



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VALUE FASHION RETAIL LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Value Fashion Retail Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter Paragraph

We draw your attention to Note 26 of the financial statements which explains the uncertainties and management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government of India and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Other Matters

Due to COVID-19 related lockdown restrictions, management was able to perform year end physical verification of inventories, only at certain locations, subsequent to the year-end. Also, we were not able to physically observe the stock verification, wherever carried out by management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" which includes inspection of supporting documentation relating to purchases, sales, results of cyclical count performed by the Management through the year and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial statements.

Our report on the Statement is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



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- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There have been no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417W



CA. Chokshi Shreyas B.
Partner
Membership No.100892
UDIN: 21100892AAAALJ3996

Ahmedabad
June 02, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Value Fashion Retail Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **VALUE FASHION RETAIL LIMITED** ("the Company") as at March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors 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. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.



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Meaning of Internal Financial Controls Over Financial Reporting

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

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, 2021, 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.

For **Sorab S. Engineer & Co.**

Chartered Accountants

Firm Registration No. 110417W



CA. Chokshi Shreyas B.

Partner

Membership No.100892

Ahmedabad

June 02, 2021

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Arvind Beauty Brands Retail Private Limited of even date)

- i. The Company does not hold any fixed assets and thus disclosure under clause (i) of paragraph 3 of the order are not applicable.
- ii. As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- iii. According the information and explanations given to us, the Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act in respect of the Company's product. Consequently, requirement of clause (vi) of paragraph 3 of the order are not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- viii. The Company does not have any dues to financial institutions and banks and thus under clause (viii) of paragraph 3 of the order are not applicable.
- ix. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer.
- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.



SORAB S. ENGINEER & CO. (Regd.)

- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- xiii. To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- xv. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Sorab S. Engineer & Co.**

Chartered Accountants

Firm Registration No. 110417W



CA. Chokshi Shreyas B.

Partner

Membership No.100892

Ahmedabad

June 02, 2021

Particulars	Notes	Amount in Rs. As at March 31, 2021
ASSETS		
Current assets		
(a) Inventories	5	25,00,00,000
(b) Financial assets	6	
(i) Cash and cash equivalents		1,00,000
(c) Current tax assets (net)		-
(d) Other current assets	7	3,41,00,000
Total current assets		28,42,00,000
Total Assets		28,42,00,000
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	8	1,00,000
(b) Other equity	9	(12,00,87,241)
Total equity		(11,99,87,241)
Liabilities		
Current liabilities		
(a) Financial liabilities		
(i) Borrowings		-
(ii) Trade payables	10	
a) total outstanding dues of micro enterprises and small enterprises		-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		40,41,86,765
(iii) Other financial liabilities		-
(b) Other current liabilities	11	476
(c) Short-term provisions		-
(d) Current tax liabilities (net)		-
Total current liabilities		40,41,87,241
Total Equity and Liabilities		28,42,00,000
Significant Accounting Policies		
	3	

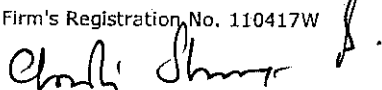
The accompanying notes are an integral part of these financial statements

As per our report of even date

For Sorab S. Engineer & Co.

Chartered Accountants

Firm's Registration No. 110417W


CA. Chokshi Shreyas B.
Partner

Membership No. 100892

Place : Ahmedabad

Date: 02-June-2021

For and on behalf of the board of directors of

Value Fashion Retail Limited


Jayesh Kantilal Shah
Director

(DIN -00008349)

Place : Ahmedabad

Date: 02-June-2021


Jagdish Gajanand Dalal
Director

(DIN -00009785)

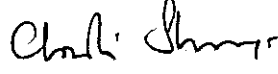
Place : Ahmedabad

Date: 02-June-2021

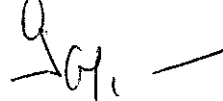
Particulars	Notes	For the period March 06,2020 to March 31, 2021
Income		
Revenue from operations		-
Other income		-
Total income (I)		-
Expenses		
Purchases of stock-in-trade	12	25,00,00,000
Changes in inventories of stock-in-trade	13	(25,00,00,000)
Employee benefits expense	14	2,00,00,000
Other expenses	15	10,00,87,241
Total expenses (II)		12,00,87,241
Profit / (Loss) before exceptional items and tax (III)=(I-II)		(12,00,87,241)
Exceptional items (IV)		-
Profit / (Loss) before tax (V) = (III-IV)		(12,00,87,241)
Income tax expense		-
Total tax expense (VI)		-
Profit / (Loss) for the year (VII) = (V-VI)		(12,00,87,241)
Other comprehensive income		
A. Items that will not to be reclassified to profit or loss in subsequent periods:		-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)		-
B. Items that will be reclassified to profit or loss in subsequent periods:		-
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods (B)		-
Total other comprehensive income for the year, net of tax (VIII) (A+B)		-
Total comprehensive income / (loss) for the year, net of tax (VII+VIII)		(12,00,87,241)
Nominal Value per share - Rs. 10/-		
Basic & Diluted - Rs.	21	(12,008.72)


The accompanying notes are an integral part of these financial statements

As per our report of even date
For Sorab S. Engineer & Co.
Chartered Accountants
Firm's Registration No. 110417W


CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Place : Ahmedabad
Date: 02-June-2021

For and on behalf of the board of directors of
Value Fashion Retail Limited


Jayesh Kantilal Shah
Director
(DIN -00008349)
Place : Ahmedabad
Date: 02-June-2021


Jagdish Gajanand Dalal
Director
(DIN -00009785)
Place : Ahmedabad
Date: 02-June-2021

Value Fashion Retail Limited
CIN - U52609DL2020PLC362661

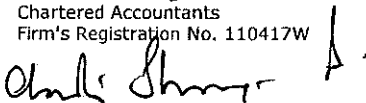
Statement of Cash Flows for the period March 06,2020 to March 31,2021

Particulars	Amount in Rs.
	For the Period March 06,2020 to March 31, 2021
A Cash Flow from Operating activities	
(Loss) Before taxation	(12,00,87,241)
Operating Profit before Working Capital Changes (I)	(12,00,87,241)
Working Capital Changes:	
Increase in Inventories	(25,00,00,000)
Increase in other assets	(3,41,00,000)
Increase in trade payables	40,41,86,765
Increase in other liabilities	476
Net Changes in Working Capital (II)	12,00,87,241
Net Cash flow generated from Operating Activities (I)+(II)	-
B Cash Flow from Financing Activities	
Proceeds from Issue of share capital	1,00,000
Net Cash flow (used in) Financing Activities	1,00,000
Net Increase in cash & cash equivalents	1,00,000
Cash & Cash equivalent at the beginning of the year	-
Cash & Cash equivalent at the end of the year	1,00,000
Figures in brackets indicate outflows.	

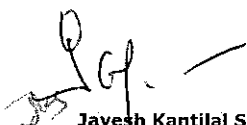
Particulars	For the Period March 06,2020 to March 31, 2021
Cash and cash equivalents comprise of:	
Balances with Banks	1,00,000


The accompanying notes are an integral part of these Financial Statements.

As per our report of even date
For Sorab S. Engineer & Co.
Chartered Accountants
Firm's Registration No. 110417W


CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Place : Ahmedabad
Date: 02-June-2021

For and on behalf of the board of directors of
Value Fashion Retail Limited


Jayesh Kantilal Shah
Director
(DIN -00008349)
Place : Ahmedabad
Date: 02-June-2021


Jagdish Gajanand Dalal
Director
(DIN -00009785)
Place : Ahmedabad
Date: 02-June-2021

Value Fashion Retail Limited
CIN - U52609DL2020PLC362661
Statement of Changes in Equity for the period March 06,2020 to March 31,2021

A. Equity share capital

	Amount in Rs.
Balance	Amount
As at March 06, 2020	-
Add : Issue of Equity Share capital	1,00,000
As at March 31, 2021	1,00,000

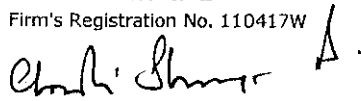
B. Other equity

	Amount in Rs.		Amount in Rs.
Particulars	Reserves and Surplus	Items of Other Comprehensive Income	Total equity
	Retained Earnings		
Balance as at March 06, 2020	-	-	-
Profit for the Period	(12,00,87,241)	-	(12,00,87,241)
Total Comprehensive income for the Period	(12,00,87,241)	-	(12,00,87,241)
Balance as at March 31, 2021	(12,00,87,241)	-	(12,00,87,241)

The accompanying notes are an integral part of these financial statements

As per our report of even date

For Sorab S. Engineer & Co.
Chartered Accountants
Firm's Registration No. 110417W



CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Place : Ahmedabad
Date: 02-June-2021

For and on behalf of the board of directors of
Value Fashion Retail Limited



Jayesh Kantilal Shah
Director
(DIN -00008349)
Place : Ahmedabad
Date: 02-June-2021



Jagdish Gajanand Dalal
Director
(DIN -00009785)
Place : Ahmedabad
Date: 02-June-2021

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

Value Fashion Retail Limited ('the Company') is engaged in the business of distribution of readymade garment apparels and accessories.

The Company is a Subsidiary of Arvind Lifestyle Brands Limited and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Building No. 8, Community Centre, Saket, New Park, South Delhi, New Delhi IN 110017.

The financial statements were authorised for issue in accordance with a resolution of the directors on June 02, 2021.

2. Statement of Compliance and Basis of Preparation

2.1 Basis of Preparation and Presentation and Statement of Compliance

The Financial Statements have been prepared on a historical cost convention on the accrual basis except for the certain financial assets and liabilities measured at fair value, the provisions of the Companies Act, 2013 to the extent notified ("the Act").

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

The Financial Statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III of the Companies Act, 2013 (Ind AS compliant schedule III) as applicable to financial statement.

2.2 Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Derivative financial instruments measured at fair value;
- Share based payments;
- Defined benefit plans – plan assets measured at fair value;
- Value in Use



3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods presented:

3.1. Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in 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.

The Company classifies all other liabilities as non-current.

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

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.



3.3.Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.4.Fair value measurement

The Company measures financial instruments such as derivatives at fair value at the end of each reporting period.

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

- In the principal market for the asset or liability
Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

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

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



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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.



This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Financial instruments (including those carried at amortised cost)

3.5. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013.

3.6. Borrowing cost

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.



Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

All other borrowing costs are expensed in the period in which they occur.

3.7.Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Software is depreciated over management estimate of its useful life of three-five years.

3.8.Inventories

Inventories of Raw material, Stock-in-trade and Packing Material are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:



- **Stock in Trade:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories are valued at cost.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.9. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss

unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.10. Revenue Recognition

The Company derives revenues primarily from sale of traded goods and related services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer, i.e., generally on delivery of the goods.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and discounts. The rights of return and discounts give rise to variable consideration.

i. Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

ii. Discounts

Discounts are offset against amounts payable by the customer. To estimate the variable consideration for the expected future discounts, the Company applies the expected value method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.\



b) Rendering of services

Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted/ displayed. Facility management fees are recognised pro-rata over the period of the contract.

Revenue from other services are recognised based on the services rendered in accordance with the terms of contracts on the basis of work performed.

c) Gift Vouchers

The amount collected on sale of a gift voucher is recognized as a liability and transferred to revenue (sales) when redeemed or to revenue (sale of services) on expiry

d) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

e) Insurance claims

Claims receivable on account of Insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

3.11. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets


(i) Initial recognition and measurement of financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:



- Financial assets at amortised cost
 - Financial assets at fair value through other comprehensive income (FVTOCI)
 - Financial assets at fair value through profit or loss (FVTPL)
 - Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- **Financial assets at amortised cost:**
A financial asset is measured at amortised cost if:
 - the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **Financial assets at fair value through other comprehensive income**
A financial asset is measured at fair value through other comprehensive income if:
 - the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

- **Financial assets at fair value through profit or loss**
FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

(iii) Derecognition of financial assets

A financial asset is derecognised when:

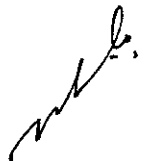
- the contractual rights to the cash flows from the financial asset expire, or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iv) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.



The following table shows various reclassifications and how they are accounted for.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

(v) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and

- All lease receivables resulting from transactions within the scope of Ind AS 17 The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head "Other expenses" in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.



b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

(iii) Derecognition of financial liabilities



A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges



The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.12. Cash and cash equivalents



Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.13.Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business



combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

3.14. Employee Benefits

a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

b) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution



paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

c) Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

d) Termination Benefits :

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

3.15. Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.16. Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.



If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements.

Contingent assets are not recognised but disclosed in the Financial Statements when an inflow of economic benefits is probable.

3.17. Segment Reporting

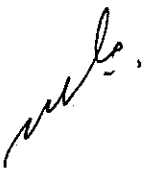
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3.18. Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

3.19. Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts



4. Critical accounting Judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and income and expenses that are not readily apparent from other sources. Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and / or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

The Company assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing whether the Company has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Company has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 22 for further disclosures.

Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with expired / slow-moving inventory items.



Useful lives of Property, Plant and Equipment and Intangible assets

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended March 31, 2021, there were no changes in useful lives of property plant and equipment and intangible assets other than (a) useful lives of leasehold improvements which have been considered lower of the lease term or useful life and (b) those resulting from store closures / shifting of premises.

Impairment of non-financial assets

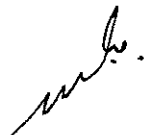
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company.

There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the Financial Statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 16).



Note 5 : Inventories (At lower of cost and net realizable value)

Particulars	Amount in Rs.
	As at March 31, 2021
Finished Goods	25,00,00,000
Total	25,00,00,000

Note 6 : Financial Assets

(i) Cash and cash equivalent

Particulars	Amount in Rs.
	As at March 31, 2021
Balance with Bank	
In Current accounts	1,00,000
Total cash and cash equivalents	1,00,000

Note 7 : Other assets

(Unsecured, considered good unless otherwise stated)

Particulars	Amount in Rs.
	As at March 31, 2021
Current	
Balance with Government Authorities (Refer Note No. 1 below)	3,41,00,000
Total	3,41,00,000

Note :

1. Balance with Government Authorities consist of input credit availed.

Note 8 : Equity share capital

Particulars	As at March 31, 2021	
	No. of shares	Amount In Rs.
Authorised share capital		
Equity shares of Rs.10 each	1,00,000	10,00,000
Issued and subscribed share capital		
Equity shares of Rs.10 each	10,000	1,00,000
Subscribed and fully paid up		
Equity shares of Rs.10 each	10,000	1,00,000
Total	10,000	1,00,000

Note 9 : Other Equity

Particulars	As at March 31, 2021
Note 5.1 Reserves & Surplus	
Surplus in statement of profit and loss	
Add: Profit/(loss) for the year	(12,00,87,241)
Total reserves & surplus	(12,00,87,241)
Total Other equity	(12,00,87,241)

Note 10 : Trade payables

Particulars	Amount in Rs. As at March 31, 2021
Current	
Trade Payables	
-Total outstanding dues of micro enterprises and small enterprises (refer note a below)	-
-Total outstanding dues other than micro enterprises and small enterprises	40,41,86,765
Total	40,41,86,765

Note:

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- (a) the principal amount and the interest due thereon remaining unpaid to supplier at the end of each accounting year;
- (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006).
- (c) Amount of payment made to the supplier beyond the appointed day during accounting year;
- (d) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;
- (e) the amount of interest accrued and remaining unpaid at the end of each accounting year
- (f) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

Note 11 : Other current liabilities

Particulars	Amount in Rs. As at March 31, 2021
Current	
Statutory dues including provident fund and tax deducted at source etc.	476
Total	476

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Note 12 : Purchases of stock-in-trade

Particulars	For the period March 06,2020 to March 31, 2021
Apparels	25,00,00,000
Total	25,00,00,000

Note 13 : Changes in inventories of stock-in-trade

Particulars	For the period March 06,2020 to March 31, 2021
Stock at the end of the year	
Stock-in-trade	25,00,00,000
Stock at the beginning of the year	
Stock-in-trade	-
Total	(25,00,00,000)

Note 14 : Employee benefits expense

Particulars	Amount in Rs. For the period March 06,2020 to March 31, 2021
Salaries, wages, gratuity, bonus, commission, etc.	2,00,00,000
Total	2,00,00,000

Note 15 : Other expenses

Particulars	Amount in Rs. For the period March 06,2020 to March 31, 2021
Advertisement and Publicity	6,00,87,241
Contract Labour Charges	4,00,00,000
Total	10,00,87,241

Note 20 : Related Party Transactions

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the company are as follows :

Name of Related Parties	Period
Ultimate Holding Company Arvind Fashions Limited	For the period March 06,2020 to March 31,2021
Holding Company Arvind Lifestyle Brands Limited	
Fellow Subsidiary Company Arvind Beauty Brands Retail Private Limited PVH Arvind Fashion Private Limited Arvind Youth Brands Private Limited	
Enterprise having significant influence by Key Managerial Personnel Arvind Limited Arvind Ruf & Tuf Private Limited Arvind True Blue Limited Arvind Premium Retail Limited	
Enterprise having significant influence by Non Executive Director Arvind Goodhill Suit Manufacturing Private Limited Arvind Envisol Limited	
Key Managerial Personnel - Directors Pramod Kumar Gupta Shailesh Chaturvedi Suresh Jayaraman Ashishkumar Srivastava Aamir Akhtar Susheel Kaul	

Note: Related party relationship is as identified by the company and relied upon by the Auditors.



b Transactions with related parties for the period March 06,2020 to March 31,2021

Particulars	Holding Company	Fellow Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise having significant Influence by Key Management Personnel and Non-Executive Director	Amount in Rs. Trust
Purchase of Goods and Materials March 31, 2021	25,00,00,000	-	-	-	-
Receiving of Services - Shared service March 31, 2021	12,00,00,000	-	-	-	-

c Balances

Particulars	Holding Company	Fellow Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise having significant Influence by Key Management Personnel and Non-Executive Director	Amount in Rs. Trust
Payable in respect of Current Liabilities March 31, 2021	40,41,00,000	-	-	-	-

d Terms and conditions of transactions with related parties

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken at the year-end are unsecured and interest free and settlement occurs in cash.



Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the company adjusts its exposure to various counterparties.

(c) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimized cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarizes the maturity profile of the company's financial liabilities based on contractual undiscounted payments:

Particulars	Amount in Rs.	
	Less than 1 year	1 year or more
As at March 31, 2021		
Interest bearing borrowings	-	-
Lease Liabilities	-	-
Trade payables	40,41,86,765	-
Other financial liabilities	-	-
	40,41,86,765	-

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Note 25 : Capital management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximize shareholder value.

The company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Particulars	Amount in Rs.
	As at March 31, 2021
Interest-bearing loans and borrowings	-
Less: Cash and Cash equivalent (including other bank balance and book overdraft)	(1,00,000)
Net debt	(1,00,000)
Equity share capital (Note 04)	1,00,000
Other equity (Note 05)	(12,00,87,241)
Total capital	(11,99,87,241)
Capital and net debt	(12,00,87,241)
Gearing ratio	0.08%

No changes were made in the objectives, policies or processes for managing capital during the period ended March 31, 2021.

Note 26 : COVID-19

The Pandemic of COVID-19 is having an unprecedented impact globally on people and on the economy. It has caused severe effects on the economy, world over including India due to lockdowns, disruptions in transportation, supply chain, travel plans, quarantines, social distancing and other emergency measures. As a result of the lockdown imposed by the Government of India owing to spread of COVID-19 in the country, the Company closed its offices from March 23, 2020 and moved to the concept of Work from Home (WFH) for all employees. Post the recent relaxation in lockdown, the Company has gradually started opening its offices in certain geographies with limited workforce in-line with the Government's directives issued as on date.

The Company is engaged in the business of Branded Apparels. The operations of the Company has been severely affected by this disruption. The Company's operations have remain under suspension for substantial part of Q1FY21. The effects such as lower than normal business, other disruptions are expected to have continuing effect at least for the next few quarters based on current assessment.

The Company has made detailed assessment of its liquidity position and of the recoverability and carrying value of its assets as at balance sheet date and has made appropriate adjustment along with adjustment to revenue recognition. In assessing the recoverability of its assets including receivables and inventories, the Company has considered internal and external information up to the date of approval of these financial statements including economic forecasts. However, the overall environment continues to remain uncertain and our assumptions used for preparing the financial statements may undergo change depending on the evolving economic and health environment in the Country. The Company will continue to monitor the situation and constantly assess the financial impact to its retail as well wholesale operations.

Note 27 : New Accounting Pronouncements to be adopted on or after April 1, 2021

There are no standards or interpretations which are notified but not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods.

Handwritten signature/initials