-
- interest receivable on FD		16.72	8.33
Total		5,021.79	3,082.72
11 Other balance with bank			
Particulars		As at 31st March 2024	As at 31st March 2023
Deposits with maturity of more than 3 months		89.45	1,099.77
In earmarked accounts*		184.59	175.42
Total		274.04	1,275.19
<i>*Company had deposited amount of Rs. 94.44 lakhs & Rs. 90.15 lakhs with BOI as guarantee for EPC/PCFC loan and letter of credit respectively</i>			
12 Current Taxes (net)			
Particulars		As at 31st March 2024	As at 31st March 2023
Taxes paid		2,700.00	4,600.10
Less: Provision for tax		(2,707.40)	(5,755.34)
Income Tax Refund due		4.70	1.07
TCS Receivable		0.08	0.76
TDS receivable		51.68	18.15
Total		49.06	(1,135.26)



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Notes forming part of Financial Statements*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)***13 a) Details of authorized, issued and subscribed share capital**

Particulars	As at	As at
	31st March 2024	31st March 2023
Share Capital		
Authorized Share Capital		
18,00,000 equity shares of Rs.100/- each	1,800.00	1,800.00
10,00,000 8% Cumulative convertible preference shares of Rs.100 each	1,000.00	1,000.00
Issued, subscribed and paid up capital		
9,25,000 equity share of Rs.100/- each fully paid up	925.00	925.00

b) Reconciliation of shares at the beginning and end of the period

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	9,25,000	925.00	9,25,000	925.00
Add: Fresh Shares issued and allotted for cash during the period	-	-	-	-
Less: Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the year	9,25,000	925.00	9,25,000	925.00

c) Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	As at 31st March 2024		As at 31st March 2023	
	No. of shares	% Holding	No. of shares	% Holding
First Steps Clothing International Pvt Ltd	3,75,000	40.54%	3,75,000	40.54%
Anjana pasi	2,89,191	31.26%	2,89,191	31.26%
Manish Pasi	2,60,809	28.20%	2,60,809	28.20%
Total	9,25,000	100.00%	9,25,000	100.00%

d) Details of shares held by the promoters at the end of the year

Promoter Name	No. of shares	% of shares	No. of shares	% of shares
Anjana pasi	2,89,191	31%	2,89,191	31%
Manish Pasi	2,60,809	28%	2,60,809	28%

During the Year there is no change in the percentage of holding by the promoters

e) Terms / Rights attached to shares:

The company has only one class of equity shares. Each holder of equity shares is entitled to one vote in respect of each equity share held by him. Equity dividend proposed by the directors is subject to approval by the shareholders in the ensuing Annual General meeting.

14 Other Equity

Particulars	As at 31st March 2024	As at 31st March 2023
General Reserve		
Balance at the beginning of the year	250.66	250.66
Add/(less): Movement during the year	-	-
Balance at the end of the year	250.66	250.66
Retained Earnings		
Balance at the beginning of the year	52,438.37	36,509.16
Add: Profit for the year	7,064.45	15,929.21
Less: Dividend paid	-	-
Balance at the end of the year	59,502.82	52,438.37
Other Comprehensive Income		
Balance at the beginning of the year	334.29	554.79
Add/(less): profit/(loss) for the period	101.92	(220.50)
Add: IND AS impact on slump sale	-	-
Balance at the end of the year	436.21	334.29
Total reserve at the end of the year	60,189.69	53,023.32



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15 Borrowings			
Particulars	As at 31st March 2024	As at 31st March 2023	
Non Current			
Secured			
(i) Term Loan - 1	700.00	1,050.00	
(ii) Term Loan - 2 (refer note 1)	1,000.00	1,400.00	
(iii) Vehicle Loan (refer note 2)	-	19.42	
	1,700.00	2,469.42	
Less: Current maturities of term loan disclosed under the head "Current Borrowings"			
(i) Term Loan - 1	350.00	350.00	
(ii) Term Loan - 2	400.00	400.00	
(iii) Vehicle Loan	-	19.42	
	750.00	769.42	
Total	950.00	1,700.00	
Current			
Secured loans			
Export credit - Pre and Post shipment Credit - (refer note 3)	7,400.00	7,300.00	
Short term loan - (refer note 4)	1,299.91	1,300.00	
Cash credit -(refer note 5)	209.43	1.07	
Current maturities of long term borrowings	750.00	769.42	
Total	9,659.34	9,370.49	
<i>Note 1 :HDFC Working Capital Term Loan-Term loans from HDFC Bank are received under ECLGS (Emergency credit Liane Guaranty Scheme extension of second ranking charge over existing primary and collateral securities including mortgages created in favour bank . The tenor of term loans is for period of 60 months which includes moratorium period of 12 months . The rate of interest applicable to the term loan varies with the Base rate and the margin charged by the bank. Presently the rate of interest applicable to the term loans is 6.50% pa.</i>			
<i>Note 2 : Mercedes - Car Loan- Bank of India are secured by First charge on Mercedes Vehicle of the Company. The tenor of term loans is for period of 3 years . The rate of interest applicable to the term loan varies with the Base rate and the margin charged by the bank. Presently the rate of interest applicable to the term loans is 7.50% p.a. During the FY23-24, the loan has been closed.</i>			
<i>Note 3: Export credit is secured by hypothecation of raw-materials, semi-finished and finished goods meant for export and export receivables, while the Cash credit facility is secured by hypothecation of raw-materials, semi-finished and finished goods meant for sale in the domestic market and domestic receivables. The export credit is granted for a maximum period of 180 days.</i>			
<i>Note:4</i>			
Maturities of Short Term Loan	As at 31st March 2024	As at 31st March 2023	Maturity Period
Short Term loan 1	900	900	120 Days
Short Term loan 2	400	600	90 Days
<i>Short Term Loan 1 - It is borrowed from IndusInd Bank are secured by 1st pari passu charge by way of hypothecation on entire current assets of company (present and future). The tenor of term loans is for period of 120 days . The rate of interest applicable to the term loan varies with the Base rate and the MCLR. Presently the rate of interest applicable to the term loans is 10.15% p.a</i>			
<i>Short Term Loan 2 - It is borrowed from Bank of India are secured by 1st pari passu charge by way of hypothecation on entire current assets of company (present and future). The tenor of term loans is for period of 90 days . The rate of interest applicable to the term loan varies with the Base rate and the MCLR. Presently the rate of interest applicable to the term loans is 10.15% p.a</i>			
<i>Note 5: The cash credit facility is repayable on demand. In addition to stocks and receivables the facilities are also secured by first charge on all fixed assets and pledge of term deposit receipts being margin held against Letters of credit and Bank guarantees.</i>			



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Notes forming part of Financial Statements*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)*

16 Lease Liability			
Particulars		As at 31st March 2024	As at 31st March 2023
Non - Current			
Lease Liability *		3,218.01	3,029.74
Total		3,218.01	3,029.74
Current			
Lease Liability *		565.25	443.46
Total		565.25	443.46
<i>(*Refer Note no. 34- Lease)</i>			
19 Other Financial Liabilities			
Particulars		As at 31st March 2024	As at 31st March 2023
Current			
Employee related liabilities		1,106.17	1,039.59
Creditors for Capital Expenditure		34.49	2.60
Derivative financial Liability		-	154.12
Total		1,140.66	1,196.31
17 Deferred tax			
Particulars		As at 31st March 2024	As at 31st March 2023
Deferred tax liability:			
Property plant and equipment		709.90	749.66
Derivative financial instruments		6.30	(38.79)
Investments - Debt Instruments		63.22	38.13
Total -A		779.42	749.00
Deferred tax assets:			
Provision for expected credit loss		7.32	-
Provision for employee benefit expense		232.46	172.82
Provision for expenses		29.60	1.43
Lease liabilities		95.30	56.65
Others		2.06	1.30
Total -B		366.74	232.20
Deferred tax liability (net) (A-B)		412.68	516.80



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18 Trade Payables						
	Particulars	As at 31st March 2024	As at 31st March 2023			
	Undisputed dues to micro and small enterprises	323.44	470.37			
	Undisputed dues to creditors other than micro and small enterprises	9,965.31	4,769.36			
	Disputed dues to micro and small enterprises	4.60	-			
	Disputed dues to creditors other than micro and small enterprises	-	-			
	Total	10,293.35	5,239.73			
	A. Trade payables ageing schedule for the year ended as on 31st March 2024					
	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Undisputed dues to micro and small enterprises	323.44	-	-	-	323.44
	Undisputed dues to creditors other than micro and small enterprises	9,960.72	2.54	0.34	1.71	9,965.31
	Disputed dues to micro and small enterprises	4.34	0.26	-	-	4.60
	Disputed dues to creditors other than micro and small enterprises	-	-	-	-	-
	Total trade payable as at 31 March 2024	10,288.50	2.80	0.34	1.71	10,293.35
	B. Trade payables ageing schedule for the year ended as on 31st March 2023					
	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Undisputed dues to micro and small enterprises	470.36	0.00	-	-	470.37
	Undisputed dues to creditors other than micro and small enterprises	4,758.18	8.43	0.64	2.10	4,769.36
	Disputed dues to micro and small enterprises*	-	-	-	-	-
	Disputed dues to creditors other than micro and small enterprises	-	-	-	-	-
	Total trade payable as at 31 March 2023	5,228.55	8.44	0.64	2.10	5,239.73
	<i>*Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same.</i>					
20 Other Current Liabilities						
	Particulars	As at 31st March 2024	As at 31st March 2023			
	Advance From Customers	26.19	41.64			
	Statutory Dues	302.94	306.73			
	Miscellaneous Receipts	16.19	17.40			
	Total	345.32	365.77			
21 Current - Provisions						
	Particulars	As at 31st March 2024	As at 31st March 2023			
	Provision for Employee Benefits					
	-Leave encashment	396.63	352.89			
	-Bonus provision	610.00	944.38			
	Total	1,006.63	1,297.27			



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22	Revenue from operations		
	Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
	Sale of products		
	- Manufactured Goods	1,02,288.87	1,07,084.62
	Other operating revenue	4,118.62	3,915.79
	Total	1,06,407.49	1,11,000.41
	Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
	Sale of products		
	Contract price	1,02,288.87	1,07,084.62
	Revenue recognised		
	ii. Contract balance:		
	a. Contract assets- Trade receivables (refer note 09)	14,736.10	16,607.35
	b. Contract liabilities- Advance received from customers (refer note 20)	26.19	41.64
	<i>(Refer Note No. 40 for sales with related party)</i>		
	Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
	Other operating income		
	Rebate of State & Central Taxes and Levies	2,440.07	2,084.77
	Duty Drawback	1,523.27	1,646.74
	Remission of Duties & Taxes on Export Products	48.23	173.53
	Export Incentive - MEIS	132.98	(132.09)
	Other incentive	(25.93)	142.84
		4,118.62	3,915.79
	<i>*The Company has right to receive export incentives under Duty Drawback Scheme, RODTEP from India Scheme and Scheme for Rebate for State Levies [ROSL] on export of garments and made ups. The Company recognizes export incentive upon fulfilling the conditions established by respective regulations as applicable to the Company and as amended from time to time. Revenue from Duty Drawback and rebate of state levies is recognized on the completion of shipment of goods.</i>		
23	Other income		
	Particulars	For the Year Ended 31st March	For the Year Ended 31st March
	Forex fluctuation Income	788.68	744.55
	Unrealised Forex fluctuation income	117.31	-
	Profit/loss on mutual fund	331.70	68.04
	Sale of energy from Windmills	86.37	92.30
	Interest Income fair Valuation	18.70	19.12
	Interest Income	423.20	130.94
	Profit or Loss on Sale of Intangible Asset	159.11	12.12
	Increase in Fair Value of Financial Assets	179.85	-
	Miscellaneous Income	42.00	3.93
	Total	2,146.92	1,071.00
24	Cost of Materials consumed:		
	Particulars	For the Year Ended 31st March	For the Year Ended 31st March
	Raw Material consumption:		
	Inventory at the beginning of the year	4,998.00	10,448.62
	Yarn	2,725.22	18,415.39
	Fabric	25,573.91	5,164.71
	Fasteners	2,867.63	2,660.80
	Trims & Accessories	3,141.81	3,644.92
	Packing Material	3,736.78	3,519.40
	Traded goods	24,638.04	10,420.96
	Import Duty	329.46	428.07
	Less: Inventory at the end of the year	(4,278.83)	(4,998.00)
	Consumption of raw materials and components	63,732.02	49,704.87
	<i>(Refer Note no.40 for purchases from related parties)</i>		



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25	Changes in inventories of finished goods, WIP and Stock in Trade	For the Year	For the Year
		Ended 31st March 2024	Ended 31st March 2023
	Particulars		
	Opening stock:		
	Work-in-process	2,688.80	3,403.96
	Finished goods	2,524.78	3,565.82
	Total - (A)	5,213.58	6,969.78
	Closing stock:		
	Work-in-process	3,871.66	2,688.80
	Finished goods	2,528.02	2,524.78
	Total - (B)	6,399.68	5,213.58
	Total (A)-(B)	(1,186.10)	1,756.20
26	Employee benefit expenses*	For the Year	For the Year
		Ended 31st March 2024	Ended 31st March 2023
	Particulars		
	Salaries and wages	17,073.62	15,422.21
	Contribution to provident and other funds	1,929.68	2,149.37
	Staff welfare expenses	1,995.95	1,742.14
	Total employee benefit expense	20,999.25	19,313.72
	<i>(* Refer Note 35 & 40 for payment to Key Managerial personal)</i>		
27	Finance Costs	For the Year	For the Year
		Ended 31st March 2024	Ended 31st March 2023
	Particulars		
	Interest on short term borrowings	551.63	779.56
	Interest on term loans	178.12	213.39
	Bill Discounting Charges	942.84	685.39
	Interest on Lease Liabilities*	299.15	261.34
	Total	1,971.74	1,939.68
	<i>(*Refer note 34-Lease)</i>		
28	Depreciation and amortisation expense	For the Year	For the Year
		Ended 31st March 2024	Ended 31st March 2023
	Particulars		
	Depreciation on Property, Plant and Equipment	846.97	940.00
	Depreciation on Right-to-use asset*	626.18	555.40
	Amortisation on Intangible assets	30.78	30.57
	Total depreciation and amortisation expense	1,503.93	1,525.97
	<i>(*Refer note 3 - PPE)</i>		



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29 Other expenses		
Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Manufacturing Expenses		
Printing and Processing Charges*	1,206.14	8,268.72
Job Work Charges*	3,481.44	2,004.40
Knitting Charges*	117.29	821.16
Other Manufacturing Expenses**	2,216.20	1,799.09
(A)	7,021.07	12,893.37
Administrative Expenses		
Rent/ Maintenance Expenses	291.50	269.80
Travelling Expenses	340.60	257.50
Insurance Charges - Marine, Fire and Vehicle	58.05	88.09
Rates & Taxes	125.23	119.66
Consultancy and Other Professional Charges	359.53	285.42
Bank charges	167.15	148.84
Payment to Auditors- For Audit work	22.04	18.88
CSR Expenses	231.37	116.36
Decrease in Fair Value of Financial Assets	-	256.75
Other Admin expense**	979.55	681.13
(B)	2,575.02	2,242.43
Selling and Forwarding Expenses		
Discount	530.76	209.63
Clearing and Forwarding Charges	1,577.92	888.34
Other Selling and Distribution**	139.00	139.42
(C)	2,247.68	1,237.39
<i>(**under head there is no expenditure which is in excess of 1% of revenue from operations or Rs. 10 Lakhs whichever is higher)</i>		
Total (A+B+C)	11,843.77	16,373.19
<i>(*Refer note no. 40- Related party transaction)</i>		
30 Tax Expense		
Current Tax		
Particulars	For the Year Ended 31st March 2024	For the Year Ended 31st March 2023
Current tax on profits for the year	2,707.40	5,755.34
Adjustments for current tax of prior periods	56.35	10.52
Total	2,763.75	5,765.86
Earnings per equity share		
Particulars	For the Year Ended 31st March	For the Year Ended 31st March
Profit attributable to equity share holders used as numerator in computing earnings per equity share(Rs in Lakhs)	7,064.45	15,929.21
Weighted average number of equity shares used as denominator in computing earnings per equity share	9,25,000	9,25,000
Basic and diluted earnings per equity share(in Rs)	763.72	1,722.08



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The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at 31 March 2024

Particulars	As at 31st March 2023	Recognized/ reversed through Profit and Loss	Recognized in Other Comprehensive Income	MAT (Utilized) / availed (net)	As at 31st March 2024
Tax effect of item constituting deferred tax liabilities					
Property plant and equipment	749.66	39.76			709.90
Derivative financial instrument	(38.79)	(20.18)	(24.91)		6.30
Investments - Debt Instruments	38.13	(25.09)			63.22
Total	749.00	(5.51)	(24.91)	-	779.42
Tax effect of item constituting deferred tax assets					
Provision for employee benefit expense	172.82	69.01	(9.37)		232.46
Provision for expected credit loss	-	7.32			7.32
Lease liabilities	56.65	38.64			95.30
Provision for expenses	1.43	28.18	-	-	29.60
Others	1.30	0.75			2.06
Total	232.20	143.90	(9.37)	-	366.74
Net deferred tax liability/ (asset)	516.80	138.39	(34.28)	-	412.68

As at 31 March 2023

Particulars	As at 31st March 2022	Recognized/ reversed through Profit and Loss	Recognized in Other Comprehensive Income	MAT (Utilized) / availed (net)	As at 31st March 2023
Tax effect of item constituting deferred tax liabilities					
Provision for employee benefit expense	23.04	23.04			-
Property Plant and Equipment	775.40	25.74			749.66
Derivative Financial Instrument	10.39	1.20	47.98		(38.79)
Investments - Debt Instruments	71.66	33.53			38.13
Others	43.42	43.42			-
Total	923.91	126.93	47.98	-	749.00
Tax effect of item constituting deferred tax assets					
Provision for expenses	0.36	(1.07)			1.43
Provision for employee benefit expense	86.67	(59.92)	(26.23)		172.82
Lease liabilities	7.83	(48.82)			56.65
Others	0.75	(0.55)			1.30
Total	95.61	(110.36)	(26.23)	-	232.20
Net deferred tax liability/ (asset)	828.30	(237.29)	(74.21)	-	516.80



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Notes forming part of Financial Statements*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)***32 Financial risk management objectives and policies****Risk management framework**

The Board of Directors of the Company have the overall responsibility for the establishment and oversight of their risk management framework. The Company has constituted a Risk Management Committee. The Company has in place a Risk management framework to identify, evaluate business risks and challenges across the Company. The 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 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 Audit which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee. These risks include foreign currency risk, credit risk, liquidity risk and interest rate risk.

Foreign currency risk management

The Company's functional currency in Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies due to which it is exposed to exchange rate fluctuations. Volatility in exchange rate of foreign currencies affects the cost of imports, primarily in relation to raw materials. The Company is generally exposed to foreign exchange risk arising through its sales and purchases denominated in foreign currency predominantly in US dollars, GBP and Euros.

(Refer note 38 for foreign currency risk exposure as at standalone balance sheet date)

Commodity price risk

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company is exposed to credit risk from its operating activities mainly trade receivables. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The provision for doubtful receivables has been historically negligible. The assessment is done at regular intervals and allowance for doubtful trade receivables as at 31 March 2024 & 31 March 2023 is considered to be adequate.

Particulars	As at 31st March 2024		As at 31st March 2023	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross carrying amount	13,871.23	893.95	16,391.68	215.67
Expected credit losses (Loss allowance provision)	-	(29.08)	-	-
Carrying amount of trade receivables (net of expected credit losses)	13,871.23	864.87	16,391.68	215.67

b) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Ultimate responsibility for managing the liquidity risk rests with the management, which has established an appropriate liquidity risk management framework for managing the Company's short-term, medium-term and long-term funding. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual short-term and long-term cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.



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Notes forming part of Financial Statements*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)***As at 31.03.2024**

Financial liabilities	Maturity			Total
	Less than 1 year	1 - 3 years	3+ years	
Borrowings (refer note 15)	9,659.34	950.00	-	10,609.34
Trade payable (refer note 18)	10,293.35	-	-	10,293.35
Lease liability (refer note 16)	565.25	3,218.01	-	3,783.26
Other financial liabilities (refer note 19)	1,140.66	-	-	1,140.66
	21,658.60	4,168.01	-	25,826.61

As at 31.03.2023

Financial liabilities	Maturity			Total
	Less than 1 year	1 - 3 years	3+ years	
Borrowings (refer note 15)	9,370.49	1,700.00	-	11,070.49
Trade payable (refer note 18)	5,239.73	-	-	5,239.73
Lease liability (refer note 16)	443.46	3,029.74	-	3,473.20
Other financial liabilities (refer note 19)	1,196.31	-	-	1,196.31
	16,249.99	4,729.74	-	20,979.73

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees at floating rates of interest.

Total borrowings as at the standalone Balance Sheet date is as follows:

Financial liabilities	As at 31st March 2024	As at 31st March 2023
Term loan (including current maturities) (refer note 15)	1,700.00	2,469.42
Cash credit and package credit (refer note 15)	8,909.34	8,601.07
Total	10,609.34	11,070.49

Capital management

The Company's objective for capital management is to maximize shareholder's wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

Particulars	As at 31st March 2024	As at 31st March 2023
Borrowings (including current maturities) (refer note 15)	10,609.34	11,070.49
Less:		
Cash and cash equivalents (refer note 10)	5,021.79	3,082.72
Bank balances other than cash and cash equivalents (refer note 11)	274.04	1,275.19
Current Investment (refer note 4a)	3,836.00	4,262.91
Net debt	1,477.51	2,449.67
Total equity	61,114.69	53,948.32
Capital gearing ratio	0.02	0.05



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Notes forming part of Financial Statements*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)***33 Financial instruments**

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the standalone financial statements.

Financial instruments by category and hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (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 accounting standard. An explanation of each level is as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are 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).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are no transfers between levels during the year.

The management considers that the carrying amount of financial assets and financial liabilities recognised in these standalone financial statements at amortised cost approximate their fair values.

- The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

Particulars	Level	As at 31st March 2024				
		Amortised Cost	Fair value through Profit or Loss	Fair value through OCI*	Total carrying value	Total fair value
Financial assets						
(a) Investments						
- in Subsidiaries (refer note 4)	3	25,947.70	-	-	25,947.70	25,947.70
- in Mutual Funds	1	3,584.81	251.19	-	3,836.00	3,836.00
(b) Loan to Related Party (refer note 5)	3	10,065.00	-	-	10,065.00	10,065.00
(c) Other Financial Assets- Non current						
- Security Deposit (refer note 6)	3	293.55	-	-	293.55	293.55
- Other Receivables (refer note 6)	3	164.96	-	-	164.96	164.96
(d) Trade Receivables (refer note 9)	3	14,736.10	-	-	14,736.10	14,736.10
(e) Cash and Cash Equivalents (refer note 10)	3	5,021.79	-	-	5,021.79	5,021.79
(f) Bank balances other than (d) above (refer note 11)	3	274.04	-	-	274.04	274.04
(g) Other Current Financial assets (refer note 6)						
i) Derivative Asset	3	-	4.98	20.05	25.03	25.03
ii) Other Receivable	3	41.93	-	-	41.93	41.93
Total		60,129.88	256.17	20.05	60,406.10	60,406.10
Financial liabilities						
(a) Borrowings (refer note 15)	3	10,609.34	-	-	10,609.34	10,609.34
(b) Trade Payables (refer note 18)	3	10,293.35	-	-	10,293.35	10,293.35
(c) Lease Liabilities (refer note 34)	3	3,783.26	-	-	3,783.26	3,783.26
(d) Other Financial Liabilities (refer note 19)						
i) Employee Related Liability	3	1,106.17	-	-	1,106.17	1,106.17
ii) Creditors for Capital Goods	3	34.49	-	-	34.49	34.49
Total		25,826.61	-	-	25,826.61	25,826.61



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Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)

Particulars	Level	As at 31st March 2023				
		Amortised Cost	Fair value through Profit or Loss	Fair value through OCI*	Total carrying value	Total fair value
Financial assets						
(a) Investments						
- in Subsidiaries (refer note 4)	3	18,533.68	-	-	18,533.68	18,533.68
- in Mutual Funds	1	4,111.39	151.52	-	4,262.91	4,262.91
(b) Loan to Related Party (refer note 5)	3	796.60	-	-	796.60	796.60
(c) Other Financial Assets- Non current						
- Security Deposit (refer note 6)	3	309.87	-	-	309.87	309.87
- Other Receivables (refer note 6)	3	179.11	-	-	179.11	179.11
(d) Trade Receivables (refer note 9)	3	16,607.35	-	-	16,607.35	16,607.35
(e) Cash and Cash Equivalents (refer note 10)	3	3,082.72	-	-	3,082.72	3,082.72
(f) Bank balances other than (d) above (refer note 11)	3	1,275.19	-	-	1,275.19	1,275.19
(g) Other Current Financial assets (refer note 6)	3	38.89	-	-	38.89	38.89
Total		44,934.80	151.52	-	45,086.32	45,086.32
Financial liabilities						
(a) Borrowings (refer note 15)	3	11,070.49	-	-	11,070.49	11,070.49
(b) Trade Payables (refer note 18)	3	5,239.73	-	-	5,239.73	5,239.73
(c) Lease Liabilities (refer note 34)	3	3,473.20	-	-	3,473.20	3,473.20
(d) Other Financial Liabilities (refer note 19)						
i) Employee Related Liability	3	1,039.59	-	-	1,039.59	1,039.59
ii) Creditors for Capital Goods	3	2.60	-	-	2.60	2.60
iii) Derivative Liability	3	-	75.20	78.92	154.12	154.12
Total		20,825.61	75.20	78.92	20,979.73	20,979.73

*OCI- Other Comprehensive Income

Note:

The Company as not disclosed the fair value for of trade receivables, cash and cash equivalents, other bank balances, other financial assets, lease liabilities, trade payables and other financial liabilities because their carrying amounts are the approximation of fair values.



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Notes forming part of Financial Statements*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)***34 Leases****Information on leases as per Ind AS 116 on "Leases":**

(a) Following are the changes in the carrying value of right of use assets :

Particulars	As at	As at
	31st March 2024	31st March 2023
Opening balance	3,248.11	2,538.03
Additions/modifications	784.12	1,265.48
Deletions/adjustments	(1.43)	-
Depreciation	(626.18)	(555.40)
Closing balance	3,404.62	3,248.11

The aggregate depreciation is included under depreciation and amortisation expense in the standalone Statement of Profit and Loss:

(b) The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31st March 2024		As at 31st March 2023	
	Current	Non-current	Current	Non-current
Lease liabilities	565.25	3,218.01	443.46	3,029.74

(c) The following is the movement in the lease liabilities for the year ended 31 March 2024 and 31 March 2023:

Particulars	Lease Liabilities
As at 1 April 2022	2,569.12
Additions/modifications	1,265.48
Finance cost	261.34
Lease rentals paid	622.74
Balance as at 31 March 2023	3,473.20
Additions/modifications	784.12
Deletions	-
Finance cost	299.15
Lease rentals paid	773.22
Balance as at 31 March 2024	3,783.25



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Notes forming part of Financial Statements*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)***35 Employee benefits****a. Defined contribution plan**

The Company's contribution to defined contribution plan has been recognized as expense in the standalone Statement of Profit & Loss under the head employee benefit expense for the year are as under:

Particulars	As at 31st March 2024	As at 31st March 2023
Employer's contribution to provident fund and family pension fund	1,087.94	1,061.45
Employer's contribution to employees state insurance scheme	390.70	334.52

b. Defined benefit plan - Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per The Payment of Gratuity Act, 1972 and the Company's scheme applicable to the employee. The Company makes annual contributions to an Insurance managed fund to fund its gratuity liability. The Company operates single type of gratuity plans wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The following tables summaries the components of net benefit expense recognized in the standalone Statement of Profit & Loss and the funded status and amounts recognized in the standalone balance sheet for the respective plans.

Particulars	As at 31st March 2024	As at 31st March 2023
Changes in present value of defined benefit obligation		
i) during the year:		
Opening defined benefit obligation	1,411.82	1,170.55
Interest cost	94.30	73.06
Current service cost	301.38	284.18
Past service cost	-	-
Benefits paid directly from employer	-	-
Benefits paid from the fund	(193.29)	(220.42)
Actuarial (gains)/losses on obligations	-	-
-Due to change in demographic	-	(60.75)
-Due to change in financial assumptions	14.62	(1.43)
-Due to experience	(48.66)	166.64
Closing defined benefit obligation	1,580.17	1,411.83

Particulars	As at 31st March 2024	As at 31st March 2023
ii) Changes in fair value of plan assets during the year:		
Opening fair value of planned assets	1,830.78	1,688.82
Interest income	124.34	117.20
Contributions by employer	-	244.92
Benefits paid	(193.29)	(220.42)
Return on plan assets, excluding interest income	3.19	0.26
Closing fair value of plan assets	1,765.02	1,830.78

Particulars	As at 31st March 2024	As at 31st March 2023
iii) Net (asset)/liability recognized in the standalone Balance Sheet:		
Present value of benefit obligation at the end of the year	(1,580.17)	(1,411.83)
Fair value of plan assets at the end of the year	1,765.02	1,830.78
Net asset/(liability) recognized in the standalone balance sheet	184.84	418.95
Net Asset – Current	184.84	418.96
Net Asset – Non-current	-	-

Particulars	As at 31st March 2024	As at 31st March 2023
iv) Expenses recognized in the standalone Statement of Profit and Loss for the year:		
Current service cost	301.38	284.18
Net interest Cost	(30.04)	(44.14)
Past service cost	-	-
Expenses recognized in standalone Statement of Profit and Loss	271.34	240.04



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Notes forming part of Financial Statements*(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)*

Particulars	As at 31st March 2024	As at 31st March 2023
v) Recognized in standalone other comprehensive income (OCI) for the year:		
Actuarial (gains)/losses on obligations:		
Due to change in demographic	-	(60.75)
Due to change in financial assumptions	14.62	(1.43)
Due to experience	(48.66)	166.64
Return on plan assets, excluding interest income	(3.19)	(0.26)
Net (income)/expense for the period recognized in standalone OCI	(37.23)	104.20
Particulars	As at 31st March 2024	As at 31st March 2023
vi) Actuarial assumptions:		
Expected return on plan assets	0.07	0.07
Rate of discounting	0.07	0.07
Rate of salary increase	0.10	0.10
Attrition rate	0.45	0.45
Particulars	As at 31st March 2024	As at 31st March 2023
vii) Maturity profile of defined benefit obligation:		
1st following year	358.11	333.26
2nd following year	241.98	226.59
3rd following year	167.41	157.77
4th following year	121.15	107.86
5th following year	104.36	81.58
Sum of years 6 to 10	426.67	356.66
Sum of years 11 and above	1,001.75	888.89
Particulars	As at 31st March 2024	As at 31st March 2023
viii) Standalone Balance Sheet reconciliation:		
Opening net asset	418.95	514.39
Opening balance adjustment as per actuarial valuation		3.88
Expenses recognized in standalone Statement of Profit or Loss	(271.35)	(584.90)
Expenses recognized in standalone OCI	37.23	(104.21)
Net liability/(asset) transfer in		-
Net (liability)/asset transfer out		-
Benefit paid directly by the employer		-
Previous year contribution expensed off during the year		344.87
Employer's contribution	-	244.92
Net asset/(liability) recognized in the standalone Balance Sheet	184.83	418.95

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plan is particularly sensitive to are discount rate and salary growth rate. The following table summarises the impact on the reported defined benefit obligation at the end of the year arising on account of an increase or decrease in the assumption by 100 basis points:

Particulars	As at 31st March 2024	As at 31st March 2023
Delta Effect of +1% Change in Rate of Discounting	(0.05)	(0.04)
Delta Effect of -1% Change in Rate of Discounting	0.05	0.05
Delta Effect of +1% Change in Rate of Salary Increase	0.04	0.04
Delta Effect of -1% Change in Rate of Salary Increase	(0.04)	(0.04)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.01)	(0.01)
Delta Effect of -1% Change in Rate of Employee Turnover	0.01	0.01
Mortality rate 10% up	(0.00)	(0.00)
Effect of no Ceiling	0.05	0.03

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the standalone Balance Sheet.



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(All the amounts are in Indian Rupees lakhs unless otherwise stated)

36 Contingent liabilities and commitments

Particulars	As at 31st March 2024	As at 31st March 2023
(i) Contingent liabilities:		
(a) Income tax (relating to disallowance of expenses/deduction, expenses claimed & adjustments)	5.00	-
b) Others (related to the consumer complaints and case against and by company)	-	-
(ii) Commitments:		
- Corporate Guarantee - excluding financial guarantee	38,200.00	34,000.00

37 Disclosures under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)"

Particulars	As at 31st March 2024	As at 31st March 2023
a The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	328.04	470.37
b The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro and Small Enterprise Development Act, 2006;	-	-
d The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e 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 MSMED Act 2006.	-	-

* There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

38 a. The following are outstanding currency options contracts, which have been designated as cash flow hedges

SI No.	Contract Currency	As at 31st March 2024			As at 31st March 2023		
		No. of contracts	Nominal Amount of Contract (USD in Million)	MTM Gain/(Loss) (Rs in Lakhs)	No. of contracts	Nominal Amount of Contract (USD in Million)	MTM Gain/(Loss) (Rs in Lakhs)
1	USD	4.00	54.10	25.03	2.00	30.85	(154.12)

Particulars	As at 31st March 2024	As at 31st March 2023
	₹	₹
Balance at the beginning of the year	(154.12)	159.60
Change in fair value of effective portion of cash flow hedges	179.15	(313.72)
Reclassification to statement of profit and loss	80.18	(123.23)
Reclassification to OCI	98.97	(190.49)
Deferred tax on change in fair value of effective portion of cash flow hedges	24.91	(47.95)
Balance at the end of the year	25.03	(154.12)

39 Segment information

The Company has two reportable operating segments viz., Fabric & Garment. The Company is providing segment information in consolidated financial results in accordance with IND AS 108 "Operating Segments".



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Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs unless otherwise stated)

40 Related party transactions**a Details of related parties:**

Description of relationship	Names of related parties
Key Managerial Personnels	Manish Pasi, Managing Director Anjana Pasi, Whole Time Director B. Senthilnathan, CFO (Retired on 28.11.2023) Nilesh Hasmukhray Pattani, CFO (W.E.F 02.02.2024) S. Jaimurugan, Whole Time Director Richard D Souza, Whole Time Director M.Hariharasudhan, Whole Time Director Pradeep Kumar Dhanda, Whole Time Director NH Viswanathan, Company Secretary
Subsidiary Company	First Steps Babywear Lanka (Private) Limited Colortone Textiles Private Limited Colortone Garments Private Limited MiniKlub Retail Private Limited
Associate Company	First Steps Clothing (International) Pvt Ltd Knits and Weaves Private Limited

b Particular of Transactions with Related parties during the year

Particulars	Relationship	As at	
		31st March 2024	31st March 2023
First Steps Babywear Lanka (Private) Limited	Subsidiary		
Purchase		24,223.61	10,522.97
Sale of fabrics & others		1,689.37	12,093.51
Sale of Machines		90.56	-
Reimbursement		6.41	25.04
Receipts		1,951.02	11,960.81
Payment		19,842.42	9,598.23
MiniKlub Retail Private Limited	Subsidiary		
Investment in equity		-	100.00
Investment in preference shares		-	6,700.00
Reimbursements		58.28	2.71
Sale of garments		384.07	1,015.42
Interest income		112.12	33.29
Loans and advances		1,965.00	700.00
Purchases		129.37	338.24
Sale of Trademark		159.11	-
Receipts		-	300.84
Colortone Textiles Private Limited	Subsidiary		
Investment		6,405.66	9,431.30
Share application money		-	-
Reimbursements		260.63	354.68
Corporate Loan		7,400.00	-
Interest on loan		217.68	-
Purchases & Job Work		23,076.50	846.38
Advances		-	4,811.79
Sales		986.97	1,886.82
Guarantee commission income		42.00	-
Colortone Garments Private Limited	Subsidiary		
Investment		1,008.37	-
Reimbursement		1.26	0.79
Knits and Weaves Private Limited	Associate		
Knitting charges		-	247.15
Key Managerial Personnel Remuneration			
Manish Pasi		305.85	252.36
Anjana Pasi		107.68	131.40
B. Senthilnathan		45.21	55.45
Nilesh Hasmukhray Pattani		10.48	-
S. Jaimurugan		29.76	23.65
Richard D Souza		38.93	30.23
M. Hariharasudhan		57.23	52.56
NH Viswanathan		21.03	18.22



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c Balances as at year end

Particulars	Relationship	As at	
		31st March 2024	31st March 2023
First Steps Babywear Lanka (Private) Limited	Subsidiary		
Receivable (Including advances)		611.69	1,173.64
Payable		(4,798.66)	(1,365.42)
MiniKlub Retail Private Limited	Subsidiary		
Receivable		2,213.66	1,942.13
Payable		(343.36)	(164.53)
Loan receivable		2,665.00	763.22
Interest receivable on Loan		112.12	-
Colortone Textiles Private Limited	Subsidiary		
Receivable (Including advances)		115.79	7,063.69
Payable		(2,882.56)	-
Loan receivable		7,400.00	-
Interest receivable on Loan		195.91	-
Colortone Garment Private Limited	Subsidiary		
Receivable (Including advance)		11.39	10.14
Knits and Weaves Private Limited	Associate		
Receivable (Including advances)		1.10	1.10
Manish Pasi	Key Managerial Personnel		
Payables		(4.39)	-
Anjana Pasi	Key Managerial Personnel		
Payables		(5.20)	-

41 Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	As at	
	31st March 2024	31st March 2023
I. Basic earning per share		
Profits attributable to equity shareholders (A)	7,064.45	15,929.21
Weighted average number of equity shares outstanding during the year (B)	9,25,000	9,25,000
Basic earning per share (A/B)	763.72	1,722.08
II. Diluted earning per share		
Weighted average number of equity shares outstanding during the year (C)	9,25,000	9,25,000
Diluted earning per share (A/C)	763.72	1,722.08



42 Significant accounting ratios

The following are analytical ratios for the year ended 31 March 2024 and 31 March 2023:

Ratio	Numerator	Denominator	As at		% of change	Reason
			31st March 2024	31st March 2023		
Current ratio	Current assets	Current liabilities	2.06	2.41	-15%	(i)
Debt- equity ratio	Total debt ¹	Shareholder's equity	0.24	0.27	-13%	
Debt- service coverage ratio	Earnings available for debt service ²	Debt service ³	0.80	1.51	-47%	(ii)
Return on equity ratio	Net profits after taxes	Average shareholder's equity	0.12	0.29	-60%	(iii)
Inventory turnover ratio	Cost of goods sold	Average inventory	6.66	3.71	80%	(iv)
Trade receivables turnover ratio	Revenue from operations ⁴	Average trade receivable	6.79	9.06	-25%	(v)
Trade payables turnover ratio	Total purchase ⁵	Average trade payables	8.07	7.05	14%	
Net capital turnover ratio	Revenue from operations ⁴	Working capital ⁶	4.36	4.12	6%	
Net profit ratio	Net Profit after taxes	Revenue from operations ⁴	0.07	0.14	-52%	(vi)
Return on capital employed	Earning before interest and taxes	Capital employed ⁷	0.18	0.40	-55%	(vii)
Return on investment	Profit after tax	Average Investment	0.27	0.77	-64%	(viii)

¹ Debt includes current and non current portion of lease liabilities.

² Earnings for debt service includes net profit after taxes and non-cash operating expenses like depreciation, profit/ loss on sale of property, plant and equipment, etc.

³ Debt service includes interest & lease payments.

⁴ Revenue from operations means gross credit sales after deducting sales return.

⁵ Total purchases means gross credit purchases after deducting purchase return.

⁶ Working capital is calculated by deducting current liabilities from current assets.

⁷ Capital employed is calculated by Net worth + total debt + deferred tax liability - Intangible asset

Explanations for variances change more than 25%

(i) The decrease in current ratio is because of closure of fixed deposit and decrease in trade receivable.

(ii) The Debt service coverage ratio is decreased because of decrease in profit margin as compared to last year.

(iii) The return on equity ratio is decreased because of increase in expenses and decrease in profitability compared to the previous year.

(iv) The Inventory turnover is increases on account of increase in purchases cost compared to previous year.

(v) The Trade receivable turnover ratio is decreased on account of decrease in sales margin, compared to previous year.

(vi) The net profit ratio is decreased because of the decrease in sales margin during the year compared to the previous year.

(vii) The Return on capital employed is decreased, because of increase in production expenses as compared to the previous year.

(viii) The Return on investment is decreased on account of increase in the current year investment in subsidiaries compared to the previous year.



43 Details of Corporate Social Responsibility (CSR) expenditure
 As per section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The areas for CSR activities includes promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as specified in Schedule VII of the Companies Act, 2013. The details of amount required to be spent and actual expenses spent during the year is as under:

Particulars	As at 31st March 2024	As at 31st March 2023
Construction / Acquisition of Assets		
- In Cash	-	-
- Yet to be paid	-	-
On purpose other than (i) above		
- In Cash	-	-
- Yet to be paid	231.37	116.36

Particulars	As at 31st March 2024	As at 31st March 2023
Gross amount required to be spent by the company during the year	231.37	116.36
Amount spent during the year	-	-

The Company has transferred the Unspent amount towards the ongoing project to the First Steps Babywear Private Limited Unspent CSR Account 2023-2024. Further there are no unspent amount that are required to be transferred to a fund specified in Schedule VII of the Companies Act.

44 (i) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 (ii) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
 (iii) The Company has not traded or invested in crypto currency or virtual currency during the financial period.
 (iv) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
 (v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period 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).
 (vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.
 (vii) The Company has not entered any transactions with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of Companies act.

45 As required under Section 186(4) of the companies Act, 2013, the particulars of loans and advances made during the year and which are outstanding as at year-end are as follows:-

Name of the entity and relationship with the company	Rate of Interest	Due Date	Secured/ Unsecured	As at 31st March 2024	As at 31st March 2023
Colortone Textiles Private Limited	8.50%	31-Mar-25	Unsecured	7,400.00	-
MiniKlub Retail Private Limited	8%	31-Mar-28	Unsecured	2,665.00	763.22



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46 Balance Confirmation:

The Management has sent letters of confirmation to various parties who are classified as Trade Receivables, Trade Payables, and to parties from whom Trade Advances have been received or to whom Trade Advances have been given. A majority of the parties to whom such confirmation letters were sent have responded, and their accounts have been reconciled accordingly. However, some parties have not responded, and as a result, their accounts could not be reconciled. Therefore, these balances cannot be treated as confirmed, although, in the opinion of Management, the balances are in order.

47 Previous year figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

48 Rounding off:

All the numbers have been rounded off to nearest Lakhs except shares and EPS.

for **Raghavan, Chaudhuri & Narayanan**

Chartered Accountants

FRN : 007761S



Kiran Roy Chaudhari
Partner
Membership No.: 027360

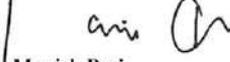
Place : Bengaluru

Date: 12th September 2024

UDIN: 24027360BKDCML5110



for and on behalf of the Board of Directors



Manish Pasi
Managing Director

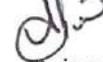
DIN:00369354



Nilesh Hasmukhray Pattani
Chief Finance Officer

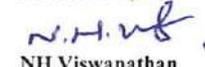
Place : Bengaluru

Date: 12th September 2024



Anjana Pasi
Whole Time Director

DIN:0036679L



N.H. Viswanathan
Company Secretary

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Notes forming part of Standalone Financial Statements

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1. MATERIAL ACCOUNTING POLICIES

The accounting policies mentioned herein are relating to the standalone financial statements of the Company.

a) Brief description of the Company

First Steps Babywear Private Limited ('the Company') was incorporated on 4th Sept 2001 as a private limited company under the provisions of the Companies Act. The Company is in the business of manufacturing "Knitted Babywear".

b) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Disclosures under Ind AS are made only in respect of material items and in respect of items that will be useful to the users of financial statements in making economic decisions.

The financial statements have been prepared on historical basis following the principles of prudence which requires recognition of expected losses and non-recognition of unrealized gains.

The financial statements have been prepared under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value.

c) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity. It also provides an overview of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.



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d) Significant estimates and judgments

The areas involving significant estimates or judgments are:

- i) Estimation of defined benefit obligation - (Refer Note 36)
- ii) Estimation of useful life of Property, Plant and Equipment (Refer Note 1(f) and 1(g))
- iii) The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised

e) Revenue recognition

Revenue from contracts with customers is recognized upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration which the Company expect to be entitled for those goods/ services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenues when a performance obligation is satisfied.

Revenue from sale of products: Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts and volume rebates, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

Goods and Service Tax (GST) is not received by the Company in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Merchant Exports: The company has merchant exports the revenue whereof is recorded after dispatch and handover of the goods by the contracted factory to the nominated forwarder.



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f) Property, Plant and Equipment

Freehold Land is stated at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition/construction less accumulated depreciation / amortization and impairment, if any. Cost includes:

- (i) purchase price,
- (ii) taxes and duties,
- (iii) labour cost
- (iv) directly attributable overheads incurred upto the date the asset is ready for its intended use, and
- (v) Government grants that are directly attributable to the assets acquired.

However, cost excludes excise duty, value added tax, service tax and GST, to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within Other gains/(losses).

g) Depreciation

- i) Depreciation on tangible fixed assets is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated by a Chartered Engineer and in accordance with Ind AS 16, taking into consideration both usage, useful life and legal limitations on the use of assets, on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013. Depreciation is adjusted for the proportionate usage with reference to the asset's expected capacity or physical output during the reporting period.



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- ii) The estimated useful life of the tangible fixed assets as assessed by the Chartered Engineer and followed by the Company is furnished below:

Description	Years
Factory building and other buildings	5 to 30
Plant and Equipment	5 to 15
Electrical Equipment	10
Furniture and Fixtures	10
Solar Plant	20
Computers	3 to 6
Software & Server	6
Windmill	22
Office Equipment	5
Vehicles	10

- iii) The residual value for all the above assets is retained at 5% of the cost except for Mobile phones for which Nil residual value is considered. Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.
- iv) On tangible fixed assets added / disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.
- v) Depreciation in respect of tangible assets costing individually less than Rs.10,000/- is provided at 100%.

h) Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period



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Notes forming part of Standalone Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information/EPS or otherwise stated)

i) Foreign currency translation

i) Functional and presentation currency:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'), i.e. in Indian rupees (INR) and all values are rounded off to nearest lakhs except where otherwise indicated.

ii) Transactions and balances:

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

- (a) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
- (b) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are valued at the exchange rate prevailing on the date of transaction.
- (c) Exchange differences arising on settlement of transactions and translation of monetary items and non-monetary items are recognized as income or expense in the year in which they arise.

j) Hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 38, Movements in the hedging reserve in shareholders' equity are shown in Note 38. The full fair value of a hedging derivative is classified as asset or liability.



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The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in the Statement of Profit and Loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change between spot component of the forward contracts are recognized in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects the Statement of Profit and Loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to the Statement of Profit and Loss within other gains/(losses).

k) Inventories

Inventories are valued at the lower of cost and net realisable value.

- i) Cost of raw materials, components, stores, spares, work-in-process and finished goods are determined on a moving average basis.
- ii) Cost of finished goods and work-in-process comprises of Direct materials, Direct labour and an applicable proportion of Variable and Fixed overhead expenditure, Fixed Overhead Expenditure absorbed on the basis of normal operating capacity.
- iii) Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
- iv) Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories are duly provided for.



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l) Employee benefits

i) Short term obligations:

Short term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period. They are recognized upto the end of the reporting period at the amounts expected to be paid at the time of settlement.

ii) Other long term employee benefit obligations:

Annual leave is settled on calendar year basis. It is usually paid in the first quarter of the next calendar year. Sick leave is paid on the basis of claim. Employee is permitted to accumulate sick leave till retirement/resignation. Accrued liability for the sick leave not availed during a financial year is provided for in the books of accounts

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for atleast twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligation:

The Company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity for its eligible employees.
- b) Defined contribution plan such as provident fund.

Gratuity obligation:

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income (net of deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit or Loss as past service cost.



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Provident fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. Actually, contributions are made to NPFO & Company does not have the trust. The contributions made to NPFO are recognized as expenses during the financial year. The sentence in red colour is to be removed.

iv) Bonus Plans:

The Company recognizes a liability and an expense for bonus. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

m) **Taxes on income**

Tax expense comprises of (i) current tax and (ii) deferred tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



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n) Provisions and contingent liabilities

i) Provision:

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. The estimated liability for product warranties is accounted based on technical evaluation, when the products are sold.

Provisions are evaluated at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expenses.

ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

o) Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option



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Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- The Rate is determined based on weighted average cost for all term loans .

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.



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p) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash flows are reported using the indirect method, whereby profit for the year 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. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

q) Trade receivables

At initial recognition, the Company measures at its fair value (in the case of a financial asset not a fair value through profit or loss) plus transaction cost that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

r) Investments and Other financial assets

i) Classification:

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and
- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

ii) Measurement:

At initial recognition, the Company measures a financial asset at its fair value plus (in the case of a financial asset not a fair value through profit or loss) transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.



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iii) Equity instruments:

Subsequent to initial recognition, the Company measures all investments in equity (except of the subsidiaries / associates) at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there will be no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately. Where the Company elects to measure fair value through profit and loss, changes in the fair value of such financial assets are recognized in the statement of profit and loss.

iv) Investment in subsidiaries

Investment in subsidiaries / associates are measured at cost.

v) Impairment of financial assets:

The company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost and FVTPL debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 32 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognized. The company receivable are covered by insurance and therefore provision is established for amounts not covered by the insurance that have been outstanding for a long time.

vi) De-recognition of financial assets:

A financial asset is derecognized only when:

- a) the Company has transferred the rights to receive cash flows from the financial asset or
- b) the Company retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where the entity 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 entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.



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Where the entity 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. Where the company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

s) Loans and Advance;

Loans and advances are recognized when the Company enters into a contractual agreement with the borrower and the amount is disbursed. Initial measurement is at the fair value of the consideration given, which is typically the principal amount of the loan or advance.

Loans and advances are classified as either short-term or long-term based on their repayment terms. Short-term loans and advances are those expected to be settled within one year from the reporting date, while long-term loans and advances are those with a repayment period extending beyond one year.

Loans and advances to related parties are disclosed separately. They are accounted for in accordance with the terms agreed upon and are subject to the same recognition, measurement, and impairment policies as other loans and advances.

t) Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in the Statement of Profit and Loss over the period of the borrowings, using the effective interest method if loan period is more than 12 months. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for over or at least 12 months after the reporting period.

u) Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period to get ready for their intended use or sale.



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v) Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Revenue from Duty Drawback and rebate of state levies is recognized on the completion of shipment of goods. Revenue in the form of licenses granted on the basis of export performance is accounted on accrual basis. The revenue and expenditure (Including Windmill Operations) are accounted on Accrual Basis as they are earned or incurred.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available.

w) Current and Non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. In Company's considered view, twelve months is its operating cycle.

