Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Members of Norlanka Brands Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Norlanka Brands Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period 3 December 2020 to 31 March 2021, and a summary of the significant accounting policies and other explanatory information.

2. 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss, its cash flows and the changes in equity for the period 3 December 2020 to 31 March 2021.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditor's report thereon.

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

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

   The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration for the period 3 December 2020 to 31 March 2021. Accordingly, reporting under Section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

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

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

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

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the period 3 December 2020 to 31 March 2021 and our report dated 27 May 2021 as per Annexure II, expressed unmodified opinion; and

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

        i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period 3 December 2020 to 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

-sd/-
Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 21210122AAAACM7044

Bengaluru
27 May 2021

Annexure I to the Independent Auditor's Report of even date to the members of Norlanka Brands Private Limited, on the Financial Statements for the period 3 December 2020 to 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders for the period 3 December 2020 to 31 March 2021. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding for the period 3 December 2020 to 31 March 2021. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the period 3 December 2020 to 31 March 2021, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

-sd/-
Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 21210122AAAACM7044

Bengaluru
27 May 2021

Annexure II to the Independent Auditor's Report of even date to the members of Norlanka Brands Private Limited, on the Financial Statements for the period 3 December 2020 to 31 March 2021

Independent Auditor's report on the internal financial controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Norlanka Brands Private Limited ('the Company') as at and for the period 3 December 2021 to 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

-sd/-
Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 21210122AAAACM7044

Bengaluru
27 May 2021

Norlanka Brands Private Limited
Balance Sheet as at March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2021
Assets		
I. Current assets		
(a) Financial assets		
(i) Cash and cash equivalents	5	18.94
(b) Other current assets	4	1.79
Total current assets		**20.73**
Total assets		**20.73**
II. Equity and liabilities		
Equity		
(a) Equity share capital	6	5.00
(b) Other equity	7	(27.46)
Total equity		**(22.46)**
Liabilities		
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	8	30.00
(ii) Trade payables	10	
- Total outstanding dues to micro enterprises and small enterprises		1.76
- Total outstanding dues to parties other than micro enterprises and small enterprises		2.35
(ii) Other financial liabilities	9	8.11
(b) Other current liabilities	11	0.97
Total current liabilities		**43.19**
Total equity and liabilities		**20.73**
Summary of significant accounting policies and explanatory information thereon	3	

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N/N500013

sd/-
Aasheesh Arjun Singh
Partner
Membership Number: 210122

Bengaluru
May 27, 2021

For and on behalf of Board of Directors of
Norlanka Brands Private Limited

sd/-
Om Prakash Makam Suryanarayan
Director
DIN 01908522

Bengaluru
May 27, 2021

sd/-
Ghanshyam Periwal
Director
DIN 08737000

Norlanka Brands Private Limited

Statement of Profit and Loss for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

	Particulars	Note no.	For the period December 3, 2020 to March 31, 2021
I	Revenue from operations		-
II	Other income		-
III	**Total income (I+II)**		**-**
IV	**Expenses**		
	(a) Employee benefit expense	12	18.51
	(b) Finance costs	13	0.45
	(c) Other expenses	14	8.50
	Total expenses (IV)		**27.46**
V	**Loss before tax (III-IV)**		**(27.46)**
VI	**Tax expense**		**-**
VII	**Loss for the period (V-VI)**		**(27.46)**
VIII	**Other comprehensive income**		
(A)	(i) Items that will not be reclassified to profit or loss		
(B)	(i) Items that will be reclassified to profit or loss		-
	Other comprehensive income for the period, net of tax		**-**
IX	**Total comprehensive loss for the period (VII + VIII)**		**(27.46)**
X	**Earnings per share: (face value of ₹ 10 per share)**	15	
	1) Basic (amount in ₹)		(168.45)
	2) Diluted (amount in ₹)		(168.45)
	Summary of significant accounting policies and explanatory information thereon	3	

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N/N500013

For and on behalf of Board of Directors of
Norlanka Brands Private Limited

sd/-
Aasheesh Arjun Singh
Partner
Membership Number: 210122

sd/-
Om Prakash Makam Suryanarayan
Director
DIN 01908522

sd/-
Ghanshyam Periwal
Director
DIN 08737000

Bengaluru
May 27, 2021

Bengaluru
May 27, 2021

Norlanka Brands Private Limited

Statement of changes in equity for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Number of shares	Amount
Equity shares issued during the period	10,000	1.00
Balance as at March 31, 2021	10,000	**1.00**

B. Other equity

Particulars	Total
Loss for the period	(27.46)
Other comprehensive income for the period, net of tax	-
Balance as at March 31, 2021	**(27.46)**

Summary of significant accounting policies and explanatory information thereon 3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N/N500013

sd/-
Aasheesh Arjun Singh
Partner
Membership Number: 210122

Bengaluru
May 27, 2021

For and on behalf of Board of Directors of
Norlanka Brands Private Limited

sd/-
Om Prakash Makam Suryanarayan
Director
DIN 01908522

sd/-
Ghanshyam Periwal
Director
DIN 08737000

Bengaluru
May 27, 2021

Norlanka Brands Private Limited

Statement of Cash Flow for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

Particulars		For the period December 3, 2020 to March 31, 2021
Cash flows from operating activities		
Loss before tax		(27.46)
Adjustments for:		
Finance costs		0.45
Operating loss before change in working capital		**(27.01)**
Movement in working capital:		
Change in trade payables and other current liabilities		5.08
Change in other current financial liabilities		8.11
Change in other current assets		(1.79)
Cash outflow from operations		**(15.61)**
Direct tax (paid)/ refund received		-
Net cash outflow from operating activities	**(A)**	**(15.61)**
Cash flows from financing activities		
Proceed from issue of equity share capital		5.00
Proceeds from borrowings		30.00
Interest paid		(0.45)
Net cash inflow from financing activities	**(B)**	**34.55**
Net increase in cash and cash equivalents (A+B)		**18.94**
Cash and cash aquivalents at the beginning of the year (refer note 5)		-
Cash and cash equivalent at the end of the year (refer note 5)		**18.94**
Components of cash and cash equivalents		
Balances with bank - on current account		18.94
Cash and cash equivalent at the end of the year (refer note 5)		**18.94**

Summary of significant accounting policies and explanatory information thereon 3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N/N500013

For and on behalf of Board of Directors of
Norlanka Brands Private Limited

sd/-
Aasheesh Arjun Singh
Partner
Membership Number: 210122

sd/-
Om Prakash Makam Suryanarayan
Director
DIN 01908522

sd/-
Ghanshyam Periwal
Director
DIN 08737000

Bengaluru
May 27, 2021

Bengaluru
May 27, 2021

Norlanka Brands Private Limited
Notes to the financial statements for the period ended March 31, 2021

Note 1: Corporate information

Norlanka Brands Private Limited is a Public Limited Company (hereinafter referred as 'the Company') domiciled in India and has its registered office at 758 & 759, 2nd Floor, 19th Main, HSR Layout, Sector-II, Bengaluru - 560102, Karnataka. The Company is engaged in trading of ready to wear apparels, providing services to group companies engaged in the export of ready to wear apparels and sourcing & distribution of their products.

The financial statements of the Company for the period December 3, 2020 to March 31, 2021 were approved by the Board of Directors and authorized for issue on May 27, 2021.

Note 2: Statement of compliance

The financial statements have been prepared as a going concern in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.
The accounting policies are applied consistently to all the periods presented in the financial statements.

Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the relevant accounting policies mentioned. The financial statements are presented in ₹ and all values are rounded to the nearest Lakhs except otherwise stated.

Recent accounting pronouncement

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

a) Balance Sheet:

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible assets under development.

Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

b) Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The Company will evaluate the same to give effect to them as required by law.

Note 3: Significant accounting policies

a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Estimates and underlying assumptions are reviewed at each balance sheet date. Such changes are reflected in the assumptions when they occur.

i) Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes.

v) Impairment of long lived assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. The Company assesses impairment of long lived assets which are recorded at cost. At the time when there are any indications that such assets have suffered a loss, if any, is recognised in the Statement of Profit and Loss.

b) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) 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.

Liabilities:

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

c) Property, plant and equipment (PPE) and Investment property

Property, plant and equipment, capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition 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 within other income or expense (as applicable).

Decommissioning costs: The present value of 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.

Subsequent Costs: The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Depreciation: Depreciation on PPE, except leasehold improvements, is provided on straight-line method over the useful lives of assets as per Schedule II to the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit and Loss. Leasehold improvements are amortised over the lease term or the remaining useful life of the assets whichever is lower.

d) Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation: Intangible assets, with infinite lives, are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the assets are available to the Company for their use. Specialized softwares are amortized over a period of 3 years or license period whichever is earlier.

e) Foreign currency transaction

Functional and presentation currency

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ₹ except where otherwise stated.

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost are not retranslated.

f) Revenue recognition

Revenue from contracts with customers is recognized 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. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Company will be entitled in exchange for transferring the goods or services 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 recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Recognizing revenue from major business activities

(i) Rendering of services

Income from Information technology and information technology enabled services rendered to group companies are recognized as the services are rendered in accordance with the terms of respective arrangements.

Other income

i) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

ii) Any Other Income is recognized on an accrual basis.

g) Employee's Benefits

Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages, bonus and ex-gratia etc. are recognised in Statement of profit and loss in the period in which the employee renders the related service.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution plans and contributions paid / payable are recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income in the Statement of Profit and Loss. All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

h) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events 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.

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

Contingent liability is disclosed in the case of;

i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;

ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However,when realisation of income is virtually certain, related asset is recognised.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

i) Financial instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial assets

(i) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit or loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

(ii) Classification and subsequent measurement

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

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

•Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

•Financial asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it 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 on the principal amount outstanding.

•Financial asset at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

• Equity investment

Investments representing equity interest in associates/ subsidiary are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

(i) The contractual rights to receive cash flows from the asset has expired, or

(ii) The Company has transferred its contractual rights to receive cash flows from the financial 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.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, security deposits received etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit or loss (FVTPL)

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(c) 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

l) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks ofdefault occurring as the weights. Credit loss is the difference between all contractual cashflows 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 effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

For 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 115 Revenue from contracts with customers, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months 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 twelve-months ECL.

m) Impairment of non-financial assets

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

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

n) Fair value measurement

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:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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 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.

o) Taxes on income

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

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

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 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.

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

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

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

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

p) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks 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.

q) Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

i) Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

ii) For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

r) Segment reporting

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision maker is considered to make strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

Norlanka Brands Private Limited

Notes to the financial statements for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 4 : Other current assets	**As at March 31, 2021**
(Unsecured, considered good, unless otherwise stated)	
Balance with government authorities	0.60
Prepaid expenses	1.19
Total	**1.79**

Note 5 : Cash and cash equivalents	
Balances with banks:	
- Current account	18.94
Total	**18.94**

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Norlanka Brands Private Limited

Notes to the financial statements for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 6 : Share capital	**As at March 31, 2021**
Authorised	
100,000 equity shares of ₹ 10 each*	10.00
	10.00
Issued, subscribed and paid up	
50,000 equity shares of ₹ 10 each*	5.00
Total	**5.00**

a) Reconciliation of issued and subscribed share capital:

	No. of shares*	**Amount**
Issued during the period	50,000	5.00
Balance as at March 31, 2021	50,000	1.00

b) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. However, no dividend is proposed by the Board of Directors and no amount is recognised as available for distribution to equity shareholders during the year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	**As at March 31, 2021**	
	No. of shares*	**Holding %**
PDS Multinational Fashions Limited - Holding company	37,500	75%
Mr. Ghanshyam Periwal	12,500	25%

* The Number of shares are given in absolute numbers.

Note 7 : Other equity	**As at March 31, 2021**
Loss for the period	(27.46)
Other comprehensive income for the period, net of tax	-
Balance as at the end of the period	**(27.46)**

Note : For details, refer 'the Statement of changes in equity'

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Norlanka Brands Private Limited

Notes to the financial statements for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 8 : Borrowings	**As at March 31, 2021**
Current	
Unsecured loan	
From related party (refer note 16)	30.00
Total	**30.00**

Note 9 : Other current financial liabilities	
Employee dues	7.66
Interest accrued and due on borrowings from related party (refer note 16)	0.45
Total	**8.11**

Note 10 : Trade payables	
- Outstanding dues to Micro Enterprises and Small Enterprises (refer note 'b' below)	1.76
- Others	2.35
Total	**4.11**

a) Trade payables are non-interest bearing and are normally settled on 60 day terms, except for Micro and Small Enterprises (if any) which are settled within 45 days.

b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 and as certified by the management, the amount due to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

- the principal amount (March 31, 2021: Nil) and the interest (March 31, 2021: Nil) due thereon remaining unpaid to any supplier at the end of each accounting year;	-
- 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), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-
- 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;	-
- the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-
- 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.	-

c) The amount does not include any amount due to be transferred to Investor Protection and Education fund.

d) Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

Note 11 : Other current liabilities	**As at March 31, 2021**
Statutory dues	0.97
Total	**0.97**

Norlanka Brands Private Limited

Notes to the financial statements for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 12 : Employee benefits expense	**For the period December 3, 2020 to March 31, 2021**
Salaries, wages and bonus	18.51
Total	**18.51**

Note 13 : Finance cost	
Interest expense on loan from related party (refer note 15)	0.45
Total	**0.45**

Note 14 : Other expenses	
Business promotion expense	1.33
Consultancy expense	2.26
Legal and professional expenses	2.67
Recruitment expense	1.52
Rates and taxes	0.09
Travelling and conveyance	0.13
Auditor's remuneration (refer note 'a' below)	0.50
Total	**8.50**

a) Details of payment made to auditors is as follows: (excluding taxes)	
As auditor:	
- Statutory audit fee	0.50
Total	**0.50**

Note 15 : Earnings per share (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year whereas diluted earnings per share is computed using the weighted average number of common and dilutive equivalent shares except for the case where the result becomes anti- dilutive.

Particulars	
Loss attributable to the equity holders	(27.46)
Weighted average number of equity shares for basic and diluted EPS	16,301
Basic and diluted earnings per share(in ₹) (face value ₹ 10 per share)	**(168.45)**

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 16 : Related party

a) List of related parties

Name of related party	Nature of relationship
PDS Multinational Fashions Limited	Holding company
Dizbi Private Limited	Fellow subsidiary
Mr. Omprakash Makam Suryanarayan Setty (Director)	Key Managerial Personnel
Mr. Ghanshyam Periwal (Director)	

b) Transactions with related parties

Name of related party	Relationship	Nature of transaction	For the period December 3, 2020 to March 31, 2021
Dizbi Private Limited	Fellow subsidiary	Borrowings	30.00
	Fellow subsidiary	Interest on borrowings	0.45

c) Year end payable balances of related parties

Name of related party	Relationship	Nature of transaction	As at March 31, 2021
Dizbi Private Limited	Fellow subsidiary	Borrowings	30.00
	Fellow subsidiary	Accrued interest on borrowings	0.45

d) Terms and conditions of transactions with related parties: All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions.

Note 17: Capital management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.
The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.
The Company policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital structure using gearing ratio, which is calculated as under:

Particulars	As at March 31, 2021
Borrowings (refer note 8)	30.00
Less: Cash and cash equivalents (refer note 5)	18.94
Adjusted net debt (A)	**48.94**
Equity share capital (refer note 6)	5.00
Other equity (refer note 7)	(27.46)
Total capital (B)	**(22.46)**
Capital and net debt (A+B)	**26.48**
Gearing ratio [A/(A + B)]	**185%**

a) For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity shareholders of the Company.

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 18 : Fair value disclosure

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments,carrying value of financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, borrowings, other financial liabilities etc. represent the best estimate of fair value.
The management assessed that fair value of these financial assets and liabilities significantly approximate their carrying amount.

a) Fair value of financial assets:

	Carrying values	Fair values
	As at March 31, 2021	As at March 31, 2021
Financial assets measured at amortised cost		
Cash and cash equivalents (refer note 5)	18.94	18.94
Total	**18.94**	**18.94**

b) Fair value of financial liabilities:

	Carrying values	Fair values
	As at March 31, 2021	As at March 31, 2021
Financial liabilities measured at amortised cost		
Trade payables (refer note 10)	4.11	4.11
Borrowings (refer note 8)	30.00	30.00
Employee payable (refer note 9)	7.66	7.66
Interest accrued and due on borrowings from related party (refer note 9)	0.45	0.45
Total	**42.22**	**42.22**

Note 19 : Fair value Hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.
Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

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

The Company does not have any financial instruments measured at fair value.

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(All amounts in ₹ in lakhs, unless otherwise stated)

Note 20: Financial risk management objectives and policies

The Company's activities expose it to market risk (foreign exchange), liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis regularly monitoring and follow ups	Timely settlement of receivables
Liquidity risk	Other financial liabilities	Cash flow forecasts	Cash flow management ensuring liquidity
Market risk - foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in Indian Rupees	Cash flow forecasting sensitivity analysis	Regular monitoring of forex fluctuations

A. Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates associated with it's direct and indirect transactions denominated in foreign currency. Since most of the transactions of the company are denominated in its functional currency (₹), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.
Market risk exposures are measured using sensitivity analysis.

i) Foreign currency risk

The Company does not have any international transactions and is not exposed to foreign exchange risk arising from foreign currency transactions.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk table:
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at March 31, 2021	Less than 12 months	1 to 5 years	> 5 years	Total
Trade payables (refer note 10)	4.11	-	-	4.11
Borrowings (refer note 8)	30.00	-	-	30.00
Employee payable (refer note 9)	7.66	-	-	7.66
Interest accrued and due on borrowings from related party (refer note 9)	0.45	-	-	0.45
Total	**42.22**	**-**	**-**	**42.22**

C. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management also considers the factors that may influence the credit risk of its customer base, including the default risk etc.

A default on a financial asset is when the counterparty fails to make contractual payments as per agreed terms. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The maximum exposure to credit risk of the Company is represented by the carrying amount of each financial asset in the statement of financial position.

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 21 : Commitments and Contingencies

(a) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements amounts to Nil. The Company does not have any other long term commitments or material non cancellable contractual committments which may have a material impact on the financial statements.

(b) Contingencies

There is no contingent liability as at March 31, 2021.

Note 22: Subsequent Events

No material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements as at March 31, 2021.

Note 23: Figures have been rounded off to the nearest ₹ in lakhs, except otherwise stated.

Note 24: Comparatives

The company was incorporated on December 3, 2020 and these financial statements cover the first financial year of the company. Accordingly, the requirement to disclose the comparatives is not applicable.

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N/N500013

sd/-
Aasheesh Arjun Singh
Partner
Membership Number: 210122

Bengaluru
May 27, 2021

For and on behalf of Board of Directors of
Norlanka Brands Private Limited

sd/-
Om Prakash Makam Suryanarayan
Director
DIN 01908522

sd/-
Ghanshyam Periwal
Director
DIN 08737000

Bengaluru
May 27, 2021

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
5th Floor, No.65/2, Block "A",
Bagmane Tridib, Bagmane
Tech Park, C V Raman Nagar,
Bengaluru 560093

T +91 80 4243 0700
F +91 80 4126 1228

Independent Auditor's Report

To the Members of DIZBI Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of DIZBI Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period 23 May 2020 to 31 March 2021, and a summary of the significant accounting policies and other explanatory information.

2. 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the for the period 23 May 2020 to 31 March 2021.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditor's report thereon.

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

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

   The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the period 23 May 2020 to 31 March 2021. Accordingly, reporting under Section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

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

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

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

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the period 23 May 2020 to 31 March 2021 ended on that date and our report dated 27 May 2021 as per Annexure II, expressed unmodified opinion; and

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

        i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

        iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period 23 May 2020 to 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

-sd/-
Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 21210122AAAACL4018

Bengaluru
27 May 2021

Annexure I to the Independent Auditor's Report of even date to the members of DIZBI Private Limited, on the Financial Statements for the period 23 May 2020 to 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the period 23 May 2020 to 31 March 2021, however, there is a regular program of verification once in 2 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

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(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has granted unsecured loans to Company covered in the register maintained under Section 189 of the Act; and with respect to the same:

(a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest

(b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/ receipts of the principal amount and the interest are regular;

(c) there is no overdue amount in respect of loans granted to such Company.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the period 23 May 2020 to 31 March 2021. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the period 23 May 2020 to 31 March 2021. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the period 23 May 2020 to 31 March 2021, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

-sd/-
Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 21210122AAAACL4018

Bengaluru
27 May 2021

Annexure II to the Independent Auditor's Report of even date to the members of DIZBI Private Limited, on the Financial Statements for the period 23 May 2020 to 31 March 2021

Independent Auditor's report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of DIZBI Private Limited ('the Company') as at and for the period 23 May 2020 to 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

-sd/-
Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 21210122AAAACL4018

Bengaluru
27 May 2021

DIZBI Private Limited
Balance Sheet as at March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

Particulars	Note no.	As at March 31, 2021
Assets		
I. Non-current assets		
(a) Property, plant and equipment	4	2.17
(b) Other intangible assets	5	183.97
(c) Intangible assets under development	6	16.56
Total non-current assets		**202.70**
Current assets		
(a) Financial assets		
(i) Trade receivables	10	13.06
(ii) Cash and cash equivalents	11	16.01
(iii) Other financial assets	7	30.45
(b) Current tax assets (net)	8	2.05
(c) Other current assets	9	81.66
Total current assets		**143.23**
Total assets		**345.93**
II. Equity and liabilities		
Equity		
(a) Equity share capital	12	1.00
(b) Other equity	13	29.15
Total equity		**30.15**
Liabilities		
Non-current liabilities		
(a) Provisions	15	7.04
(b) Deferred tax liabilities (net)	18	3.34
Total non-current liabilities		**10.38**
Current liabilities		
(a) Financial liabilities		
(i) Trade payables	16	
- Total outstanding dues to micro enterprises and small enterprises		-
- Total outstanding dues to parties other than micro enterprises and small enterprises		54.95
(ii) Other financial liabilities	14	227.63
(b) Other current liabilities	17	15.43
(c) Provisions	15	7.39
Total current liabilities		**305.40**
Total equity and liabilities		**345.93**
Summary of significant accounting policies and explanatory information thereon	3	

The accompanying notes form an integral part of these financial statements
As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N/N500013

For and on behalf of Board of Directors of
DIZBI Private Limited

sd/-
Aasheesh Arjun Singh
Partner
Membership Number: 210122

sd/-
Om Prakash Makam Suryanarayan
Director
DIN 01908522

sd/-
Narayanarao Dakavarapu Suresh
Director
DIN 03582965

Bengaluru
May 27, 2021

Bengaluru
May 27, 2021

DIZBI Private Limited

Statement of Profit and Loss for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

	Particulars	Note no.	For the period May 23, 2020 to March 31, 2021
I	Revenue from operations	19	495.60
II	Other income	20	0.45
III	**Total income (I+II)**		**496.05**
IV	**Expenses**		
	(a) Employee benefit expense	21	130.38
	(b) Depreciation and amortization expense	22	35.35
	(c) Other expenses	23	290.45
	Total expenses (IV)		**456.18**
V	**Profit before tax (III-IV)**		**39.87**
VI	**Tax expense:**	25	
	(a) Current tax		7.38
	(b) Deferred tax charge		3.34
	Total tax expense		**10.72**
VII	**Profit for the period (V-VI)**		**29.15**
VIII	**Other comprehensive income**		
(A)	(i) Items that will not be reclassified to profit or loss		
	(a) Re-measurement (losses) on defined benefit plans		-
	(ii) Income tax on items that will not be reclassified to profit or loss		-
(B)	(i) Items that will be reclassified to profit or loss		-
	(ii) Income tax on items that will be reclassified to profit or loss		-
	Other comprehensive income for the period, net of tax		**-**
IX	**Total comprehensive income for the period (VII + VIII)**		**29.15**
X	**Earnings per share: (face value of ₹ 10 per share)**	24	
	1) Basic (amount in ₹)		339.93
	2) Diluted (amount in ₹)		339.93
	Summary of significant accounting policies and explanatory information thereon	3	

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N/N500013

For and on behalf of Board of Directors of
DIZBI Private Limited

sd/-
Aasheesh Arjun Singh
Partner
Membership Number: 210122

sd/-
Om Prakash Makam Suryanarayan
Director
DIN 01908522

sd/-
Narayanarao Dakavarapu Suresh
Director
DIN 03582965

Bengaluru
May 27, 2021

Bengaluru
May 27, 2021

DIZBI Private Limited

Statement of changes in equity for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Number of shares	Amount
Equity shares issued during the period	10,000	1.00
Balance as at March 31, 2021	10,000	**1.00**

B. Other equity

Particulars	Total
Profit for the period	29.15
Other comprehensive income for the period, net of tax	-
Balance as at March 31, 2021	**29.15**

Summary of significant accounting policies and explanatory information thereon 3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N/N500013

sd/-
Aasheesh Arjun Singh
Partner
Membership Number: 210122

Bengaluru
May 27, 2021

For and on behalf of Board of Directors of
DIZBI Private Limited

sd/-
Om Prakash Makam Suryanarayan
Director
DIN 01908522

sd/-
Narayanarao Dakavarapu Suresh
Director
DIN 03582965

Bengaluru
May 27, 2021

DIZBI Private Limited

Statement of Cash Flow for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

Particulars		For the period May 23, 2020 to March 31, 2021
Cash flows from operating activities		
Profit before tax		39.87
Adjustments for:		
Depreciation and amortization expense		35.35
Interest income		(0.45)
Operating profit before change in working capital		**74.77**
Movement in working capital:		
Change in trade payables and other current liabilities		70.38
Change in other current financial liabilities		227.63
Change in provisions		7.05
Change in trade receivables		(13.06)
Change in other current assets		(81.66)
Change in other current financial assets		(30.00)
Cash generated from operations		**255.11**
Direct tax paid		(2.05)
Net cash inflow from operating activities	**(A)**	**253.06**
Cash flows from investing activities		
Purchase of property, plant and equipment, other intangible assets and intangible assets under development		(238.05)
Net cash outflow in investing activities	**(B)**	**(238.05)**
Cash flows from financing activities		
Proceed from issue of equity share capital		1.00
Net cash inflow from financing activities	**(C)**	**1.00**
Net increase in cash and cash equivalents (A+B+C)		**16.01**
Cash and cash aquivalents at the beginning of the period		-
Cash and cash equivalent at the end of the period (refer note 11)		**16.01**
Components of cash and cash equivalents		
Balances with bank - on current account		16.01
Cash and cash equivalent at the end of the period (refer note 11)		**16.01**

Summary of significant accounting policies and explanatory information thereon 3

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N/N500013

sd/-
Aasheesh Arjun Singh
Partner
Membership Number: 210122

Bengaluru
May 27, 2021

For and on behalf of Board of Directors of
DIZBI Private Limited

sd/-
Om Prakash Makam Suryanarayan
Director
DIN 01908522

sd/-
Narayanarao Dakavarapu Suresh
Director
DIN 03582965

Bengaluru
May 27, 2021

DIZBI Private Limited
Notes to the financial statements for the period ended March 31, 2021

Note 1: Corporate information

DIZBI Private Limited (hereinafter referred as 'the Company') was incorporated on May 23, 2020 and has its registered office at No. 1637, Suprabha, 19th Cross, 4th Main, Sector 7, HSR Layout, Bengaluru - 560102, Karnataka. The Company is engaged in business of design, development, marketing, sales, export and import and service of software and hardware products and solutions including networking solutions, information technology infrastructure management, computer peripherals, firewall and antivirus, cloud computing e-commerce solutions and all kinds of information technology enabled services including software development, consultancy, outsourcing, training, support, maintenance, marketing and sales of all kinds of software products and applications, including cloud computing, mobile applications and web solutions, networking solutions.
The financial statements of the Company for the period May 23, 2020 to March 31, 2021 were approved by the Board of Directors and authorized for issue on May 27, 2021.

Note 2: Statement of compliance

The financial statements have been prepared as a going concern in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the relevant accounting policies mentioned. The financial statements are presented in ₹ and all values are rounded to the nearest Lakhs except otherwise stated.

Recent accounting pronouncement

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.

a) Balance Sheet:

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible assets under development.

Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

Specified format for disclosure of shareholding of promoters.

b) Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the financial statements.

The Company will evaluate the same to give effect to them as required by law.

Note 3: Significant accounting policies

a) Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Judgements:

In the process of applying the Company’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Estimates and underlying assumptions are reviewed at each balance sheet date. Such changes are reflected in the assumptions when they occur.

i) Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

ii) Contingencies

Contingent Liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) Defined benefit plans

The present value of the gratuity and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes.

v) Impairment of long lived assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. The Company assesses impairment of long lived assets which are recorded at cost. At the time when there are any indications that such assets have suffered a loss, if any, is recognised in the Statement of Profit and Loss.

b) Current versus non-current classification

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

Assets:

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) 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.

Liabilities:

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

c) Property, plant and equipment (PPE) and Investment property

Property, plant and equipment, capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition 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 within other income or expense (as applicable).

Decommissioning costs: The present value of 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.

Subsequent Costs: The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Depreciation: Depreciation on PPE, except leasehold improvements, is provided on straight-line method over the useful lives of assets as per Schedule II to the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit and Loss. Leasehold improvements are amortised over the lease term or the remaining useful life of the assets whichever is lower.

Asset	Useful life
Computers	3 years
Computer software	3 years

d) Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation: Intangible assets, with infinite lives, are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the assets are available to the Company for their use. Specialized softwares are amortized over a period of 3 years or license period whichever is earlier.

e) Foreign currency transaction

Functional and presentation currency

The Company's financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in ₹ except where otherwise stated.

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost are not retranslated.

f) Revenue recognition

Revenue from contracts with customers is recognized 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. Revenue excludes goods and service tax and is after deduction of any trade discounts.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Company will be entitled in exchange for transferring the goods or services 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 recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Recognizing revenue from major business activities

(i) Rendering of services

Income from Information technology and information technology enabled services rendered to group companies are recognized as the services are rendered in accordance with the terms of respective arrangements.

Other income

i) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

ii) Any Other Income is recognized on an accrual basis.

g) Employee's Benefits

Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages, bonus and ex-gratia etc. are recognised in Statement of profit and loss in the period in which the employee renders the related service.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution plans and contributions paid / payable are recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income in the Statement of Profit and Loss. All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

h) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events 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.

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

Contingent liability is disclosed in the case of;

i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;

ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However,when realisation of income is virtually certain, related asset is recognised.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

i) Financial instruments

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial assets

(i) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit or loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

(ii) Classification and subsequent measurement

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

- Financial Asset carried at amortised cost
- Financial Asset at fair value through other comprehensive income (FVTOCI)
- Financial Asset at fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

•Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

•Financial asset at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it 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 on the principal amount outstanding.

•Financial asset at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

• Equity investment

Investments representing equity interest in associates/ subsidiary are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

(i) The contractual rights to receive cash flows from the asset has expired, or

(ii) The Company has transferred its contractual rights to receive cash flows from the financial 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.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, security deposits received etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit or loss (FVTPL)

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(c) 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

l) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks ofdefault occurring as the weights. Credit loss is the difference between all contractual cashflows 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 effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

For 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 115 Revenue from contracts with customers, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months 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 twelve-months ECL.

m) Impairment of non-financial assets

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

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

n) Fair value measurement

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:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability

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 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.

o) Taxes on income

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

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred Tax

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 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.

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

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

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

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

p) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks 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.

q) Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

i) Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

ii) For the purpose of calculating Diluted Earning per share, the number of shares comprises of weighted average shares considered for deriving basic earning per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

r) Segment reporting

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision maker is considered to make strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 4 : Property, plant and equipment

Particulars	Computers
At cost	
Additions	2.44
Balance as at March 31, 2021	2.44
Accumulated Depreciation	
Additions	0.27
Balance as at March 31, 2021	0.27
Net block	
Balance at March 31, 2021	**2.17**

Note 5 : Other intangible assets

Particulars	Computer software
At cost	
Additions	219.05
Balance as at March 31, 2021	219.05
Accumulated Depreciation	
Additions	35.08
Balance as at March 31, 2021	35.08
Net block	
Balance at March 31, 2021	**183.97**

Note 6 : Intangible assets under development

Particulars	As at March 31, 2021
Intangible assets under development	16.56
Total	**16.56**

DIZBI Private Limited

Notes to the financial statements for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 7 : Other current financial assets	**As at March 31, 2021**
Loan receivable from related party (refer note 27)	30.45
Total	**30.45**

a)Unsecured loan receivable from Norlanka Brands Private Limited as at March 31, 2021 carries interest rate of 9% p.a.

Note 8 : Current tax assets(net)	
Advance income tax	2.05
Total	**2.05**

Note 9 : Other current assets	
(Unsecured, considered good, unless otherwise stated)	
Balance with government authorities	63.51
Others	0.98
Prepaid expenses	10.19
Advances to employees	6.39
Advances to suppliers	0.59
Total	**81.66**

Note 10 : Trade receivables	
(a) Trade receivable considered good - secured	-
(b) Trade receivable considered good - unsecured	13.06
(c) Trade receivable which have significant increase in credit risk	-
(d) Trade receivable - credit impaired	-
	13.06
Less: Allowance for expected credit loss	-
Total	**13.06**

a) The Company has no receivables which have significant increase in credit risk.
b) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
c) Trade receivables due from related parties as at March 31, 2021 amounts to ₹ 13.06. (refer note 27)
d) Trade receivables are generally on terms of not more than 60 days.

Note 11 : Cash and cash equivalents	
Balances with banks:	
- Current account	16.01
Total	**16.01**

DIZBI Private Limited

Notes to the financial statements for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 12 : Share capital	**As at March 31, 2021**
Authorised	
50,000 equity shares of ₹ 10 each*	5.00
	5.00
Issued, subscribed and paid up	
10,000 equity shares of ₹ 10 each*	1.00
Total	**1.00**

a) Reconciliation of issued and subscribed share capital:

	No. of shares*	**Amount**
Issued during the period	10,000	1.00
Balance as at March 31, 2021	10,000	1.00

b) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. However, no dividend is proposed by the Board of Directors and no amount is recognised as available for distribution to equity shareholders during the year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Particulars	**As at March 31, 2021**	
	No. of shares*	**Holding %**
PDS Multinational Fashions Limited - Holding company	5,300	53%
Mr. Ghanshyam Periwal	3,300	33%
Mr. Narayanarao Dakavarapu Suresh	700	7%

* The Number of shares are given in absolute numbers.

Note 13 : Other equity	**As at March 31, 2021**
Profit for the period	29.15
Other comprehensive income for the period, net of tax	-
Balance as at the end of the period	**29.15**

Note : For details, refer 'the Statement of changes in equity'

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DIZBI Private Limited

Notes to the financial statements for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 14 : Other current financial liabilities	**As at March 31, 2021**
Employee dues	18.39
Dues to related party (refer note 27)	209.24
Total	**227.63**

Note 15 : Provisions	
Non-current	
- Gratuity (refer note 26)	7.04
Total (A)	**7.04**
Current	
- Gratuity (refer note 26)	0.01
- Income tax (net of advance tax)	7.38
Total (B)	**7.39**
Total (A+B)	**14.43**

Note 16 : Trade payables	
- Outstanding dues to Micro Enterprises and Small Enterprises (refer note 'b' below)	-
- Others	54.95
Total	**54.95**

a) Trade payables are non-interest bearing and are normally settled on 15-60 day terms, except for Micro and Small Enterprises (if any) which are settled within 45 days.

b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 and as certified by the management, the amount due to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

- the principal amount (March 31, 2021: Nil) and the interest (March 31, 2021: Nil) due thereon remaining unpaid to any supplier at the end of each accounting year;	-
- 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), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-
- 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;	-
- the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-
- 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.	-

c) The amount does not include any amount due to be transferred to Investor Protection and Education fund.

d) Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

Note 17 : Other current liabilities	
Statutory dues	5.17
Advance from customers (refer note 27)	10.26
Total	**15.43**

Note 18: Deferred tax	
Deferred tax assets	1.83
Deferred tax liabilities	(5.17)
Total deferred tax asset/(liabiities)	**(3.34)**

Tax effect of items constituting deferred tax liabilities:

Deferred tax assets relates to the following:	
Provision for employee benefits	1.83
Deferred tax liabilities relates to the following:	
Property, plant and equipment	5.17
Total deferred tax assets/(liabilities)	**(3.34)**

DIZBI Private Limited

Notes to the financial statements for the period ended March 31, 2021

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 19 : Revenue from operations	**For the period May 23, 2020 to March 31, 2021**
Sale of services	
- Information technology enabled services (refer note 27)	495.60
Total	**495.60**

Note 20 : Other income	
Interest income on loan to related party (refer note 27)	0.45
Total	**0.45**

Note 21 : Employee benefits expense	
Salaries, wages and bonus	120.30
Contribution to provident and other funds (refer note 26)	3.03
Gratuity expense (refer note 26)	7.05
Total	**130.38**

Note 22 : Depreciation and amortization expense	
Depreciation of property plant and equipment	0.27
Amortization of intangible assets	35.08
Total	**35.35**

Note 23 : Other expenses	
SAP expenses	104.38
Consulting expense	87.23
Legal and professional expenses	40.30
Cloud hosting charges	26.62
License fees	16.90
Foreign exchange fluctuation (net)	3.70
Recruitment expense	3.28
Advertisement and business promotion	1.77
Bank charges	1.61
Research and development expenses	1.51
Website maintenance charges	1.43
Miscellaneous expenses	1.23
Auditor's remuneration (refer note 'a' below)	0.50
Total	**290.45**

a) Details of payment made to auditors is as follows: (excluding taxes)	
As auditor:	
- Statutory audit fee	0.50
Total	**0.50**

Note 24 : Earnings per share (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive Income. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year whereas diluted earnings per share is computed using the weighted average number of common and dilutive equivalent shares except for the case where the result becomes anti- dilutive.

Particulars	
Profit attributable to the equity holders	29.15
Weighted average number of equity shares for basic and diluted EPS	8,575
Basic and diluted earnings per share(in ₹) (face value ₹ 10 per share)	**339.93**

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 25: Income Tax

Income tax expense in the Statement of Profit and Loss

The major components of income tax expense for the year ended March 31, 2021 are:

Statement of profit and loss:	**For the period May 23, 2020 to March 31, 2021**
Tax expense:	
a) Current tax	7.38
b) Deferred tax charge	3.34
Income tax expense reported in the Statement of Profit and Loss	**10.72**

Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate for March 31, 2021:

Particulars	
Accounting profit before tax	**39.87**
At Company's statutory income tax rate of 26%	10.37
Others	0.35
At the effective income tax rate	**10.72**

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(All amounts in ₹ in lakhs, unless otherwise stated)

Note 26 : Employee benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amounts in the Statement of Profit and Loss under Company's contribution to defined contribution plans.

Particulars	For the period May 23, 2020 to March 31, 2021
Employer's contribution to provident fund/ pension fund	3.03
Total	**3.03**

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected unit credit method" was carried out, through which the Company is able to determine the present value of obligations. "Projected unit credit method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The Company has defined benefit gratuity plan. Gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity liability in the books of account on the basis of acturial valuation as per projected unit credit method.

c) The following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the defined benefit plan (viz. gratuity). These have been provided on accrual basis, based on year end actuarial valuation.

Particulars	As at March 31, 2021
Current service cost	7.05
Present value of obligation as at the end of the year	**7.05**

d) The Company expects to contribute ₹ 18.60 during the financial year 2021-2022.

e) The following tables summarise the net benefit expense recognised in the Statement of Profit and Loss:

Particulars	For the period May 23, 2020 to March 31, 2021
Current service cost	7.05
Components of defined benefit costs recognised in statement of profit and loss	**7.05**

f) Principal actuarial assumptions at the Balance Sheet date are as follows:

Particulars	
Economic assumptions	
1) Discount rate	6.76%
2) Future salary growth rate	9.00%
Demographic assumptions	
1) Retirement age	60 years
2) Mortality rate	**Indian Assured Lives Mortality (2012-14) (modified) ultimate**
3) Employee turnover / attrition rate	
Ages up to 30	5.00%
Ages from 31-44	3.00%
Above 44	2.00%

g) Net liabilities recognized in the Balance Sheet for benefit obligation

Particulars	As at March 31, 2021
Present value of obligation	7.05
Less: Fair value of plan assets	-
Net liability	**7.05**

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 26 : Employee benefit plans(cont'd)

h) A quantitative sensitivity analysis for significant assumption as is as shown below:

Particulars	For the period May 23, 2020 to March 31, 2021
A. Discount rate	
0.5% increase in discount rate	(0.55)
0.5% decrease in discount rate	0.61
B. Salary escalation rate	
0.5% increase in salary escalation rate	0.59
0.5% decrease in salary escalation rate	(0.54)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.
Sensitivities due to morality and withdrawals are not expected to be significant.

i) Description of Risk Exposures:

Salary Increases	Actual salary increases will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations also increase the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Morality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.
Investment Risk	If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability

j)The weighted average duration of the defined obligation as at March 31, 2021 on an average is 17.33 years.

k) Maturity profile of defined benefit obligation is as follows:

Particulars	As at March 31, 2021
1 year	0.01
2 to 6 years	0.52
More than 6 years	6.52

l) The estimates of future salary increases considered in acturial valuation take account of factors, such as supply and demand in the employment market.

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 27 : Related party

a) List of related parties

Name of related party	Nature of relationship
PDS Multinational Fashions Limited	Holding company
Casa Collective Limited	Fellow subsidiary
Design Arc Asia Limited	Fellow subsidiary
Far East Vouge Limited	Fellow subsidiary
Green Apparels Industries Limited	Fellow subsidiary
Green Smart Shirts Limited	Fellow subsidiary
Grupo Sourcing Limited	Fellow subsidiary
Jcraft Array Limited	Fellow subsidiary
JJ Star Industrial Limited	Fellow subsidiary
Kleider Sourcing FZCO	Fellow subsidiary
Krayon Sourcing Limited	Fellow subsidiary
LillyandSid Limited	Fellow subsidiary
Multinational Textile Group Limited	Fellow subsidiary
Nor Lanka Manufacturing Colombo Limited	Fellow subsidiary
Norwest Industries Limited	Fellow subsidiary
PDS Asia Star Corporation Limited	Fellow subsidiary
PG Group Home Ltd	Fellow subsidiary
Poeticgem International Limited	Fellow subsidiary
Progress Manufacturing Group Limited	Fellow subsidiary
Simple Approach Limited	Fellow subsidiary
Sourcing Solutions Limited	Fellow subsidiary
Spring Near East Manufacturing Company Limited	Fellow subsidiary
Styleberry Limited	Fellow subsidiary
Techno Design HK Limited	Fellow subsidiary
Twins Asia Limited	Fellow subsidiary
Zamira Fashions Limited	Fellow subsidiary
Norlanka Brands Private Limited	Fellow subsidiary
Mr. Omprakash Makam Suryanarayan Setty (Director)	Key Managerial Personnel
Mr. Ghanshyam Periwal (Director)	
Mr. Narayanarao DakavarapuSuresh (Executive Director)	

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(All amounts in ₹ in lakhs, unless otherwise stated)

Note 27 : Related party (cont'd)

b) Transactions with related parties

Name of related party	Relationship	Nature of transaction	For the period May 23, 2020 to March 31, 2021
PDS Multinational Fashions Limited	Holding Company	Service income	27.30
		Asset transferred from PDS Multinational Fashions Limited	236.14
Casa Collective Ltd	Fellow subsidiary	Service income	2.93
Design Arc Asia Ltd	Fellow subsidiary	Service income	19.03
Far East Vouge Ltd	Fellow subsidiary	Service income	2.93
Green Apparels Industries Ltd	Fellow subsidiary	Service income	27.74
Green Smart Shirts Ltd	Fellow subsidiary	Service income	1.08
Grupo Sourcing Limited	Fellow subsidiary	Service income	1.47
Jcraft Array Limited	Fellow subsidiary	Service income	1.47
JJ Star Industrial Limited	Fellow subsidiary	Service income	7.33
Kleider Sourcing FZCO	Fellow subsidiary	Service income	4.39
Krayon Sourcing Limited	Fellow subsidiary	Service income	1.47
LillyandSid Limited	Fellow subsidiary	Service income	0.21
Multinational Textile Group Limited	Fellow subsidiary	Service income	97.91
Nor Lanka Manufacturing Colombo Limited	Fellow subsidiary	Service income	62.08
		Sap expense incurred on behalf of the company	8.07
Norwest Industries Limited	Fellow subsidiary	Service income	82.61
PDS Asia Star Corporation Limited	Fellow subsidiary	Service income	32.22
PG Group Home Limited	Fellow subsidiary	Service income	1.47
Poeticgem International Limited	Fellow subsidiary	Service income	30.75
Progress Manufacturing Group Limited	Fellow subsidiary	Service income	32.33
Simple Approach Limited	Fellow subsidiary	Service income	20.51
Sourcing Solutions Limited	Fellow subsidiary	Service income	2.92
Spring Near East Manufacturing Company Limited	Fellow subsidiary	Service income	5.86
Styleberry Limited	Fellow subsidiary	Service income	1.47
Techno Design HK Limited	Fellow subsidiary	Service income	11.71
Twins Asia Limited	Fellow subsidiary	Service income	2.93
Zamira Fashions Limited	Fellow subsidiary	Service income	13.48
Norlanka Brands Private Limited	Fellow subsidiary	Loan given	30.00
	Fellow subsidiary	Interest on loan given	0.45
Mr. Narayanarao Dakavarapu Suresh (Executive Director)	Key managerial personnel	Salary	41.68

c) Year end payable balances of related parties

Name of Related Party	Relationship	Nature of transaction	As at March 31, 2021
PDS Multinational Fashions Limited	Holding company	Payable for asset transferred from PDS Multinational Fashions Limited	209.24
Krayon Sourcing Limited	Fellow subsidiary	Advance received from customer	1.10
Nor Lanka Manufacturing Colombo Limited	Fellow subsidiary	Advance received from customer	8.07
Styleberry Limited	Fellow subsidiary	Advance received from customer	1.10

d) Year end receivable balances of related parties

Name of Related Party	Relationship	Nature of transaction	As at March 31, 2021
Jcraft Array Limited	Fellow subsidiary	Accounts receivable	0.44
Lilly and Sid Organic Collection	Fellow subsidiary	Accounts receivable	0.21
Multinational Textile Group Limited	Fellow subsidiary	Accounts receivable	9.19
Zamira Fashion Limited	Fellow subsidiary	Accounts receivable	3.22
Norlanka Brands Private Limited	Fellow subsidiary	Loan and interest receivable	30.45

e) Terms and conditions of transactions with related parties: All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions.

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 28: Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

Note 29 : Fair value disclosure

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments,carrying value of financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, borrowings, other financial liabilities etc. represent the best estimate of fair value.
The management assessed that fair value of these financial assets and liabilities significantly approximate their carrying amount.

a) Fair value of financial assets:

	Carrying values	Fair values
	As at March 31, 2021	As at March 31, 2021
Financial assets measured at amortised cost		
Loan receivable from related party (refer note 7)	30.45	30.45
Trade receivables (refer note 10)	13.06	13.06
Cash and cash equivalents (refer note 11)	16.01	16.01
Total	**59.52**	**59.52**

b) Fair value of financial liabilities:

	Carrying values	Fair values
	As at March 31, 2021	As at March 31, 2021
Financial liabilities measured at amortised cost		
Trade payables (refer note 16)	54.95	54.95
Dues to related party (refer note 14)	209.24	209.24
Employee payable (refer note 14)	18.39	18.39
Total	**282.58**	**282.58**

Note 30 : Fair value Hierarchy

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.
Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

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

The Company does not have any financial instruments measured at fair value.

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(All amounts in ₹ in lakhs, unless otherwise stated)

Note 31: Financial risk management objectives and policies

The Company's activities expose it to market risk (foreign exchange), liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis regularly monitoring and follow ups	Timely settlement of receivables
Liquidity risk	Other financial liabilities	Cash flow forecasts	Cash flow management ensuring liquidity
Market risk - foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in Indian Rupees	Cash flow forecasting sensitivity analysis	Regular monitoring of forex fluctuations

A. Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates associated with it's direct and indirect transactions denominated in foreign currency. Since most of the transactions of the company are denominated in its functional currency (₹), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.
Market risk exposures are measured using sensitivity analysis.

i) Foreign currency risk

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

The Company's exposure to foreign currency risk at the end of the reporting period are as follows:

Particulars	Currency	As at March 31, 2021
		₹ lakhs
Trade receivable	USD	13.06
Net exposure in foreign currency		13.06

Foreign currency sensitivity

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rate, with all other variables held constant.

The following table details the company's sensitivity [Gain/(Loss)] to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes unhedged receivables and payables in currency other than functional currency of the Company. A positive number below indicates an increase in profit or equity where the ₹ strengthens 5% against the relevant currency. For a 5% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity.

Impact on Profit and loss and total equity	Change in rate	For the period May 23, 2020 to March 31, 2021
USD sensitivity		
Increase in foreign currency exchange rates	+5%	0.65
Decrease in foreign currency exchange rates	-5%	(0.65)

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 5%.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk table:
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

As at March 31, 2021	Less than 12 months	1 to 5 years	> 5 years	Total
Trade payables (refer note 16)	54.95	-	-	54.95
Dues to related party (refer note 14)	209.24	-	-	209.24
Employee payable (refer note 14)	18.39	-	-	18.39
Total	**282.59**	**-**	**-**	**282.59**

C. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management also considers the factors that may influence the credit risk of its customer base, including the default risk etc.

A default on a financial asset is when the counterparty fails to make contractual payments as per agreed terms. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The maximum exposure to credit risk of the Company is represented by the carrying amount of each financial asset in the statement of financial position.

Particulars	As at March 31, 2021
Trade receivables	
Less than 30 days	3.43
30 to 90 days	0.44
More than 90 days	9.19
Total	**13.06**

The total impairment loss amounting to Nil on trade receivables.

(All amounts in ₹ in lakhs, unless otherwise stated)

Note 32 : Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The Company provides infiormation technology and information technology enabled services to its holding company and fellow subsidiaries. The disclosures as required under Ind AS 108 on operating segment reporting has not been provided as the Company deals in one business segment.

Entity wide disclosures

a. Revenue by Geography

Particulars	For the period May 23, 2020 to March 31, 2021
India	27.30
Outside India	468.30
Total	**495.60**

The Company is domiciled in India and all its non-current assets are located in/relates to India.

There are 3 customers during year ended March 31, 2021 who has contributed 10% or more to the Company's revenue.

b. Revenue by nature of products / services

Particulars	For the period May 23, 2020 to March 31, 2021
Sale of services	
- Information technology and Information technology enabled services (refer note 27)	495.60
Total	**495.60**

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(All amounts in ₹ in lakhs, unless otherwise stated)

Note 33: Revenue from contracts with customers

(i)Disaggregated revenue information

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

Particulars	Timing of revenue recognition	For the period May 23, 2020 to March 31, 2021
Sale of services	Over time	495.60
Total		**495.60**

(ii) Contract balances

Assets and liabilities related to contracts with customers:

Particulars	As at March 31, 2021
Trade receivables (refer note 10)	13.06
Contract Liability - Advance from Customers (refer note 17)	10.26

Trade receivables are non-interest bearing and are generally on terms of not more than 60 days. The Company has recognised Nil provision for expected credit loss on trade receivables during the year ended March 31, 2021.

Contract assets primarily relate to the Company's right to consideration for work completed but not yet billed at reporting date for services rendered to customers. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Company's obligation to transfer goods or services to customer for which the Company has invoiced the customer or received advances from the customer for rendering of services. Contract liabilities are recognised as revenue as the Company performs under the contract.

The company does not have any contract asset as on March 31, 2021

Particulars	As at March 31, 2021
Advance received/(adjusted) from customers during the year, net	10.26
Contract liabilities at the end of the year	**10.26**

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

Revenue as per contract	495.60
Adjustments	-
Revenue from contract with customers	**495.60**

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(All amounts in ₹ in lakhs, unless otherwise stated)

Note 34 : Commitments and Contingencies

(a) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements amounts to Nil. The Company does not have any other long term commitments or material non cancellable contractual committments which may have a material impact on the financial statements.

(b) Contingencies

There is no contingent liability as at March 31, 2021.

Note 35 : Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company regularly updates the documentation for the International transactions entered into with the associated enterprises during the period as required under law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note 36: Subsequent Events

No material events have occurred between the balance sheet date to the date of issue of these financial statements that could affect the values stated in the financial statements as at March 31, 2021.

Note 37: Figures have been rounded off to the nearest ₹ in lakhs except otherwise stated.

Note 38: Comparatives

The company was incorporated on May 23, 2020 and these financial statements cover the first financial year of the company. Accordingly, the requirement to disclose the comparatives is not applicable.

As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration Number: 001076N/N500013

sd/-
Aasheesh Arjun Singh
Partner
Membership Number: 210122

Bengaluru
May 27, 2021

For and on behalf of Board of Directors of
DIZBI Private Limited

sd/-
Om Prakash Makam Suryanarayan
Director
DIN 01908522

sd/-
Narayanarao Dakavarapu Suresh
Director
DIN 03582965

Bengaluru
May 27, 2021

Financial Statements and Independent Auditors' Report

Technocian Fashions Private Limited

31 March 2021

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
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Bagmane Tridib, Bagmane
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Independent Auditor's Report

To the Members of Technocian Fashions Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Technocian Fashions Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditor's report thereon.

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

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

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

The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

8. 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

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

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

10. 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.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197(16) of the Act is not applicable.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure I, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;

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

    c) the financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

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

    f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 21 June 2021 as per Annexure II, expressed unmodified opinion; and

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

        i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;

        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 21210122AAAADA4516

Bengaluru
21 June 2021

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

Annexure I to the Independent Auditor's Report of even date to the members of Technocian Fashions Private Limited, on the Financial Statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, fixed assets were physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

(xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 21210122AAAADA4516

Bengaluru
21 June 2021

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

Annexure II to the Independent Auditor's Report of even date to the members of Technocian Fashions Private Limited, on the Financial Statements for the year ended 31 March 2021

Independent Auditor's report on the internal financial controls with reference to the consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Technocian Fashions Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
UDIN: 21210122AAAADA4516

Bengaluru
21 June 2021

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

Technocian Fashions Private Limited
Balance Sheet as at March 31, 2021

(Monetary values are in INR thousands unless otherwise stated)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	31,966.03	34,799.79
(b) Intangible assets	6	73.82	139.37
(c) Financial assets			
i) Other financial assets	7	1,951.06	1,833.97
(d) Deferred tax assets	30	1,755.80	933.25
(e) Other non-current tax assets	9	157.99	187.70
Total non-current assets		**35,904.70**	**37,894.07**
Current assets			
(a) Financial assets			
(i) Trade receivables	8	6,216.54	9,198.73
(ii) Cash and cash equivalents	10	11,876.11	6,169.24
(iii) Other financial assets	7	-	5,452.67
(b) Other current assets	11	1,445.47	1,379.67
Total current assets		**19,538.12**	**22,200.31**
Total assets		**55,442.82**	**60,094.38**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	500.00	500.00
(b) Other equity	13	10,247.89	8,743.62
Total equity		**10,747.89**	**9,243.62**
Liabilities			
Non-current liabilities			
(a) Provisions	14	4,387.66	6,717.47
(b) Financial liabilities	15	21,424.46	20,948.29
Total non-current liabilities		**25,812.12**	**27,665.76**
Current liabilities			
(a) Financial liabilities			
(i) Trade payables	16		
- Total outstanding dues of micro enterprises and small enterprises		284.93	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,884.75	3,826.41
(ii) Other financial liabilities	15	10,201.80	9,736.02
(b) Provisions	14	1,371.18	150.50
(c) Other current liabilities	17	4,140.15	9,472.06
Total current liabilities		**18,882.81**	**23,185.00**
Total equity and liabilities		**55,442.82**	**60,094.38**
Summary of significant accounting policies	3		

The accompanying notes form an integral part of these financial statements
As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firms Registration Number: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
Bengaluru
21 June 2021

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Technocian Fashions Private Limited

Rajive Ranjan
Director
DIN:00198568
Dusseldorf
14 June 2021

Om Prakash Makam S
Director
DIN:01908522
Bengaluru
14 June 2021

Technocian Fashions Private Limited
Statement of profit and loss for the year ended March 31, 2021

(Monetary values are in INR thousands unless otherwise stated)

		Note No.	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
I	Revenue from operations	18	108,872.18	110,178.19
II	Other income	19	1,640.48	121.64
III	**Total income (I + II)**		**110,512.66**	**110,299.83**
IV	**Expenses**			
	(a) Employee benefit expense	20	75,198.77	67,406.95
	(b) Depreciation and amortisation expense	21	5,423.34	4,283.18
	(c) Finance cost	22	2,182.83	1,922.73
	(d) Other expenses	23	14,734.70	25,547.47
	Total expenses (IV)		**97,539.64**	**99,160.33**
V	**Profit before tax (III - IV)**		**12,973.02**	**11,139.50**
VI	Tax expense			
	(a) Current tax	30	4,140.38	3,912.29
	(b) Deferred tax credit	30	(860.07)	(1,080.01)
VII	**Profit for the year/ period (V - VI)**		**9,692.71**	**8,307.22**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurements of defined benefit plans	28	149.08	583.18
	(b) Income tax relating to items that will not be reclassified to profit or loss		(37.52)	(146.78)
			111.56	**436.40**
IX	**Total other comprehensive income (VII + VIII)**		**9,804.27**	**8,743.62**
	Earnings per equity share			
	(1) Basic (in ₹)	24	193.85	166.14
	(2) Diluted (in ₹)		193.85	166.14
	Summary of significant accounting policies	3		

The accompanying notes form an integral part of these financial statements
As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firms Registration Number: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
Bengaluru
21 June 2021

For and on behalf of the Board of Directors
Technocian Fashions Private Limited

Rajive Ranjan
Director
DIN:00198568
Dusseldorf
14 June 2021

Om Prakash Makam S
Director
DIN:01908522
Bengaluru
14 June 2021

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

Technocian Fashions Private Limited
Statement of Change in Equity for the year ended March 31, 2021

(Monetary values are in INR thousands unless otherwise stated)

A. Equity share capital

Particulars	Number of shares	Amount
Balance as at March 20, 2019	-	-
Equity share capital issued during the year	50,000	500.00
Balance as at March 31, 2020	50,000	500.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	**50,000**	**500.00**

B. Other equity

Particulars	Total
Balance as at March 20, 2019	
Profit for the period	8,307.22
Other comprehensive income for the year	436.40
Balance as at March 31, 2020	8,743.62
Profit for the year	9,692.71
Other comprehensive income for the year	111.56
Less:- Dividend paid	(8,300.00)
Balance as at March 31, 2021	**10,247.89**

Summary of significant accounting policies 3

The accompanying notes form an integral part of these financial statements

For Walker Chandiok & Co LLP
Chartered Accountants
Firms Registration Number: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
Bengaluru
21 June 2021

For and on behalf of the Board of Directors
Technocian Fashions Private Limited

Rajive Ranjan
Director
DIN:00198568
Dusseldorf
14 June 2021

Om Prakash Makam S
Director
DIN:01908522
Bengaluru
14 June 2021

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * BENGALURU

Technocian Fashions Private Limited
Statement of Cash Flow for the year ended March 31, 2021

(Monetary values are in INR thousands unless otherwise stated)

Particulars	For the year ended on March 31, 2021		For the period March 20,2019 to March 31, 2020	
A. Cash flow from operating activities				
Net profit before tax		12,973.02		11,139.50
Adjustments for:				
Depreciation and amortisation	5,423.34		4,283.18	
(Gain)/loss on sale of property, plant and equipment	(4.75)		230.50	
Finance costs	2,182.83		1,922.73	
Unrealised foreign exchange loss	120.05		149.63	
		7,721.47		6,586.05
Movements in working capital:				
Changes in financial assets	8,197.71		(16,634.99)	
Changes in other assets	(65.80)		(1,379.68)	
Changes in trade payables	(656.74)		3,826.41	
Changes in provisions	(960.04)		7,451.15	
Changes in financial liabilities	2,500.69		5,994.45	
Changes in other liabilities	(5,331.91)		9,472.06	
		3,683.91		8,729.39
Cash generated from operations		24,378.40		26,454.94
Net income tax (paid) / refunds		(4,110.66)		(4,100.00)
Net cash flow from operating activities (A)		**20,267.74**		**22,354.94**
B. Cash flow from investing activities				
Payments for property, plant and equipment		(2,541.65)		(12,124.64)
Proceeds from sale of property, plant and equipment		22.36		-
Net cash flow used in investing activities (B)		**(2,519.29)**		**(12,124.64)**
C. Cash flow from financing activities				
Issue of equity share capital		-		500.00
Dividend paid during the year		(8,300.00)		-
Payment of principal portion of lease liability		(1,558.75)		(2,638.33)
Interest paid on lease liability		(2,182.83)		(1,922.73)
Net cash used in financing activities (C)		**(12,041.58)**		**(4,061.06)**
Net increase in Cash and cash equivalents (A+B+C)		**5,706.87**		**6,169.24**
Cash and cash equivalents at the beginning of the year		6,169.24		-
		11,876.11		**6,169.24**
Cash and cash equivalents at the end of the year/ period				
Cash and cash equivalents comprise:				
Balances with banks				
Current accounts		11,876.11		6,169.24
		11,876.11		**6,169.24**

WALKER CHANDIOK & CO LLP * BENGALURU * CHARTERED ACCOUNTANTS

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Technocian Fashions Private Limited
Statement of Cash Flow for the year ended March 31, 2021 (Cont'd)

Non cash disclosure

(Monetary values are in INR thousands unless otherwise stated)

Reconciliation of liabilities arising from Company's financing activities

Particulars	As at March 20, 2019	Liability recorded	Interest	Repayment (net of proceeds)	As at March 31, 2020
Lease liability	-	25,885.12	1,922.73	(3,117.98)	24,689.87
Total	**-**	**25,885.12**	**1,922.73**	**(3,117.98)**	**24,689.87**

Particulars	As at March 31, 2020	Liability recorded	Interest	Repayment (net of proceeds)	As at March 31, 2021
Lease liability	24,689.87	-	2,182.83	(3,741.58)	23,131.12
Total	**24,689.87**	**-**	**2,182.83**	**(3,741.58)**	**23,131.12**

Summary of significant accounting policies 3

The accompanying notes form an integral part of these financial statements
As per our report of even date attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firms Registration Number: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
Bengaluru
21 June 2021

For and on behalf of the Board of Directors
Technocian Fashions Private Limited

Rajive Ranjan
Director
DIN:00198568
Dusseldorf
14 June 2021

Om Prakash Makam S
Director
DIN:01908522
Bengaluru
14 June 2021

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * BENGALURU

Technocian Fashions Private Limited
Notes to the Financial Statements for the year ended March 31, 2021

1. General information

Technocian Fashions Private Limited ('the Company') was incorporated on March 20, 2019. The business activities of the Company consists of providing sourcing support services to Fellow Subsidiaries . The registered office of the Company is situated at Bangalore.

The accompanying financial statements reflect the results of the activities undertaken by the Company during the year ended March 31, 2021.

The financial statements of the Company for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on June 14, 2021.

2. Application of new and revised Indian Accounting Standards

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the time these financial statements have been adopted by the Board of Directors, have been considered in preparing these financial statements.

3. Summary of significant accounting policies

3.1 The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), the Companies (Indian Accounting Standards) (Amendment) Rules 2016 and other relevant provisions of the Act.

3.2 Basis of accounting and preparation of financial statements

The financial statements have been prepared on accrual basis under the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial instruments and defined benefit plans which have been measured at fair value as required by relevant IND AS.

3.3 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of discounts.

<u>Revenue from services</u>
Income form sourcing support services rendered to group companies are recognized as the services are rendered based on a cost plus mark-up in accordance with the terms of respective arrangements.
Contract Asset' included in other financial assets represent unbilled revenue which is revenue in excess of billings as of the Balance Sheet date. 'Contract Liability' included in financial liabilities represent unearned revenue which is billing in excess of revenue recognized.

3.4 Leases

As per Ind AS 116, for any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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3.4 Leases (Cont'd)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:
- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.5 Foreign currency transactions and translations

Initial recognition

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

Measurement of foreign currency monetary items at the Balance Sheet date

Monetary items denominated in foreign currencies at the year-end are restated at the exchange rates prevailing on the date of the Balance Sheet. Non-monetary items denominated in foreign currencies are carried at cost.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of monetary assets and liabilities of the Company are recognized as income or expense in the Statement of Profit and Loss.

3.6 Employee benefits

Employee benefits include provident fund, gratuity and compensated absences.

Defined contribution plan

In accordance with the provisions of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits with respect to provident fund, a defined contribution plan in which both the Company and the employee contribute monthly at a determined rate (currently 12% of employee's basic salary). Company's contribution to Provident Fund is charged as an expense in the Statement of Profit and Loss.

Long-term employee benefits

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the discount rates for Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurement as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

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3.6 Employee benefits (Cont'd)

Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Defined benefit Plan

Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment in an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur.

3.7 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

(iii) Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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3.8 Property, plant and equipment

Recognition and measurement

(i) Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost includes import duties and any non-refundable taxes on such purchase, after deducting rebates and trade discounts and is inclusive of freight, duties, taxes and other incidental expenses. All cost are capitalized which are directly attributable to bringing assets to the condition and location essential for it to operate in a manner as intended by the management. In respect of assets due for capitalization, where final bills/claims are to be received/passed, the capitalisation is based on the engineering estimates. Final adjustments, for costs and depreciation are made retrospectively in the year of ascertainment of actual cost and finalisation of claim.

Recognition and measurement

(ii) Capital work in progress includes the cost of property plant and equipment that are not yet ready for their intended use and the cost of assets not put to use before the Balance Sheet date.

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

Depreciation

(iv) Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values and is charged to Statement of Profit and Loss. Depreciation on all tangible fixed assets is provided on the straight line method over the estimated useful life of the assets at rates specified in Schedule II to the Companies Act. 2013.

Leasehold improvements are amortised over the period of lease or estimated useful life, whichever is lower.

Depreciation on addition to property, plant and equipment is provided from the date, the asset is acquired/ installed. Depreciation on sale/deduction from property, plant and equipment is provided for upto the last day of sale, deduction, discardment as the case may be.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. In respect of assets whose useful lives has been revised, the unamortized depreciable amount is charged over the revised remaining useful lives of the assets.

Useful lives of property, plant and equipment:

Office equipments	5 Years
Computers	3 Years
Leasehold improvements	Over lease term

(v) An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of property, plant and equipment) is included in the Statement of Profit and Loss when property, plant and equipment is derecognized. The carrying amount of any component accounted as a separate component is derecognized, when replaced or when the property, plant and equipment to which the component relates gets derecognized.

3.9 Intangible assets

Recognition and measurement

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Amortisation

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis,commencing from the date the assets are available to the Company for their use.

Derecognition of Intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Useful lives of intangible assets

Estimated useful lives of the intangible asset are as follows:

Computer software	3 years

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3.10 Impairment of tangible and intangible assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

An assessment is made annually as to see if there are any indications that impairment losses recognized earlier may no longer exist or may have come down. The impairment loss is reversed, if there has been a change in the estimates used to determine the asset's recoverable amount since the previous impairment loss was recognized. If it is so, the carrying amount of the asset is increased to the lower of its recoverable amount and the carrying amount that have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life. Reversals of Impairment loss are recognized in the Statement of Profit and Loss.

3.11 Functional and presentation currency

These financial statements are presented in Indian Rupees, the functional currency of the Company. All amounts have been rounded to the nearest unit, unless otherwise stated.

3.12 Provisions, contingent liabilities and contingent assets

(i) Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(ii) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(iii) Contingent assets

Contingent assets are not recognized in the accounts. However, they are disclosed when the possible right to receive exists.

3.13 Segment reporting

The Company's segmental reporting is in accordance with Ind AS 108 Operating Segments. Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors, which is responsible for allocating resources and assessing performance of the operating segments, and has been identified as the chief operating decision maker.

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3.14 Earnings per share

Basic earnings per share ('EPS') is computed by dividing the net profit or loss (excluding OCI) for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares outstanding during the period as adjusted for the effects of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

3.15 Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.16 Input tax credit

Goods and Service Tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

3.17 Financial instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

Subsequent measurement

For the purpose of Subsequent measurement, the Company classifies financial assets in following categories:

(i) Financial assets at amortized cost
(ii) Financial assets at fair value through other comprehensive income (FVTOCI)
(iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets shall be measured at amortized cost if both of the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

(a) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVTOCI as described above are measured at FVTPL.

Financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

Financial assets are subsequently measured at FVTOCI with gains and losses arising from changes in fair value recognized in other comprehensive income.

Financial assets are subsequently measured at FVTPL with gains and losses arising from changes in fair value recognized in profit or loss.

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3.17 Financial instruments (Cont'd)

All equity instruments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognized initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified at amortized cost.

Subsequent measurement

Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. This category generally applies to long-term payables and deposits.

De-recognition of financial liabilities

A financial liabilities is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

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 recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.18 Impairment of financial instruments

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

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. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

Trade receivables

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rate observed over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables are segmented for this analysis where the credit risk characteristics of the receivables are similar.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

3.19 Classification of current / non-current liabilities and assets

Liability

A liability has been classified as 'current' when it satisfies any of following criteria:

a) It is expected to be settled in the company's normal operating cycle;
b) It is held primarily for the purpose of being traded;
c) It is due to be settled within twelve months after reporting date; or
d) The company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by issue of equity instrument do not affect its classification.

All other liabilities are classified as non-current.

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3.19 Classification of current / non-current liabilities and assets (Cont'd)

Asset

An asset has been classified as 'current' when it satisfies any of following criteria:

a) It is expected to be realised in, or is intended for sale or consumption in the company's normal operating cycle;
b) It is held primarily for the purpose of being traded;
c) It is expected to be realised within twelve months after reporting date; or
d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

3.20 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.21 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policy. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The following are significant management estimation/uncertainty and judgement in applying the accounting policies of the Company that have the most significant effect on the financial statements:

Defined benefit obligation: Management estimates of these obligation is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the defined benefit obligation amount and the annual defined benefit expenses.

Recognition of deferred tax assets: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Property, plant and equipment: Measurement of useful life and residual values of property, plant and equipment and useful life of intangible assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Contingent liabilities – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However the actual future outcome may be different from this judgement.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

Classification of leases- The Company enters into leasing arrangements for various premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the Commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

Leases – Estimating the incremental borrowing rate- The Company cannot readily determine the interest rate implicit in a lease, and therefore, it uses an incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company "would have to pay", which requires estimation when no observable rates are available or when it needs to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provisions - At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

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4. Recent accounting pronouncements

(i) On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:
-Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
-Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
-Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
-Specified format for disclosure of shareholding of promoters.

Statement of Profit and loss:
-Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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Technocian Fashions Private Limited
Notes forming part of the financial statements

5. Property, plant and equipment

(Monetary values are in INR thousands unless otherwise stated)

Particulars	Furniture and fixtures	Office equipments	Computers	Leasehold improvements	Right to use assets	Total
At cost						
Balance as at March 20, 2019	-	-	-	-	-	-
Additions	3.93	635.26	3,070.96	8,218.04	27,328.20	39,256.39
Disposals	3.93	61.73	325.30	-	-	390.96
Balance as at March 31, 2020	-	573.54	2,745.66	8,218.04	27,328.20	38,865.42
Additions	58.26	566.96	1,916.44	-	-	2,541.65
Disposals			22.36	-		22.36
Balance as at March 31, 2021	58.26	1,140.50	4,639.73	8,218.04	27,328.20	41,384.71
Accumulated Depreciation						
Balance as at March 20, 2019	-	-	-	-	-	-
Additions	0.58	234.77	648.99	811.37	2,530.39	4,226.10
Disposals	0.58	19.04	140.84	-	-	160.46
Balance as at March 31, 2020	0.00	215.73	508.15	811.37	2,530.39	4,065.64
Additions	1.64	125.23	1,105.32	1,089.15	3,036.47	5,357.79
Disposals	0.00	0.00	4.75	0.00	-	4.75
Balance as at March 31, 2021	1.64	340.96	1,608.71	1,900.52	5,566.85	9,418.69
Net Block as at 31 March 2021	**56.62**	**799.54**	**3,031.02**	**6,317.51**	**21,761.34**	**31,966.03**
Net Block as at 31 March 2020	**-**	**357.80**	**2,237.51**	**7,406.66**	**24,797.81**	**34,799.78**

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Technocian Fashions Private Limited
Notes to the Financial Statements for the year ended March 31, 2021

(Monetary values are in INR thousands unless otherwise stated)

6. Intangible assets

Particulars	Computer Software
Cost	
Balance at March 20, 2019	-
Additions	196.44
Disposals	-
Balance at March 31, 2020	**196.44**
Additions	-
Disposals	-
Balance at March 31, 2021	**196.44**
Accumulated amortization and impairment	
Balance at March 20, 2019	-
Additions	57.07
Disposals	-
Balance at March 31, 2020	**57.07**
Additions	65.55
Disposals	-
Balance at March 31, 2021	**122.62**
Net Block as at 31 March 2021	**73.82**
Net Block as at 31 March 2020	**139.37**

7. Other financial assets

	Particulars	Non-current		Current	
		As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
	Unsecured, considered good				
(a)	Security deposits at amortised cost	1,951.06	1,833.97	-	-
(b)	Receivables from Parent Company	-	-	-	4,607.95
(c)	Contract assets	-	-	-	844.72
	Total	**1,951.06**	**1,833.97**	**-**	**5,452.67**

8. Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured [Refer Note 29]	6,216.54	9,198.73
Total	**6,216.54**	**9,198.73**

9. Other non-current tax assets

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax receivable	81.93	-
Advance income tax (net of provision for tax)	76.06	187.70
Total	**157.99**	**187.70**

10. Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
Current accounts	11,876.11	6,169.24
Total	**11,876.11**	**6,169.24**

11. Other assets

	Particulars	Current	
		As at March 31, 2021	As at March 31, 2020
	Unsecured, considered good		
(a)	Prepaid expenses	710.33	243.76
(b)	Advance to vendors and employees	102.36	149.88
(c)	Balance with government authorities		
	GST input credit receivable	632.78	986.03
	Total	**1,445.47**	**1,379.67**

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12. Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized capital 500,000 equity shares of Rs 10 each	5,000.00	5,000.00
Issued, Subscribed and paid up 50,000 equity shares of Rs 10 each fully paid up	500.00	500.00
Total	**500.00**	**500.00**

Notes:

(i) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
As at March 31, 2020			
No.of shares	-	50,000	50,000
Amount	-	500.00	500.00
As at March 31, 2021			
No.of shares	50,000	-	50,000
Amount	500.00	-	500.00

(ii) The Company has not issued any bonus shares or any shares for consideration other than cash during five years immediately preceding March 31, 2021. Further, the Company has not bought back any shares during five years immediately preceding March 31, 2021.

(iii) Rights, Preferences and Restrictions attached to shares:
The company has one class of equity shares having par value of Rs 10 per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject t the approval of the shareholders in the ensuing Annual General Meeting. Each holder of Equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iv) Details of equity shares holding more than 5% shares in the Company:

Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	No. of shares*	Holding %	No. of shares*	Holding %
PDS Multinational Fashions Limited	27,500	55%	27,500	55%
Rajive Ranjan	22,500	45%	22,500	45%

*The number of shares are given in absolute numbers.

13. Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings [Refer Note (i) below]	10,247.89	8,743.62
Total	**10,247.89**	**8,743.62**

Notes:

(i) Movement in retained earnings is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	8,743.62	-
Profit for the year	9,692.71	8,307.22
Other comprehensive income for the year/ period	111.56	436.40
Less:- Dividend Paid	(8,300.00)	-
Balance at the end of the year	**10,247.89**	**8,743.62**

14. Provisions

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
(a) **Provision for employee benefits**				
Provision for compensated absences	2,715.20	3,302.05	1,098.25	100.92
Provision for gratuity [Refer Note 28]	1,672.46	3,415.42	272.93	49.58
Total	**4,387.66**	**6,717.47**	**1,371.18**	**150.50**

15. Other financial liabilities

Particulars	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
At amortised cost				
Lease liabilities	21,424.46	20,948.29	1,706.66	3,741.58
Dues to employees	-	-	8,495.14	5,994.45
Total	**21,424.46**	**20,948.29**	**10,201.80**	**9,736.02**

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16. Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
- Outstanding dues to micro enterprises and small enterprises (Refer note 'b' and 'd' below)	284.93	-
- Others	2,884.75	3,826.41
Total	**3,169.68**	**3,826.41**

Notes:

(a) Trade payable due to related parties as at March 31, 2021 amounts to ₹ 1,759.22 (Refer note 29)

(b) In terms of notification no. G.S.R 719(E) dated September 4, 2015 issued by the Central Government of India, the disclosure of payments due to any supplier as at March 31, 2021 are as follows:

- the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	284.93	-
- 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), along with the amount of the payment made to the supplier beyond the appointed day during eaach accounting year;	-	-
- the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appinted day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
- the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
- 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.	-	-

(c) The amount does not include any amount due to be transferred to Investor Protection and Education - -

(d) Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above. - -

17. Other liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Statutory dues	4,140.15	9,472.06
Total	**4,140.15**	**9,472.06**

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Technocian Fashions Private Limited
Notes to the Financial Statements for the year ended March 31, 2021

18. Revenue from operations

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Rendering of services		
-Sourcing support services [Refer Note 29]	108,872.18	110,178.19
Total	**108,872.18**	**110,178.19**

19. Other income

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
(a) Interest income from financial assets measured at amortised cost		
Security deposit	117.10	89.79
(b) Sale of scrap	-	10.43
(c) Excess liability written back		
Gratuity [Refer Note 28]	415.59	-
Compensated absences	262.47	-
(d) Gains on foreign currency translation	840.57	21.42
(e) Gains on disposal of tangible assets	4.75	-
Total	**1,640.48**	**121.64**

20. Employee benefit expense

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Salaries, allowances and other benefits [Refer Note 29]	67,934.01	61,422.54
Contribution to provident and other funds	3,422.24	1,445.27
Compensated absences [Refer Note 28]	2,008.39	1,795.13
Gratuity [Refer Note 28]	872.76	1,424.82
Staff welfare expenses	961.37	1,319.19
Total	**75,198.77**	**67,406.95**

21. Depreciation and amortisation expense

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Depreciation of property, plant and equipment	5,357.79	4,226.11
Amortisation of intangible assets	65.55	57.07
Total	**5,423.34**	**4,283.18**

22. Finance Cost

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Interest on lease liabilities [Refer Note 35]	2,182.83	1,922.73
Total	**2,182.83**	**1,922.73**

23. Other expenses

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Auditors' remuneration [Refer Note (i) below]	100.00	100.00
Bank charges	66.16	66.94
Communication expenses	664.18	723.33
Courier charges	1,464.69	2,210.81
Electricity charges [Refer Note 29]	648.44	752.69
Hire charges [Refer Note 29]	2,273.58	1,805.10
Insurance	10.41	-
Legal and professional fees	598.90	656.41
Loss on sale of tangible assets (Net)	-	230.50
Printing and stationery	328.32	706.19
Rates and taxes	4.74	101.74
Recruitment expenses	431.49	992.20
Rent	660.00	720.00
Repairs and maintenance- others [Refer Note 29]	3,706.79	2,355.14
Sampling expenses	929.22	914.10
Travelling and conveyance [Refer Note 29]	2,656.29	12,689.39
Sundry expenses	191.49	522.93
Total	**14,734.70**	**25,547.47**

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23. Other expenses (Cont'd)

Notes:

(i)	Auditors' remuneration:		
	For statutory audit	75.00	75.00
	For tax audit	25.00	25.00
	Total	**100.00**	**100.00**

24. Earnings per share

Basic EPS amounts is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive.

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Profit/(Loss) attributable to equity holders	9,692.71	8,307.22
Weighted average number of equity shares outstanding during the year	50,000	50,000
Basic earnings per share (₹)	193.85	166.14
Diluted earnings per share (₹)	193.85	166.14
Face value per share (₹)	10.00	10.00

25. Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the financial statements amounts to Nil. The Company does not have any other long ter commitments or material non cancellable contractual commitments which may have a material impact on the financial statements.

26. Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM is considered to be the Board of Directors who makes strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

The Company provides Advisory and sourcing support service to its fellow subsidiary. The disclosures as required under Ind AS 108 on operating segment reporting has not been provided as the Company deals in one business segment.

(a) Revenue by Geographical areas

Location	Revenue	
	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Within India	-	-
Outside India	108,872.18	110,178.19
Total	**108,872.18**	**110,178.19**

The Company is domiciled in India and all its non-current assets are located in/ relates to India.

The Company has only one customer which is its fellow subsidiary Techno Design GMBH.

(b) Revenue by nature of products/ services

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Rendering of services		
- Sourcing support services	108,872.18	110,178.19
	108,872.18	**110,178.19**

27. Transfer pricing

The Company has established a comprehensive system on maintenance of information and documents as required by the transfer pricing legislation under 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements.

28. Employee benefits

(a) **Defined contribution plans**

The Company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised ₹ 3422.24 (March 31, 2020: ₹ 1,445.27) in the Statement of Profit and Loss under Company's contribution to defined contribution plans.

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28. Employee benefits (Cont'd)

(b) **Other long-term benefits**

The company has a defined benefit leave encashment plan for its employees. Under this plan, they are entitled to encashment of earned leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment have been provided on the basis of actuarial valuation.

(c) **Defined benefit plans**

The Company's gratuity scheme provide for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary for each completed year of service or part thereof in excess of six months in terms of provisions of Gratuity Act, 1972. Vesting occurs upon completion of five years of service.

As per Ind AS 19 "Employee benefits", the present value of defined benefit obligation and the related current service cost were measured using the projected unit credit method with actuarial valuations being carried out at each Balance Sheet date.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the amounts recognised in the balance sheet:

(i) Amount recognised in Statement of Profit and Loss and other comprehensive income:

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Current service cost	637.14	1,246.43
Interest expense	235.62	178.39
Amount recognised in Statement of profit and loss	**872.76**	**1,424.82**
Remeasurement of defined benefit liability:		
Actuarial (gain)/loss from changes in demographic assumptions	-	-
Actuarial (gain)/loss from changes in financial assumptions	(149.08)	(583.18)
Actuarial (gain)/loss from experience adjustments	-	-
Amount recognised in other comprehensive income	**(149.08)**	**(583.18)**
Total	**723.67**	**841.64**

(ii) Reconciliation of fair value plan assets and defined benefit obligation

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Fair value of plan assets	-	-
Defined benefit obligation	1,945.39	3,465.00
Net defined asset / (liability) recognised in the Balance Sheet	**(1,945.39)**	**(3,465.00)**
Classified as non-current	(1,672.46)	(3,415.42)
Classified as current	(272.93)	(49.58)
Total	**(1,945.39)**	**(3,465.00)**

(iii) Actual contributions and benefit payments during the year

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Actual benefit payments	1,827.69	0.00

(iv) Changes in the present value of the defined benefit obligation are as follows:

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Defined benefit obligation at beginning of the year	3,465.00	-
Current service cost	637.14	1,246.43
Interest expense	235.62	178.39
Acquisition adjustment (Refer note below)	-	2,623.36
Remeasurement (gains)/losses		
Actuarial (gain)/Loss from changes in financial assumptions	(149.08)	(583.18)
Actuarial (gain)/Loss from experience adjustments	-	-
Actuarial (gain)/Loss from changes in demographic assumptions	-	-
Benefits paid	(1,827.69)	-
Excess liability written back	(415.59)	-
Defined benefit obligation at end of the year	**1,945.39**	**3,465.00**

Note: During previous year ,the Company has acquired 38 employees from its holding company PDS Multinational Fashions Limited. Consequently, there is a transfer of respective Gratuity liability of the employees from the holding company to the Company which is shown as acquisition adjustment above.

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28. Employee benefits (Cont'd)

(v) The principal assumptions used in determining obligations for the Company's plan are shown below:

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Discount rate (in %)	6.79%	6.80%
Future salary increase (in %)	5.00%	5.00%
Demographic Assumptions		
(a) *Attrition*		
Upto 30 years	50.00%	5.00%
31-44 years	41.00%	3.00%
Above 44 years	25.00%	2.00%
(b) Mortality	Indian Assured Lives Mortality (2012-14) (modified) ultimate	Indian Assured Lives Mortality (2012-14) (modified) ultimate
(c) Retirement age	58 years	58 years

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of obligations. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

(vi) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Effect of +50 basis points in rate of discounting	(35.13)	(152.44)
Effect of -50 basis points in rate of discounting	36.35	163.91
Effect of +50 basis points in rate of salary increase	36.81	136.19
Effect of -50 basis points in rate of salary increase	(35.88)	(126.37)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Experience adjustments	Present value of defined benefit obligation	Fair value of plan assets	Estimated gain/ (loss) adjustments on plan liabilities	Estimated gain/ (loss) adjustments on plan assets
2020-21	1,945.39	0.00	149.08	-
2019-20	3,465.00	0.00	583.18	-

(vii) Risk exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Interest Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Mortality and Attrition Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

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28. Employee benefits (Cont'd)

Regulatory Risk: Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act, 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs 2,000).

(viii) The weighted average duration of the defined obligation as at March 31, 2021 is 2.23 years.

(ix) Maturity profile of defined benefit obligation is as follows:

Particulars	For the period March 20,2019 to March 31, 2020
1 year	272.93
2 to 6 years	1,133.18
More than 6 years	541.51

29. Related party disclosures

Disclosures in accordance with the requirements of Ind AS 24 on Related Party Disclosures, as identified and certified by the management, are set out as below:

(a) **Details of related parties:**

Description of relationship	Names of related parties
Holding Company	PDS Multinational Fashions Limited
Fellow subsidiaries	Techno Design Gmbh
	Techno Design HK Limited
Key Management Personnel	Rajive Ranjan
	Pawan Kumar
	Deepak Kumar Seth
	Om Prakash Makam S

(b) **Details of related party transactions during the year ended March 31, 2021 and outstanding balance as at March 31, 2021:**

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
A. Revenue		
Fellow subsidiaries		
Techno Design Gmbh	108,872.18	110,178.19
B. Expenses		
Fellow subsidiaries		
Techno Design HK Limited	1,721.07	1,729.07
Holding Company		
PDS Multinational Fashions Limited		
- Interest and depreciation on account of ROU	5,219.30	4,453.12
- Electricity charges	538.75	543.54
- Travelling and conveyance	288.00	144.00
- Repairs and maintenance- others	1,432.94	1,194.12
Key Managerial Personnel	4,800.00	1,484.39

Particulars		As at March 31, 2021	As at March 31, 2020
C. Balance outstanding at the end of the year			
Trade payables			
Fellow subsidiaries			
Techno Design HK Limited		(1,721.07)	(1,729.07)
Holding Company			
PDS Multinational Fashions Limited		(38.15)	-
Other Financial Assets			
Fellow subsidiaries			
Techno Design Gmbh	Trade receivable	6,216.54	9,198.73
	Contract assets	-	844.72
Holding Company			
PDS Multinational Fashions Limited	Receivables	-	4,607.95
	Security Deposits	2,587.26	2,587.26
Key Managerial Personnel	Salary payable	(428.55)	(328.65)

Terms and conditions of transactions with related parties: All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions.

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30. Income taxes

This note provides an analysis of the company's income tax expense, show amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

	Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
(a)	Income tax expense		
	Current tax:		
	Current tax on profits for the year	4,140.38	3,912.29
	Deferred tax		
	Recognised in Statement of profit and loss	(860.07)	(1,080.01)
	Income tax expense	**3,280.31**	**2,832.28**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Profit from continuing operations before income tax expense	12,973.02	11,139.50
Tax @ 25.168 being the applicable Indian tax rate	3,265.05	2,803.59
Tax on permanent tax disallowances	15.25	28.69
Income tax expense recognised in the statement of profit and loss	**3,280.31**	**2,832.28**

(c) Deferred tax assets /liabilities

	As at March 31, 2021	As at March 31, 2020
Tax effect of items constituting deferred tax assets		
Provision for gratuity and compensated absences	1,039.42	624.43
Depreciation/ Amortisation of tangible and intangible assets	393.67	(31.78)
Security deposits at amortised cost	311.13	340.60
Preliminary Expenses	11.58	-
Net deferred tax assets / (liabilities)	**1,755.80**	**933.25**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(d) Deferred tax related to items recognised in OCI during the year

	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Net loss/ (gain) on remeasurements of defined benefit plans	37.52	146.78
Net amount charged to OCI	**37.52**	**146.78**

31. Financial risk management

The Company's activities expose it to market risk (foreign exchange), liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost	Ageing analysis regularly monitoring and follow ups	Timely settlement of receivables
Liquidity risk	Other financial liabilities	Cash flow forecasts	Cash flow management ensuring liquidity
Market risk - foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in Indian Rupees	Cash flow forecasting sensitivity analysis	Regular monitoring of forex fluctuations

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31. Financial risk management (Cont'd)

(a) **Market risk**

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates associated with it's direct & indirect transactions denominated in foreign currency. Since most of the transactions of the company are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

Market risk exposures are measured using sensitivity analysis.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

(b) **Foreign currency risk**

The Company has international transactions and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period.

Unhedged Foreign currency	Assets			
	As at March 31, 2021		As at March 31, 2020	
	Foreign currency	Equivalent Rupees	Foreign currency	Equivalent Rupees
USD	-	-	122.34	9,198.73
EURO	74.05	6,216.54	-	-
Unhedged foreign currency exposure in Rupees		**6,216.54**		**9,198.73**

Unhedged Foreign currency	Liabilities			
	As at March 31, 2021		As at March 31, 2020	
	Foreign currency	Equivalent Rupees	Foreign currency	Equivalent Rupees
USD	23.26	1,721.07	22.90	1,729.07
Unhedged foreign currency exposure in Rupees		**1,721.07**		**1,729.07**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

(c) **Foreign currency sensitivity**

The following table details the company's sensitivity [Gain/(Loss)] to a 5% increase and decrease in the Rupee against the relevant foreign currencies.

Impact on Profit and loss and total equity	Change in rate	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
USD	+5%	(86.05)	373.48
	-5%	86.05	(373.48)
EURO	+5%	310.83	-
	-5%	(310.83)	-

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 5%.

(d) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

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31. Financial risk management (Cont'd)

Liquidity risk table:

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2021.

Particulars	Dues to employees	Trade payable	Lease liabilities
Financial Liabilities			
Carrying amount	8,495.14	3,169.68	23,131.12
Due in 1st year	8,495.14	3,169.68	3,741.58
Due in 1 to 3 years	-	-	22,603.80
More than 3 years	-	-	5,772.94
Total contracted cash flows	**8,495.14**	**3,169.68**	**32,118.31**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2020.

Particulars	Dues to employees	Trade payable	Lease liabilities
Financial Liabilities			
Carrying amount	5,994.45	3,826.41	24,689.87
Due in 1st year	5,994.45	3,826.41	3,741.58
Due in 1 to 3 years	-	-	16,556.47
More than 3 years	-	-	15,561.84
Total contracted cash flows	**5,994.45**	**3,826.41**	**35,859.89**

(e) **Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The management also considers the factors that may influence the credit risk of its customer base, including the default risk etc.

A default on a financial asset is when the counterparty fails to make contractual payments as per agreed terms. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The maximum exposure to credit risk of the Company is represented by the carrying amount of each financial asset in the statement of financial position.

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
Less than 30 days	6,314.28	9,198.73
Total	**6,314.28**	**9,198.73**

Provision for doubtful debts as on 31 March 2021 is Nil (31 March 2020: Nil).

32. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

33. Fair value disclosure

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments,carrying value of financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, borrowings, other financial liabilities etc. represent the best estimate of fair value. The management assessed that fair value of these financial assets and liabilities significantly approximate their carrying amount.

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33. Fair value disclosure (Cont'd)

(a) Fair Value of Financial Assets:

	Carrying vale as at March 31, 2021	Fair vale as at March 31, 2021	Carrying vale as at March 31, 2020	Fair vale as at March 31, 2020
Financial assets measured at amortised cost				
Security deposits	1,951.06	1,951	1,833.97	1,833.97
Trade receivable	6,216.54	6,217	9,198.73	9,198.73
Receivable from Holding Company			4,607.95	4,607.95
Contract assets			844.72	844.72
Cash and cash Equivalents	11,876.11	11,876	6,169.24	6,169.24
Total Financial assets	**20,043.70**	**20,043.73**	**22,654.60**	**22,654.61**

(b) Fair value of Financial liabilities:

	Carrying vale as at March 31, 2021	Fair vale as at March 31, 2021	Carrying vale as at March 31, 2020	Fair vale as at March 31, 2020
Financial Liabilties measured at amortised cost				
Trade payables	3,169.68	3,169.69	3,826.41	3,826.41
Lease liabilities	23,131.12	23,131.12	24,689.87	24,689.87
Dues to employees	8,495.14	8,495.14	5,994.45	5,994.45
Total Financial liabilities	**34,795.94**	**34,795.94**	**34,510.72**	**34,510.73**

34. Fair Value Hierarchy

The Company's accounting policies and disclosures requires the measurement of fair values, for financial and non-financial assets and liabilities.

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

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.
Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.
When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company does not have any financial instruments measured at fair value.

35. Leases

(i) The Company has adopted Ind AS 116 "Leases" effective April 1, 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019.

The Company also has certain leases of office premises with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases as per Ind AS 116.

(ii) Lease payments not included in measurement of lease liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Short-term leases	660.00	720.00
Total	660.00	720.00

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35. Leases (Cont'd)

(iii) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	24,797.81	-
Right of Asset recognised during the year	-	27,328.20
Depreciation expense	3,036.47	2,530.39
Closing balance	21,761.34	24,797.81

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	24,689.87	-
Lease liability recognised during the period		25,885.12
Interest expense on lease liabilities	2,182.83	1,922.73
Payment of lease liabilities	(3,741.58)	(3,117.98)
Closing balance	23,131.12	24,689.87

Note: The right of use asset and lease liability has been created for office premises.

(iv) Maturity analysis of lease liabilities:

Particulars	For the year April 01, 2020 to March 31, 2021		
	Lease payments	Interest expense	Net Present Values
Not later than 1 year	3,741.58	2,034.92	1,706.66
Later than 1 year not later than 5 years	17,655.73	5,928.85	11,726.88
Later than 5 years	10,721.59	1,024.02	9,697.57
	32,118.90	**8,987.78**	**23,131.12**

(v) Amounts recognised in profit or loss

Particulars	As at March 31, 2021	As at March 31, 2020
Rent expense relating to short-term leases	660.00	720.00
Interest expense on lease liabilities	2,182.83	1,922.73
Depreciation expense of right-of-use assets	3,036.47	2,530.39
Total	**5,879.30**	**5,173.12**

36. Disaggregated revenue information

In the following table, revenue is disaggregated by major service line and timing of revenue recognition:

(i)

Particulars	Timing of revenue recognition	For the year ended on March 31, 2021	For the period March 20,2019 to March 31, 2020
Sale of services	Over time	108,872.18	110,178.19
Total		**108,872.18**	**110,178.19**

Contract Balances

Assets and liabilities related to contracts with customers:

(ii)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables (Refer note 8)	6,216.54	9,198.73
Contract asset (Refer note 7)	-	844.72
	6,216.55	**10,043.45**

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36. Disaggregated revenue information (Cont'd)

Trade receivables are non-interest bearing and are generally on terms of not more than 60 days. The Company has recognised nil provision for expected credit loss on trade receivables during the year 2019-20.

Contract assets primarily relate to the Company's right to consideration for work completed but not yet billed at reporting date for services rendered to customers. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Company's obligation to transfer goods or services to customer for which the Company has invoiced the customer or received advances from the customer for rendering of services. Contract liabilities are recognised as revenue as the Company performs under the contract.

Particulars	
Contract assets at the beginning of the year (Refer note 7)	844.72
Revenue billed during the year	(844.72)
Contract assets at the end of the year	-

The company does not have any contract asset or liability as on 31 March 2021

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	**For the year ended on March 31, 2021**	**For the period March 20,2019 to March 31, 2020**
Revenue as per contract	108,872.18	110,178.19
Adjustments	-	-
Revenue from contract with customers	**108,872.18**	**110,178.19**

37. Subsequent events

There are no subsequent events impacting the financial statements.

38. Contingencies

There is no contingent liability as at March 31, 2021.

For Walker Chandiok & Co LLP
Chartered Accountants
Firms Registration Number: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership No.: 210122
Bengaluru
21 June 2021

For and on behalf of the Board of Directors
Technocian Fashions Private Limited

Rajive Ranjan
Director
DIN:00198568
Dusseldorf
14 June 2021

Om Prakash Makam
Director
DIN:01908522
Bengaluru
14 June 2021

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