

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Goodview Fashion Private Limited**

### **Report on the Audit of the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of **Goodview Fashion Private Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

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

#### **Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 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 audit opinion on the standalone Ind AS financial statements.

#### **Responsibilities of Management for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure (A) statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and with reference to these standalone Ind AS financial statements the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position.
    - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **RKACA & Associates, LLP**  
*Chartered Accountants*  
Firm Reg. No. 014372N/N500004

Sd/-

Rahul Kapoor  
*Partner*  
(Membership No. 083760)  
UDIN: 2108360AAAARA7601  
Place: Gurugram  
Date: 25-05-2021

**Annexure A to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Goodview Fashion Private Limited**

The Annexure referred to in our report to the members of Goodview Fashion Private Limited ("the Company") for the year Ended on 31<sup>st</sup> March, 2021. We report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) All the assets have not been physically verified by the management during the year due to Covid – 19 pandemic.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has not been physically verified during the year by the management because of Covid – 19 pandemic.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security made.
- (v) The company has not accepted any deposits from the public during the year.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products/services of the Company
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employee's state insurance, income tax, sales tax, custom duty, Goods and Service Tax, excise duty cess and other material statutory dues applicable to it. No undisputed amounts payable in respect of income tax, service tax, sales tax, customs duty, Goods and Service tax, excise duty and cess were in arrears, as at 31st March 2021 for a period of more than six months from the date they become payable.  
  
(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, service tax, Goods and Service Tax, excise duty and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders. The Company does not have any borrowing from the government during the year
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and in our opinion, the term loans have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us, no fraud by the company or no fraud on the company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company is not a public company and the provisions of section 197 are not applicable to the company. Accordingly, paragraph 3 (xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, section 177 is not applicable to the company and transactions with the related parties are in compliance with sections 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **RKACA & Associates LLP**  
*Chartered Accountants*  
Firm Reg. No. 014372N/N500004

Sd/-

Rahul Kapoor

*Partner*

(Membership No. 083760)

UDIN: 2108360AAAARA7601

Place: Gurugram

Date: 25-05-2021

## **Annexure B to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of Goodview Fashion Private Limited**

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

We have audited the internal financial controls over financial reporting of Goodview Fashion Private Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **RKACA & Associates LLP**  
*Chartered Accountants*  
Firm Reg. No. 014372N/N500004

Sd/-

Rahul Kapoor  
*Partner*  
(Membership No. 083760)  
UDIN: 2108360AAAARA7601  
Place: Gurugram  
Date: 25-05-2021

**Goodview Fashion Private Limited**  
**Balance Sheet as at March 31, 2021**  
All amounts are in ₹ Lakhs, unless otherwise stated

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>(1) ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, Plant and Equipment	3	724.82	0.05	0.05
(b) Right-of-use asset	4	2,179.34	-	-
(c) Other intangible assets	3	9.02	-	-
(d) Financial Assets				
Security deposits	5	195.32	-	-
(e) Deferred tax assets (net)	6	19.56	-	-
(f) Non current tax asset	7	8.77	-	0.01
(g) Other non- current assets	8	2.63	-	-
<b>Total non- current assets</b>		<b>3,139.45</b>	<b>0.05</b>	<b>0.06</b>
<b>(2) Current assets</b>				
(a) Inventories	9	496.74	-	-
(b) Financial Assets				
(i) Trade receivables	10	352.66	-	-
(ii) Cash and cash equivalents	11	112.89	2.48	3.05
(iii) Security deposits	12	8.00	-	-
(iv) Other financial assets	13	-	310.53	339.14
(c) Other current assets	14	99.69	-	-
<b>Total current assets</b>		<b>1,069.97</b>	<b>313.01</b>	<b>342.19</b>
<b>Total Assets</b>		<b>4,209.42</b>	<b>313.06</b>	<b>342.25</b>
<b>(1) EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	15	1.07	1.00	1.00
(b) Other equity	16	963.42	310.87	310.90
<b>Total Equity</b>		<b>964.49</b>	<b>311.87</b>	<b>311.90</b>
<b>Liabilities</b>				
<b>Non- current liabilities</b>				
(a) Financial liabilities				
Lease liabilities	17	1,788.43	-	-
(b) Provisions	18	16.66	-	-
		<b>1,805.09</b>	<b>-</b>	<b>-</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	19	5.00	-	-
(ii) Lease Liabilities	20	331.52	-	-
(iii) Trade payables				
-Total Outstanding dues of Micro enterprises and small enterprises	21	11.16	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	21	607.76	1.19	2.30
(iv) Other financial liabilities	22	0.33	-	-
(b) Other current liabilities	23	480.04	-	-
(c) Provisions	24	4.03	-	-
(d) Current tax liabilities (net)	25	-	-	28.05
		<b>1,439.83</b>	<b>1.19</b>	<b>30.35</b>
<b>Total equity and liabilities</b>		<b>4,209.42</b>	<b>313.06</b>	<b>342.25</b>
Summary of significant accounting policies	2			
The accompanying notes are an integral part of the financial statements				
As per our report of even date				
<b>For RKACA and Associates LLP</b>				
<b>Chartered Accountants</b>				
<b>Firm Reg. No. 014372N/N500004</b>				
Sd/-		Sd/-	Sd/-	
<b>Rahul Kapoor</b>		<b>Tarun Radhakrishin Tahiliani</b>	<b>Ashish Dikshit</b>	
<b>Partner</b>		Director	Director	
<b>Membership no.: 083760</b>		DIN : 00045531	DIN : 01842066	
Place: Gurugram		Place: New Delhi	Place: Bengaluru	
Date: May 25, 2021		Date: May 25, 2021	Date: May 25, 2021	



**Goodview Fashion Private Limited**  
**Statement of Profit and loss for the year ended March 31, 2021**  
 All amounts are in ₹ Lakhs, unless otherwise stated

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
<b>I</b> Revenue from operations	26	127.33	-
<b>II</b> Other income	27	26.11	0.70
<b>III Total income (I + II)</b>		<b>153.43</b>	<b>0.70</b>
<b>IV Expenses</b>			
Cost of raw materials consumed	28	17.09	-
Changes in inventories of stock-in- trade	29	(44.39)	-
Employee benefits expense	30	39.98	-
Finance costs	31	8.98	-
Depreciation and amortisation expense	32	30.13	-
Other expenses	33	181.96	0.73
<b>Total expenses (IV)</b>		<b>233.75</b>	<b>0.73</b>
<b>V Profit/(Loss) for the year (III-IV)</b>		<b>(80.32)</b>	<b>(0.03)</b>
<b>VI Tax expense:</b>	34		
Current tax		-	-
Deferred tax		(20.22)	-
<b>Total tax expense</b>		<b>(20.22)</b>	<b>-</b>
<b>VII Profit/(Loss) for the year (V-VI)</b>		<b>(60.10)</b>	<b>(0.03)</b>
<b>VIII Other Comprehensive income</b>			
<b>Items that will not to be reclassified to statement of profit and loss</b>			
(i) Re-measurement gain/(loss) on defined benefit plan	35	2.62	-
Income tax effect		(0.66)	-
<b>Total other Comprehensive income</b>		<b>1.96</b>	<b>-</b>
<b>IX Total Comprehensive income/(loss) for the year (VII+VIII)</b>		<b>(58.14)</b>	<b>(0.03)</b>
<b>Earnings per equity share [Nominal value of share ₹ 10 (March 31, 2020 : ₹ 10 )]</b>	36		
(1) Basic		(598.43)	(0.29)
(2) Diluted		(598.43)	(0.29)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			
As per our report of even date			
<b>For RKACA and Associates LLP</b> <b>Chartered Accountants</b> <b>Firm Reg. No. 014372N/N500004</b>  Sd/-  <b>Rahul Kapoor</b>  <b>Partner</b> <b>Membership no.: 083760</b>  Place: Gurugram Date: May 25, 2021		For and on behalf of the Board of Directors <b>Goodview Fashion Private Limited</b>  Sd/-  <b>Tarun Radhakrishin</b> <b>Tahiliani</b> Director DIN : 00045531  Place: New Delhi Date: May 25, 2021	
		Sd/-  <b>Ashish Dikshit</b>  Director DIN : 01842066  Place: Bengaluru Date: May 25, 2021	

**Goodview Fashion Private Limited**  
**Statement of Changes in equity for the year ended March 31, 2021**  
All amounts are in ₹ Lakhs, unless otherwise stated

**A Equity Share Capital**

Equity shares of ₹ 10 each issued, subscribed and fully paid up	Amount
At at April 01, 2019	1.00
Shares issued during the year	-
As at March 31, 2020	1.00
Shares issued during the year	-
As at March 31, 2021	1.00

**B Other Equity**

Particulars	Attributable to the equity holders				Total equity
	Reserves and surplus			Other Comprehensive Income	
	Securities premium account (refer note 16)	Retained earnings (refer note 16)	Capital reserve (refer note 16)	Re-measurment gains/(losses) (refer note 16)	
As at April 01, 2019	-	310.90	-	-	310.90
Profit/(Loss) for the year	-	(0.03)	-	-	(0.03)
Recognition of share based payment	-	-	-	-	-
Re-measurement Profit/(loss) on defined benefit plan	-	-	-	-	-
As at March 31, 2020	-	310.87	-	-	310.87
As at April 01, 2020	-	310.87	-	-	310.87
Profit/(Loss) for the year	-	(60.10)	-	-	(60.10)
Addition on business acquisition	-	-	(534.09)	-	(534.09)
Premium on issue to shares	1,244.78	-	-	-	1,244.78
Re-measurement Profit/(loss) on defined benefit plan	-	-	-	1.96	1.96
As at March 31, 2021	1,244.78	250.76	(534.09)	1.96	963.42

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For RKACA and Associates LLP**

Chartered Accountants

Firm Reg. No. 014372N/N500004

Sd/-

**Rahul Kapoor**

Partner

Membership no.: 083760

Place: Gurugram

Date: May 25, 2021

For and on behalf of the Board of Directors

**Goodview Fashion Private Limited**

Sd/-

**Tarun Radhakrishin Tahiliani**

Director

DIN : 00045531

Place: New Delhi

Date: May 25, 2021

Sd/-

**Ashish Dikshit**

Director

DIN : 01842066

Place: Bengaluru

Date: May 25, 2021

**Goodview Fashion Private Limited**  
**Statement of Cash flow for the year ended March 31, 2021**  
All amounts are in ₹ Lakhs, unless otherwise stated

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(Loss) before tax</b>	(80.32)	(0.03)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	30.13	-
Finance cost	8.98	-
Unwinding of interest income on security deposit	(0.74)	-
Profit on sale of fixed assets	(22.00)	-
Allowance for doubtful debts/advances	0.25	-
<b>Operating profit before working capital changes</b>	<b>(63.69)</b>	<b>(0.03)</b>
<b>Change in working capital</b>		
(Increase)/decrease in trade receivables	(352.91)	-
(Increase)/decrease in inventories	(496.74)	-
(Increase)/decrease in other assets	(67.52)	53.19
Increase/(decrease) in trade payables	617.73	-
Increase/(decrease) in other liabilities	480.36	(1.11)
Increase/(decrease) in provisions	20.69	(52.62)
<b>Cash generated from operations</b>	<b>137.92</b>	<b>(0.57)</b>
Income taxes paid (net of refund)	(8.77)	-
<b>Net cash flows from operating activities</b>	<b>129.15</b>	<b>(0.57)</b>
<b>Cash flow from investing activities</b>		
Purchase of Fixed assets	(741.42)	-
Proceeds from sale of fixed assets	22.00	-
Net consideration paid	(525.59)	-
<b>Net cash from/(used) in investing activities</b>	<b>(1,245.01)</b>	-
<b>Cash flow from financing activities</b>		
Proceeds from capital	1,244.85	-
Proceeds from current borrowings	5.00	-
Payment of principle portion of lease liabilities	(14.62)	-
Interest on lease liabilities	(8.96)	-
Interest on borrowings	(0.02)	-
<b>Net cash flows from financing activities</b>	<b>1,226.25</b>	-
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>110.40</b>	<b>(0.57)</b>
Cash and cash equivalents at the beginning of the year	<b>2.48</b>	<b>3.05</b>
Cash and cash equivalents at the end of the year	<b>112.88</b>	<b>2.48</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand (refer note 11)	8.19	0.03
Balances with banks: (refer note 11)		
- On current accounts	104.69	2.46
<b>Total cash and cash equivalents</b>	<b>112.89</b>	<b>2.48</b>
<b>Notes:</b>		
The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".		
The accompanying notes are an integral part of the financial statements		
As per our report of even date		
<b>For RKACA and Associates LLP</b>	For and on behalf of the Board of Directors	
Chartered Accountants	<b>Goodview Fashion Private Limited</b>	
Firm Reg. No. 014372N/N500004		
Sd/-	Sd/-	Sd/-
<b>Rahul Kapoor</b>	<b>Tarun</b>	<b>Ashish Dikshit</b>
	<b>Radhakrishin</b>	
	<b>Tahiliani</b>	
Partner	Director	Director
Membership no.: 083760	DIN : 00045531	DIN : 01842066
Place: Gurugram	Place: New Delhi	Place: Bengaluru
Date: May 25, 2021	Date: May 25, 2021	Date: May 25, 2021

**Goodview Fashion Private Limited**
**Notes to financial statements for the year ended March 31, 2021**
**All amounts are in ₹ Lakhs, unless otherwise stated**
**3 Property, Plant and Equipment**

Particulars	Leasehold Improvements	Plant and machinery	Electrical equipments	Electrical fittings & installation	Furniture and fixtures	Office equipment	Vehicles	Computers	Total
<b>Cost</b>									
<b>As at April 01, 2019</b>	-	-	-	-	-	0.04	-	0.01	0.05
Add: Additions	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	-	-	-	-	-	<b>0.04</b>	-	<b>0.01</b>	<b>0.05</b>
Add: Additions through business acquisition	188.23	80.22	70.78	136.29	194.46	30.66	13.22	18.50	732.35
Less: Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>188.23</b>	<b>80.22</b>	<b>70.78</b>	<b>136.29</b>	<b>194.46</b>	<b>30.70</b>	<b>13.22</b>	<b>18.51</b>	<b>732.40</b>
<b>Depreciation</b>									
<b>As at April 01, 2019</b>	-	-	-	-	-	-	-	-	-
Add: Depreciation charge for the year	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	-	-	-	-	-	-	-	-	-
Add: Depreciation charge for the year	2.55	0.35	0.47	0.91	2.32	0.45	0.26	0.27	7.58
Less: Disposals	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	<b>2.55</b>	<b>0.35</b>	<b>0.47</b>	<b>0.91</b>	<b>2.32</b>	<b>0.45</b>	<b>0.26</b>	<b>0.27</b>	<b>7.58</b>
<b>Net block</b>									
<b>As at March 31, 2021</b>	<b>185.68</b>	<b>79.87</b>	<b>70.31</b>	<b>135.38</b>	<b>192.14</b>	<b>30.25</b>	<b>12.95</b>	<b>18.24</b>	<b>724.82</b>
<b>As at March 31, 2020</b>	-	-	-	-	-	<b>0.04</b>	-	<b>0.01</b>	<b>0.05</b>
<b>As at April 01, 2019</b>	-	-	-	-	-	<b>0.04</b>	-	<b>0.01</b>	<b>0.05</b>

**Notes**

a.) For property, plant and equipment existing as on the date of transition to Ind AS, i.e., April 01, 2019, the Company has used Indian GAAP carrying value as deemed costs.

	Leasehold Improvements	Plant and machinery	Electrical equipments	Electrical fittings & installation	Furniture and fixtures	Office equipment	Vehicles	Computers	Total
Cost	-	-	-	-	-	0.72	-	0.78	<b>1.50</b>
Accumulated depreciation	-	-	-	-	-	0.68	-	0.77	<b>1.46</b>
Net book value as per previous GAAP	-	-	-	-	-	<b>0.04</b>	-	<b>0.01</b>	<b>0.05</b>
Deemed Cost	-	-	-	-	-	<b>0.04</b>	-	<b>0.01</b>	<b>0.05</b>

**Goodview Fashion Private Limited****Notes to financial statements for the year ended March 31, 2021**

All amounts are in ₹ Lakhs, unless otherwise stated

**3 Other intangible assets**

Particulars	Computer Software
<b>Cost</b>	-
<b>As at April 01, 2019</b>	
Add: Additions	-
Less: Disposals	-
<b>As at March 31, 2020</b>	-
Add: Additions through business acquisition	9.06
Less: Disposals	-
<b>As at March 31, 2021</b>	<b>9.06</b>
<b>Amortisation</b>	
<b>As at April 01, 2019</b>	-
Add: Amortisation for the year	-
Less: Disposals	-
<b>As at March 31, 2020</b>	-
Add: Amortisation for the year	0.04
Less: Disposals	-
<b>As at March 31, 2021</b>	<b>0.04</b>
<b>Net block</b>	
<b>As at March 31, 2021</b>	<b>9.02</b>
<b>As at March 31, 2020</b>	-
<b>As at April 01, 2019</b>	-

**Notes**

a.) For Intangible asset existing as on the date of transition to Ind AS, i.e., April 01, 2019, the Company has used Indian GAAP carrying value as deemed costs.

	Computer Software
Cost	-
Accumulated depreciation	-
Net book value as per previous GAAP	-
<b>Deemed Cost</b>	<b>-</b>

**Goodview Fashion Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**  
**All amounts are in ₹ Lakhs, unless otherwise stated**

<b>4 Right-of-use asset</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at April 01, 2019</b>
Building	2,065.30	-	-
Equipment	114.05	-	-
	<b>2,179.34</b>	<b>-</b>	<b>-</b>

Set out below are the carrying amounts of right-of-use assets recognized and movements during the year.

	<b>Buildings</b>	<b>Equipment</b>	<b>Total</b>
<b>As at April 01, 2019</b>	-	-	-
Addition	-	-	-
Amortization expense	-	-	-
<b>As at March 31, 2020</b>	-	-	-
Addition	2,087.18	114.67	<b>2,201.85</b>
Amortization expense	21.88	0.63	<b>22.51</b>
<b>As at March 31, 2021</b>	<b>2,065.30</b>	<b>114.05</b>	<b>2,179.34</b>

<b>5 Security deposits</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at April 01, 2019</b>
<b>(Considered good, Unsecured)</b>			
<b>Non-current</b>			
Security deposits	195.32	-	-
	<b>195.32</b>	<b>-</b>	<b>-</b>

<b>6 Deferred tax assets (net)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at April 01, 2019</b>
Deferred tax assets/(liabilities)	19.56	-	-
	<b>19.56</b>	<b>-</b>	<b>-</b>

**Amount on which Deferred tax asset/(liability) recorded as on year end:**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Deferred tax asset on account of:</b>		
Unabsorbed business losses	16.09	-
Unabsorbed depreciation	11.43	-
Ind AS 116 adjustments	1.99	-
Expenses disallowed under the income tax Act, 1961	0.08	-
Provision for doubtful debt	0.06	-
	<b>29.64</b>	<b>-</b>
<b>Deferred tax liability on account of:</b>		
Impact of difference between book value of property, plant and equipment and intangible assets	9.51	-
Fair valuation of security deposit	0.19	-
Provision for employee benefit	0.39	-
	<b>10.09</b>	<b>-</b>
<b>Net deferred tax assets</b>	<b>19.56</b>	<b>-</b>

**Goodview Fashion Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**  
**All amounts are in ₹ Lakhs, unless otherwise stated**

<b>7 Non Current tax assets (net)</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at April 01, 2019</b>
Income tax receivable	8.77	-	0.01
	<b>8.77</b>	<b>-</b>	<b>0.01</b>

<b>8 Other non- current assets</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at April 01, 2019</b>
Capital advance	2.63	-	-
	<b>2.63</b>	<b>-</b>	<b>-</b>

<b>9 Inventories</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at April 01, 2019</b>
Stock-in- trade (at lower of cost and net realisable value)			
Raw materials	64.11	-	-
Stores and consumables	1.90	-	-
Work-in-progress	116.42	-	-
Finished goods *	314.30	-	-
	<b>496.74</b>	<b>-</b>	<b>-</b>

\*Includes finished goods-in-transit of ₹ 1.45 lakhs (March 31, 2020: Rs Nil)

<b>10 Trade Receivable</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at April 01, 2019</b>
<b>(Unsecured, considered good)</b>			
Trade receivables	352.66	-	-
	<b>352.66</b>	<b>-</b>	<b>-</b>
<b>Break-up for Trade receivable:</b>			
<b>Trade receivables</b>			
Considered good, Unsecured	352.66	-	-
Trade receivables - credit impaired	0.25	-	-
	<b>352.91</b>	<b>-</b>	<b>-</b>
<b>Impairment allowance</b>			
Considered good - Unsecured	(0.25)	-	-
	<b>(0.25)</b>	<b>-</b>	<b>-</b>
	<b>352.66</b>	<b>-</b>	<b>-</b>

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 30 days.

The Company creates allowance for all trade receivables based on lifetime expected credit loss model (ECL). The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. Based on the evaluation made by the management, expected credit loss recognised in the current year is ₹ 0.25 lakhs (March 31, 2020 : Nil, April 01, 2019: Nil).

**Goodview Fashion Private Limited****Notes to financial statements for the year ended March 31, 2021**

All amounts are in ₹ Lakhs, unless otherwise stated

**11 Cash and cash equivalents**

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Balances with bank:			
-On current accounts	104.69	2.46	3.02
Cash on hand	8.19	0.03	0.03
	<b>112.89</b>	<b>2.48</b>	<b>3.05</b>

**12 Security deposits**

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
(Considered good, Unsecured)			
<b>Current</b>			
Security deposits	8.00	-	-
	<b>8.00</b>	<b>-</b>	<b>-</b>

**13 Other financial assets**

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>Current (Considered good, Unsecured)</b>			
Other receivables*	-	310.53	339.14
	<b>-</b>	<b>310.53</b>	<b>339.14</b>

\*includes receivables from related party

**14 Other assets**

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
<b>Current (Considered good, Unsecured)</b>			
Prepayments	16.28	-	-
Balance with government authority	10.36	-	-
Advance to Suppliers	61.82	-	-
Gratuity fund	11.23	-	-
	<b>99.69</b>	<b>-</b>	<b>-</b>



**Goodview Fashion Private Limited****Notes to financial statements for the year ended March 31, 2021**

All amounts are in ₹ Lakhs, except share data and per share data, and unless otherwise stated

**15 Equity share capital****Authorised share capital**

Equity shares of ₹10 each

April 01, 2019

Increase during the year

At March 31, 2020

Increase during the year

At March 31, 2021

<b>No. of Shares</b>	<b>Amount</b>
50,000	5.00
-	-
50,000	5.00
-	-
<b>50,000</b>	<b>5.00</b>

**Issued share capital*****Fully paid up***

Equity shares of ₹ 10 each issued and subscribed

April 01, 2019

Increase during the year

At March 31, 2020

Shares fully paid up during the year

At March 31, 2021

<b>No. of Shares</b>	<b>Amount</b>
10,020	1.00
-	-
10,020	1.00
663	0.07
<b>10,683</b>	<b>1.07</b>

**a) i) Terms/rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

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.

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

	<b>March 31, 2021</b>		<b>March 31, 2020</b>		<b>April 01, 2019</b>	
	<b>Number</b>	<b>% Holding</b>	<b>Number</b>	<b>% Holding</b>	<b>Number</b>	<b>% Holding</b>
<b>Equity shares</b>						
Tarun Tahiliani	7,104	66.50%	10,019	99.99%	10,019	99.99%
Aditya Birla Fashion and Retail Limited	3,579	33.50%	-	-	-	-
	<b>10,683</b>	<b>100.00%</b>	<b>10,019</b>	<b>99.99%</b>	<b>10,019</b>	<b>99.99%</b>

**c) There are no shares issued for consideration other than cash during the period of five years immediately preceding the reporting year.**

**Goodview Fashion Private Limited****Notes to financial statements for the year ended March 31, 2021**

All amounts are in ₹ Lakhs, except share data and per share data, and unless otherwise stated

**16 Other Equity**

<b>Securities premium account</b>	<b>Amount</b>
<b>At April 01, 2019</b>	-
Premium on issue of shares	-
<b>At March 31, 2020</b>	-
Premium on issue of shares	1,244.78
<b>At March 31, 2021</b>	<b>1,244.78</b>
<b>Capital reserve</b>	
<b>At April 01, 2019</b>	-
Additions	-
<b>At March 31, 2020</b>	-
Addition on business acquisition	(534.09)
<b>At March 31, 2021</b>	<b>(534.09)</b>
<b>Retained earnings</b>	
<b>At April 01, 2019</b>	310.90
Profit /(Loss) for the year	(0.03)
<b>At March 31, 2020</b>	<b>310.87</b>
Profit /(Loss) for the year	(60.10)
<b>At March 31, 2021</b>	<b>250.76</b>
<b>Other comprehensive income</b>	
<b>At April 01, 2019</b>	-
Re-measurement gain/(loss) on defined benefit plan	-
<b>At March 31, 2020</b>	-
Re-measurement gain/(loss) on defined benefit plan	1.96
<b>At March 31, 2021</b>	<b>1.96</b>
<b>At April 01, 2019</b>	<b>310.90</b>
<b>At March 31, 2020</b>	<b>310.87</b>
<b>At March 31, 2021</b>	<b>963.42</b>

**Retained earnings :**

Retained earnings comprise of the Company's current year and prior year(s) undistributed profit/(losses) after taxes.

**Securities Premium account:**

Securities premium account has been created consequent to issue of shares at premium. The reserve can be utilised in accordance with the provisions of the Companies Act 2013.

**Capital reserve:**

Capital reserve is created pursuant to the acquisition of business undertaking from Tahiliani Design Private Limited. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013. Refer note 46.

**Other comprehensive income:**

Items of other comprehensive income consist of re-measurement gain on defined benefit plan of the Company.

**Goodview Fashion Private Limited****Notes to financial statements for the year ended March 31, 2021**

All amounts are in ₹ Lakhs, unless otherwise stated

<b>17 Lease liabilities</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at April 01, 2019</b>
<b>Non Current</b>			
Lease liabilities	1,788.43	-	-
	<b>1,788.43</b>	<b>-</b>	<b>-</b>

a) The following is the lease liabilities movement for year ended:

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Balance at beginning of the year	-	-
Additions	2,134.57	-
Finance cost incurred during the year (refer note 31)	8.96	-
Payment of lease liabilities	23.58	-
<b>Balance at end of the year</b>	<b>2,119.95</b>	<b>-</b>
<b>Non Current (refer note 17)</b>	<b>1,788.43</b>	<b>-</b>
<b>Current (refer note 20)</b>	<b>331.52</b>	<b>-</b>
	<b>2,119.95</b>	<b>-</b>

<b>18 Provisions</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at April 01, 2019</b>
<b>Non-current</b>			
Provision for leave encashment	16.66	-	-
	<b>16.66</b>	<b>-</b>	<b>-</b>

<b>19 Borrowings</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at April 01, 2019</b>
<b>Current</b>			
Vehicle loan	5.00	-	-
	<b>5.00</b>	<b>-</b>	<b>-</b>

There is no default in repayment of loan instalments or payment of interest thereon as per the terms and conditions of loan taken from banks.

<b>20 Lease liabilities</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	<b>As at April 01, 2019</b>
<b>Current</b>			
Lease liabilities	331.52	-	-
	<b>331.52</b>	<b>-</b>	<b>-</b>

**Goodview Fashion Private Limited****Notes to financial statements for the year ended March 31, 2021**

All amounts are in ₹ Lakhs, unless otherwise stated

**21 Trade Payables****Current**

Total Outstanding dues of micro enterprises and small enterprises

11.16

-

-

Total outstanding dues of creditors other than micro enterprises and small enterprises

607.76

1.19

2.30

**618.92****1.19****2.30**

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosure are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there are outstanding dues to the Micro, Small and Medium Enterprises under MSMED Act, 2006.

The following disclosure are required under section 22 of MSMED act, 2006 under the chapter of delayed payment to micro and small enterprises:

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year.	11.16	-	-
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil	Nil
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid).	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of accounting year.	Nil	Nil	Nil
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil	Nil

**22 Other financial liabilities****Current**

Creditors for capital supplies/ services

0.33

-

-

**0.33****-****-****23 Other liabilities****Current**

Advance from customer

459.78

-

-

Statutory liabilities

20.26

-

-

**480.04****-****-****24 Provisions****Current**

Provision for leave encashment

4.03

-

-

**4.03****-****-****25 Current tax liabilities (net)**

Current tax liabilities (net of advance tax)

-

-

28.05

**-****-****28.05**

**Goodview Fashion Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**  
**All amounts are in ₹ Lakhs, unless otherwise stated**

**26 Revenue from operations**

Sale of traded goods  
**Other operating revenue:**  
Sales of services

Year ended March 31, 2021	Year ended March 31, 2020
126.91	-
0.41	-
<b>127.33</b>	<b>-</b>

(a) Disclosure of disaggregated revenue recognised in the Statement of Profit and Loss:

Revenue as per contracted price  
Adjustments:  
Discount  
Sales return  
**Revenue as per Statement of Profit and Loss**

Year ended March 31, 2021	Year ended March 31, 2020
127.33	-
-	-
-	-
<b>127.33</b>	<b>-</b>

(b) Disclosure of disaggregated revenue recognised in the Statement of Profit and Loss based on geographical segment:

Revenue from customers outside India  
Revenue from customers within India  
**Revenue as per the Statement of Profit and Loss**

Year ended March 31, 2021	Year ended March 31, 2020
-	-
127.33	-
<b>127.33</b>	<b>-</b>

**27 Other income**

Unwinding of interest on security deposit  
Profit on sale of fixed assets  
Rental income  
Miscellaneous Income

Year ended March 31, 2021	Year ended March 31, 2020
0.74	-
22.00	-
3.37	-
-	0.70
<b>26.11</b>	<b>0.70</b>

**28 Cost of raw materials consumed**

Stock acquired through business acquisition  
Add: Purchases during the year  
Closing inventory

Year ended March 31, 2021	Year ended March 31, 2020
55.38	-
25.82	-
64.11	-
<b>17.09</b>	<b>-</b>

**29 Changes in inventories of stock-in- trade**

**Stock acquired through business acquisition**  
Work-in-progress  
Finished goods

Year ended March 31, 2021	Year ended March 31, 2020
68.97	-
317.36	-
<b>386.33</b>	<b>-</b>

**Closing stock**  
Work-in-progress  
Finished goods

116.42	-
314.30	-
<b>430.72</b>	<b>-</b>

**Changes in inventories of stock-in- trade**

<b>(44.39)</b>	<b>-</b>
----------------	----------

**30 Employee benefits expense**

Salaries, wages and allowances  
Contribution to provident and other funds  
Gratuity expenses (refer note 38)  
Staff welfare expense

Year ended March 31, 2021	Year ended March 31, 2020
37.22	-
0.97	-
1.06	-
0.73	-
<b>39.98</b>	<b>-</b>

**Goodview Fashion Private Limited****Notes to financial statements for the year ended March 31, 2021**

All amounts are in ₹ Lakhs, unless otherwise stated

**31 Finance costs**

Interest on:

- Lease liabilities

- Loan

**Total**

<b>Year ended</b> <b>March 31, 2021</b>	<b>Year ended</b> <b>March 31, 2020</b>
8.96	-
0.02	-
<b>8.98</b>	<b>-</b>

**32 Depreciation and amortization expense**

Depreciation of property, plant and equipment (refer note 3)

Amortisation of intangible assets (refer note 3)

Amortisation of right-of-use asset (refer note 4)

<b>Year ended</b> <b>March 31, 2021</b>	<b>Year ended</b> <b>March 31, 2020</b>
7.58	-
0.04	-
22.51	-
<b>30.13</b>	<b>-</b>

**33 Other expenses**

Processing charges

Store consumables

Advertisement and sales promotion

Legal and professional charges (refer note below)

Repair and maintenance

-Plant and machinery

-Others

Travelling and conveyance

Security expenses

Telephone and Internet expenses

Rates and taxes

Insurance

Printing and stationary

Power, fuel and water charges

Bank charges

Courier charges

Allowance for doubtful debts and advances

Misc. expenses

<b>Year ended</b> <b>March 31, 2021</b>	<b>Year ended</b> <b>March 31, 2020</b>
117.80	-
3.45	-
18.22	-
18.20	0.30
0.24	-
10.21	0.19
3.93	-
1.34	-
0.15	-
0.37	0.07
0.34	-
0.71	-
4.13	0.18
0.99	-
1.03	-
0.25	-
0.59	-
<b>181.96</b>	<b>0.73</b>

**Note : Auditor remuneration****As auditor:**

- Audit fee

<b>Year ended</b> <b>March 31, 2021</b>	<b>Year ended</b> <b>March 31, 2020</b>
1.00	0.30
<b>1.00</b>	<b>0.30</b>

**Goodview Fashion Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**  
**All amounts are in ₹ Lakhs, unless otherwise stated**

**34 Income tax expense**

The major components of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:

a. Tax expense recognised in statement of profit or loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Current income tax:</b>		
Current income tax charge	-	-
<b>Deferred tax:</b>		
(Gains)/losses relating to origination and reversal of temporary differences	(0.66)	-
<b>Income tax (income)/expense recognised in the statement of profit or loss</b>	<b>(0.66)</b>	<b>-</b>

b. Tax expense recognised in other comprehensive income

*Deferred tax related to items recognised in OCI during the year:*

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Re-measurement gain/(loss) on defined benefit plan	(0.66)	-
<b>Tax expense recognised in OCI</b>	<b>(0.66)</b>	<b>-</b>

c. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Accounting profit before tax expense	(80.32)	(0.03)
Applicable tax rate in India	25.17%	25.17%
Computed tax charge	(20.22)	(0.01)
Impact of deferred tax created on temporary differences	-	0.01
	<b>(20.22)</b>	<b>-</b>

**35 Components of Other Comprehensive Income (OCI)**

	Year ended March 31, 2021	Year ended March 31, 2020
Re-measurement gains/(losses) on defined benefit obligation	2.62	-
Income tax effect	(0.66)	-
	<b>1.96</b>	<b>-</b>

**36 Earnings per share (EPS)**

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

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

The following reflects the profit/(loss) and share data used for the basic and diluted EPS computation:

	Year ended March 31, 2021	Year ended March 31, 2020
Loss attributable to equity holders for basic earnings	(60.10)	(0.03)
Net loss for calculation of basic EPS	(60.10)	(0.03)
Weighted average number of equity shares for calculating basic EPS	0.10	0.10
Basic earnings per share	<b>(598.43)</b>	<b>(0.29)</b>

**Goodview Fashion Private Limited**

**Notes to financial statements for the year ended March 31, 2021**

**All amounts are in ₹ Lakhs, unless otherwise stated**

**37 Significant accounting judgments, estimates and assumptions**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and assumptions are reviewed on periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The key assumptions concerning the future and other key sources of estimation, 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 has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(i) Defined benefit plans**

The present value of the gratuity is 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. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity are given in Note 38.

**(ii) Provision on inventories**

The Company provides provision on inventories based on policy, past experience, current trend and future expectations of these materials depending on the category of goods.



### 38 Employee benefits expenses

#### A. Defined contribution plans

(i). Employers' contribution to Provident Fund

The Company has defined contribution plan in form of provident fund for qualifying employees. Contributions are made to provident fund for employees at the rate of 12% of salary as per regulations. The contributions are made to Employee Provident Fund Organisation (EPFO) registered provident fund administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year towards defined contribution plan is ₹ 0.91 Lakhs (March 31, 2020: Rs Nil).

(ii) Employers' contribution to Employee's state insurance scheme is ₹ 0.02 Lakhs (March 31, 2020: Rs Nil).

#### B. Defined benefit plan

The Company has a defined benefit gratuity plan for its employees. Under this plan, every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service.

(i) The amounts recognized through Profit and Loss and other comprehensive income:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<i>Gratuity cost charged to profit or loss</i>		
Current service cost	0.80	-
Interest expense	0.41	-
	<b>1.21</b>	<b>-</b>
<i>Gratuity cost charged to other comprehensive income</i>		
Actuarial (gains)/losses	(2.85)	-
	<b>(2.85)</b>	<b>-</b>

(ii) The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year are as follows:

Changes in the present value of defined benefit obligation as at March 31, 2021:

	As at March 31, 2021	As at March 31, 2020
<b>Changes in Present Value of the Obligation</b>		
Opening Defined Benefit Obligation	69.71	-
Current Service cost	0.80	-
Interest cost	0.41	-
Actuarial (gain)/loss on account of		
Changes in demographic assumptions	-	-
Changes in financial assumptions	(2.85)	-
Experience adjustments	-	-
<b>Actuarial (gain)/loss recognised in OCI</b>	<b>(2.85)</b>	<b>-</b>
Benefits paid	-	-
<b>Closing Defined Benefit Obligation</b>	<b>68.06</b>	<b>-</b>

	As at March 31, 2021	As at March 31, 2020
<b>Changes in Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the year	79.06	-
Expected return on plan assets	0.46	-
Contributions	-	-
Benefits paid	(0.23)	-
Actuarial gain/(loss) on plan assets	-	-
<b>Fair Value of Plan Asset at the end of the year</b>	<b>79.29</b>	<b>-</b>

Net defined benefit asset/(liability)

	As at March 31, 2021	As at March 31, 2020
Fair Value of Plan Asset	79.29	-
Present Value of Defined Benefit Obligation	68.06	-
(Deficit)/Surplus	11.23	-
<b>Benefit Asset/(Liability)</b>	<b>11.23</b>	<b>-</b>

**Goodview Fashion Private Limited****Notes to financial statements for the year ended March 31, 2021**

All amounts are in ₹ Lakhs, unless otherwise stated

**Bifurcation of Net Liability**

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Current Liability	-	-	-
Non-Current Liability	-	-	-
<b>Net Liability*</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Net liability Nil due to surplus funding

**(ii) The principal assumptions used in determining gratuity benefit obligations for the company's**

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Discount rate	7.00%	-	-
Salary growth rate	5.00%	-	-

**(iii) A quantitative sensitivity analysis for significant assumption is as shown below:**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
-------------	-------------------------	-------------------------	-------------------------

**Sensitivity level***Discount Rate*

1% increase	62.96	-	-
1% decrease	73.96	-	-

*Salary escalation rate*

1% increase	74.02	-	-
1% decrease	62.82	-	-

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

There is no change in the method of valuation for the prior year.

**(iv) The following represents maturity profile for the defined benefit plan in future years :**

Particulars	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting year)	12.10	-
Between 2 and 5 years	7.85	-
Beyond 5 years	48.12	-
<b>Total expected cash flow profile (payments)</b>	<b>68.06</b>	<b>-</b>

The average duration of the defined benefit plan obligation at the end of the reporting year is 14 years (March 31, 2020: Nil).

Expected contributions to defined benefits plan for the year ending March 31, 2022 is ₹ 0.98 lakhs ( March 31, 2020 : Nil).

39 Commitments and contingencies

a) Capital Commitment

The Company has capital commitment towards purchase of capital assets as at March 31, 2021 of ₹ 1.78 Lakhs ( March 31, 2020: Nil; April 01, 2019: Nil)

b) Contingent Liabilities

The Company has no contingent liabilities as at March 31, 2021 ( March 31, 2020: Nil; April 01, 2019: Nil)

c) Corporate Guarantee

The Company has not given corporate guarantee as at March 31, 2021 ( March 31, 2020: Nil; April 01, 2019: Nil)

40 Leases

The company has entered into agreements for taking on the lease office buildings/stores. Leases of office buildings/stores generally have lease terms from 3 to 9 years.

The following are the amounts recognized in profit or loss:

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense for right-of-use assets	22.51	-
Interest expense on lease liabilities	8.96	-
	<b>31.47</b>	<b>-</b>

b) The maturity analysis of lease liabilities is disclosed below (undiscounted value):

	As at March 31, 2021	As at March 31, 2020	As at April 01, 2019
Less than one year	331.52	-	-
more than one year	1,788.43	-	-
	<b>2,119.95</b>	<b>-</b>	<b>-</b>

c) Total cash outflow for leases

	As at March 31, 2021	As at March 31, 2020
Cash outflow for leases	23.58	-

**Goodview Fashion Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**  
**All amounts are in ₹ Lakhs, unless otherwise stated**

**41 Related party disclosures**

**a. Related parties**

Description of relationship	Names of related parties
<b>Parent Company</b>	
<b>Entity is jointly controlled</b>	Tarun Radhakrishin Tahiliani Aditya Birla Fashion and Retail Limited (w.e.f March 19, 2021)
<b>Key management personnel ("KMP")</b>	
<b>(a) Chief Executive Officer</b>	Tarun Radhakrishin Tahiliani
<b>(b) Executive Directors</b>	Sailaja M Tahiliani Ashish Dikshit (w.e.f March 19, 2021) Anand Tarun Tahiliani (upto August 4, 2020 )
<b>Parties where KMP exercises control</b>	Tahiliani Design Private Limited Jayems Engineering Company Pvt Ltd Ahilia Homes LLP Hope Apparels Private Limited
<b>Parties where control exists</b>	Indivinity Clothing Retail Pvt Ltd

**b. Transactions with related parties**

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

	Year ended March 31, 2021				Year ended March 31, 2020			
	KMP	Party where KMP exercises control	Entity that exercises joint control	Party where control exists	KMP	Party where KMP exercises control	Entity that exercises joint control	Party where control exists
Sale of products	-	5.99	-	-	-	-	-	-
Miscellaneous	-	-	-	-	31.64	-	-	-
Purchase consideration paid	-	1,600.00	-	-	-	-	-	-
Issue of equity shares	-	-	1,244.85	-	-	-	-	-
Reimbursement of Expenses	-	20.73	-	-	-	-	-	-
Rent Paid	-	0.77	-	-	-	-	-	-
Legal and professional charges	-	-	-	1.80	-	-	-	-

**Goodview Fashion Private Limited**
**Notes to financial statements for the year ended March 31, 2021**

All amounts are in ₹ Lakhs, unless otherwise stated

**c. Outstanding balances**

The following table provides the closing balances of related parties for the relevant financial year:

	As at March 31, 2021				As at March 31, 2020			
	KMP	Party where KMP exercises control	Entity that exercises joint control	Party where control exists	KMP	Party where KMP exercises control	Entity that exercises joint control	Party where control exists
Trade payable	-	3.03	-	-	-	-	-	-
Salary payable	5.74	-	-	-	-	-	-	-
Trade receivables	-	203.85	-	-	-	-	-	-
Other receivables	-	-	-	-	306.61	-	-	-
	As at March 31, 2019							
	KMP	Party where KMP exercises control	Entity that exercises joint control	Party where control exists				
Trade payable	-	-	-	-				
Salary payable	-	-	-	-				
Trade receivables	-	-	-	-				
Other receivables	338.25	-	-	-				

**d. Compensation of key management personnel of the Company**

	Relationship	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits		6.88	-
<b>Total compensation paid to key management personnel</b>		<b>6.88</b>	<b>-</b>

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

As the liability for gratuity is provided on actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not disclosed

**42 Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors of the Company is identified as the Chief Operating Decision Maker ("CODM"), CODM evaluates the performance of the Company based on the single operative segment for the purpose of allocation resources and evaluating financial performance.

The Company is domiciled in India. Most of the revenue comes from India. There are no material assets held by the Company outside India.

**Goodview Fashion Private Limited**
**Notes to financial statements for the year ended March 31, 2021**

All amounts are in ₹ Lakhs, unless otherwise stated

**43 Fair values**

The carrying value and fair value of financial instruments by categories as at March 31, 2021, March 31, 2020 and April 01, 2019

					Fair value		
	FVTPL	FVTOCI	Amortised Cost	Total Carrying value	Level 1	Level 2	Level 3
<b>As at March 31, 2021</b>							
<b>Financial assets</b>							
Security deposits	-	-	203.32	<b>203.32</b>	-	-	-
Trade receivables	-	-	352.66	<b>352.66</b>	-	-	-
Cash and cash equivalents	-	-	112.89	<b>112.89</b>	-	-	-
Other financial assets	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>668.86</b>	<b>668.86</b>	-	-	-
<b>Financial liabilities</b>							
Borrowings	-	-	5.00	<b>5.00</b>	-	-	-
Lease liability	-	-	2,119.95	<b>2,119.95</b>	-	-	-
Trade payables	-	-	618.92	<b>618.92</b>	-	-	-
Other financial liabilities	-	-	0.33	<b>0.33</b>	-	-	-
<b>Total</b>	-	-	<b>2,744.20</b>	<b>2,744.20</b>	-	-	-
<b>As at March 31, 2020</b>							
<b>Financial assets</b>							
Security deposits	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	2.48	<b>2.48</b>	-	-	-
Other financial assets	-	-	310.53	<b>310.53</b>	-	-	-
<b>Total</b>	-	-	<b>313.01</b>	<b>313.01</b>	-	-	-
<b>Financial liabilities</b>							
Borrowings	-	-	-	-	-	-	-
Lease liability	-	-	-	-	-	-	-
Trade payables	-	-	1.19	<b>1.19</b>	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>1.19</b>	<b>1.19</b>	-	-	-
<b>As at April 01, 2019</b>							
<b>Financial assets</b>							
Security deposits	-	-	-	-	-	-	-
Trade receivables	-	-	-	-	-	-	-
Cash and cash equivalents	-	-	3.05	<b>3.05</b>	-	-	-
Other financial assets	-	-	339.14	<b>339.14</b>	-	-	-
<b>Total</b>	-	-	<b>342.19</b>	<b>342.19</b>	-	-	-
<b>Financial liabilities</b>							
Borrowings	-	-	-	-	-	-	-
Lease liability	-	-	-	-	-	-	-
Trade payables	-	-	2.30	<b>2.30</b>	-	-	-
Other financial liabilities	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>2.30</b>	<b>2.30</b>	-	-	-

The following methods and assumptions were used to estimate the fair values:

- i The management assessed that cash and cash equivalent, bank balance other than cash and cash equivalents, security deposits, trade receivables, trade payables, other financial assets (current), other financial liability (current), lease liabilities (current) approximates their fair value largely due to short-term maturities of these instruments.
- ii The fair value of remaining financial instruments are determined on transaction date based on discounted cash flows calculated using lending/ borrowing rate. Subsequently, these are carried at amortized cost. There is no significant change in fair value of such liabilities and assets.

#### **44 Financial risk management objectives and policies**

The Company's principal financial liabilities comprise of borrowings, lease liabilities, trade payables, bank overdraft, and employee related payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalent that derive directly from its operations. The Company does not enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

##### **(i) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and advances, deposits and FVTOCI investments.

##### **(a) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have debt obligations with floating interest rates, hence, is not exposed to interest rate risk.

##### **(b) Foreign currency risk**

The Company is not exposed to foreign currency risk as at reporting date.

##### **(ii) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Company periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

The Company only deals with parties which has good credit rating given by external rating agencies or based on the Company's internal assessment.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable dues where recoveries are made, these are recognised as income in the Statement of Profit and Loss.

The Company is exposed to credit risk from its operating activities (primarily trade receivables and security deposits).

##### **(a) Trade receivables**

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The majority of the sales of the company happens in cash. The company does not have significant trade receivables. An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low on the basis of past default rates of its customers.

Based on the historical data, loss on collection of receivable is not material hence no provision is considered.

##### **(b) Financial instruments and cash deposits**

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

**Goodview Fashion Private Limited****Notes to financial statements for the year ended March 31, 2021**

All amounts are in ₹ Lakhs, unless otherwise stated

**(iii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance the Company's operations. The Company has substantial trade receivable balance which is expected to be recovered within 12 months. The Company also uses cash credit and bank loans as a mode of funding. The Company manages its surplus funds centrally by placing them with reputable financial institution with high credit rating and no history of default.

	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>As at March 31, 2021</b>				
Trade payables	618.92	-	-	618.92
Borrowings	5.00	-	-	5.00
Lease liabilities (refer note 17 and 20)	331.52	1,788.43	-	2,119.95
Other financial liabilities	0.33	-	-	0.33
	<b>955.77</b>	<b>1,788.43</b>	<b>-</b>	<b>2,744.20</b>
<b>As at March 31, 2020</b>				
Trade payables	1.19	-	-	1.19
Borrowings	-	-	-	-
Lease liabilities (refer note 17 and 20)	-	-	-	-
Other financial liabilities	-	-	-	-
	<b>1.19</b>	<b>-</b>	<b>-</b>	<b>1.19</b>
<b>As at April 01, 2019</b>				
Trade payables	2.30	-	-	2.30
Borrowings	-	-	-	-
Lease liabilities (refer note 17 and 20)	-	-	-	-
Other financial liabilities	-	-	-	-
	<b>2.30</b>	<b>-</b>	<b>-</b>	<b>2.30</b>

**45 Capital management**

The Company's objective, when managing capital is to ensure the going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and meet shareholder's expectations. The policy of the Company is to borrow through banks/ financial institutions supported by committed borrowing facilities to meet anticipated funding requirements. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirement of financial markets.

The capital structure is governed by policies approved by the Board of Directors, and is monitored by various metrics. Funding requirements are reviewed periodically with any debt issuances.

Since, the entity is entirely funded through equity, it is not required to compute the capital gearing ratio.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021 and March 31, 2020.



**Goodview Fashion Private Limited****Notes to financial statements for the year ended March 31, 2021**

All amounts are in ₹ Lakhs, unless otherwise stated

**46 Business acquisition for Joint Arrangement**

On March 15, 2021, the Company have acquired business undertaking from Tahiliani Design Private Limited (TDPL) on slump sale basis, as a pre condition for the share subscription agreement entered on February 23, 2021 with Aditya Birla Fashion and Retail Limited for creation of Joint Arrangement between Tarun Tahiliani (key promoter) and Aditya Birla Fashion and Retail Limited. The business transfer was done at a consideration of ₹ 1,600 Lakhs.

As per Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013, no specific accounting guidance is given in case of formation of a joint venture, hence, the Company had an option to either recognise the acquisition of business undertaking using 'Pooling of interest' method or adopt the 'fair value' method. The Company has adopted 'Pooling of interest' method.

Accordingly, all the assets and liabilities of transferred business have been recorded at their carrying amounts under Ind AS as on the date of acquisition. The difference between net asset of business undertaking and consideration is accounted as capital reserve. The financial information in the financial statement in respect of prior periods are not restated as the business combination was not involving entities under common control.

**(a) Details of acquisition**

Particulars	Acquisition type
<b>During the year 2020-2021</b>	
Business of manufacturing and retailing apparel under brand name Tarun Tahiliani from TDPL	Slump sale

**(b) Consideration transferred**

Particulars	Amount
Cash	1,600.00

**(c) Details of assets acquired and liabilities recognised at the date of acquisition**

Particulars	As at acquisition date
Property, plant and equipment	732.35
Intangible assets	9.06
Inventory	443.62
Financial asset	629.74
Other current assets	102.60
Provisions	20.37
Financial Liability	465.15
Other current liabilities	360.95
Borrowings	4.99
<b>Net assets</b>	<b>1,065.91</b>

**(d) Capital reserve arising on acquisition**

Particulars	As at acquisition date
Consideration transferred	1,600.00
Less: fair value of identifiable net assets acquired	1,065.91
<b>Deficit debited to capital reserve</b>	<b>534.09</b>

**Goodview Fashion Private Limited**  
**Notes to financial statements for the year ended March 31, 2021**  
**All amounts are in ₹ Lakhs, unless otherwise stated**

**47 First Time adoption**

These are the Company first financial statements prepared in accordance with the Ind AS.  
The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of opening Ind AS balance sheet as at April 01, 2019. The Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).  
An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Set out below are the applicable Ind AS 101 optional exemptions applied in the transition from previous GAAP to Ind AS.

**A.1 Deemed cost**

Ind AS 101 permits a first-time adopter to elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its fair value and use that as its deemed cost at that date.  
The fair value of property, plant and equipment is not materially different to the carrying (previous gaap value) at the date of transition and hence, management has considered to continue previous gaap value as on transition date i.e. 01 April, 2019.

**B. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

(i) Equity reconciliations	Reference	March 31, 2020	April 01, 2019
<b>Total Equity (Shareholder's fund) as per previous GAAP</b>		311.90	311.90
<b>Ind AS adjustments</b>		-	-
<b>Total adjustments</b>		-	-
<b>Total equity as per Ind AS</b>		311.90	311.90

(ii) Reconciliation of total comprehensive income	31 March 2020
<b>Profit after tax as per previous GAAP</b>	(0.03)
<b>Ind AS adjustments</b>	-
<b>Total adjustments</b>	-
<b>Profit after tax as per Ind AS</b>	<b>(0.03)</b>
<b>Other comprehensive income</b>	
Remeasurement of post-employment benefits obligation	-
Income tax relating to above item	-
<b>Total comprehensive income as per Ind AS</b>	<b>(0.03)</b>

(iii) Reconciliation of Cash flow Statement	Previous GAAP	Adjustments	March 31, 2020 Ind AS
Net cash flow (used) operating activities	(0.57)		(0.57)
Net cash flow from investing activities	-	-	-
Net cash flow from/(used) in financing activities*	-	-	-
Net increase/ (decrease) in cash and cash equivalents	<b>(0.57)</b>	<b>(0.00)</b>	<b>(0.57)</b>
Cash and cash equivalents as at April 01, 2019	3.05	-	3.05
Cash and cash equivalents as at March 31, 2020	<b>2.48</b>	<b>-0.00</b>	<b>2.48</b>

**48 Previous Year Figures**

Previous periods' figures have been regrouped/ rearranged wherever necessary to conform to the current period's classification(s).

**For RKACA and Associates LLP**  
**Chartered Accountants**  
**Firm Reg. No. 014372N/N500004**

Sd/-

**Rahul Kapoor**

**Partner**

**Membership no.: 083760**

Place: Gurugram  
Date: May 25, 2021

For and on behalf of the Board of Directors  
**Goodview Fashion Private Limited**

Sd/-

**Tarun  
Radhakrishin  
Tahiliani**

Director  
DIN : 00045531

Place: New Delhi  
Date: May 25, 2021

Sd/-

**Ashish Dikshit**

Director  
DIN : 01842066

Place: Bengaluru  
Date: May 25, 2021

**Goodview Fashion Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

**1. Corporate information**

Goodview Fashion Private Limited (formerly Goodview Properties Private Limited) (the “Company”), a private company domiciled in India, is incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located at 1043, D/6 ward, No-08, Mehrauli, New Delhi – 110030.

The Company deals in all kinds of linen, readymade garments, textiles, coated fabrics, jewelry and also accessories. Also, the Company provides marketplace and business support services to other business.

The financial statements have been approved and adopted by the Board in their meeting held on May 25, 2021.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2018, read with Section 133 of the Companies Act, 2013 (“the Act”) and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable.

For all periods up to and including the year ended March 31, 2020, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2021 are the first financial statements under Ind AS. Refer Note 47 for an explanation of transition from previous GAAP to Ind AS and its impact on financial position.

The financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;

The financial statements are presented in Indian Rupee (INR) which is the functional currency of the Company. All amounts are rounded to two decimal places to the nearest lakhs, except when otherwise indicated.

**2.2 Summary of significant accounting policies**

**(I) Current versus non-current classification**

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents 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.

**Goodview Fashion Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**(II) Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors of the Company is identified as the Chief Operating Decision Maker ("CODM"), CODM evaluates the performance of the Company based on the single operative segment for the purpose of allocation resources and evaluating financial performance.

**(III) Fair value measurements and hierarchy**

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.

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on its nature, characteristics and risks:

- Level 1 - inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

**Goodview Fashion Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

- 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 categorization (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The carrying amounts of trade receivables, trade payables, capital creditors, and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

The carrying value of loans and security deposits are considered to be reasonably the same as their fair values. These are classified as level 2 fair values in the fair value hierarchy, due to the inclusion of observable inputs, including counter-party credit risk.

**(IV) Foreign currencies**

Transactions and balances:

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Balance Sheet date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Statement of Profit and Loss are also reclassified in OCI or the Statement of Profit and Loss, respectively).

**(V) Revenue from contract with customers**

The Company is primarily engaged in the business of manufacturing and retailing high end garments. Revenue from contracts with customers is recognised when control of the goods or services is 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.

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

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

Revenue is measured at the fair value of the consideration received or receivable net of returns, taking into account contractually defined terms of payment excluding taxes or duties collected on behalf of the government.

**Goodview Fashion Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

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

Income from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes.

Sales are recognised on delivery of the merchandise to the customer, when the property in goods and control are transferred for a price and no effective ownership control is retained.

Where the Company is principal in the transaction, the Sales are recorded at gross values. Where the Company is an agent in the transaction, the difference between the revenue and the cost of the product is disclosed as commission income.

Interest income on all debt instruments is measured either at amortised cost or at fair value through OCI. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example: prepayment, extension, call and similar options), but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

**(VI) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Statement of Profit and Loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**(VII) Taxes**

Current tax

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

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 in India.

The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

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

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

Deferred tax 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.

Current tax and deferred tax relating to items recognised outside the Statement of Profit and Loss are recognised outside the Statement of Profit and Loss (either in OCI or in equity). Current tax and deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**(VIII) Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

**Depreciation methods, estimated useful lives and residual value**

Depreciation on property, plant and equipment is calculated on a straight-line basis over the useful life of the asset estimated by the management. Depreciation on additions is provided on a pro rata basis from the month of installation or acquisition. Depreciation on deletions/ disposals is provided

**Goodview Fashion Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

on a pro rata basis upto the month preceding the month of deletions/ disposals. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has used the following rates to provide depreciation on its tangible fixed assets:

**(a) Assets where useful life is same as Schedule II**

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013
Office equipment	5 years
Electrical installation and equipment	10 years

**(b) Assets where useful life differ from Schedule II**

Assets	Useful life as prescribed by Schedule II of the Companies Act, 2013	Estimated useful life
Plant machinery	15 years	20 years
Furniture and fittings – retail stores	10 years	5 years
Furniture and fittings – other than retail stores	10 years	7 years
Motor cycles, scooters and other mopeds	10 years	5 years
Servers, end user devices, such as desktops, laptops, etc.	3 years for end user devices and 6 years for servers	4 years

Useful life of assets different from that prescribed in Schedule II has been estimated by the management, supported by technical assessment.

**Leasehold assets**

Assets	Estimated useful life
Leasehold improvements at stores	5 years or period of lease, whichever is lower
Leasehold improvements other than stores	Period of lease

Interiors has been treated as part of leasehold improvements. Therefore, useful life shall be based on period of lease.

Items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within one year from the date the asset is ready to use.

Gains or losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within other gains/ losses.

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

**(IX) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment.

The useful lives of intangible assets are assessed as either finite or indefinite.



Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

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

#### **Amortisation methods and periods**

A summary of amortisation policies applied to the Company's intangible assets is as below:

<b>Intangible assets</b>	<b>Useful life</b>	<b>Amortisation method used</b>
Computer software	3 years	Amortised on straight-line basis

#### **(X) Impairment of non-financial assets**

The carrying amount of assets are reviewed at each reporting date, if there is any indication of impairment based on internal/ external factors. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

Reversal of impairment losses recognised in the prior years is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased.

#### **(XI) Leases**

The Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Company assess whether:

- The contract involves the use of an identified asset;
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset.

The Company therefore accounts if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company is not a lessor in any transactions, it is only a lessee.

#### **Company is the lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### **(i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease

incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Buildings 3 to 9 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

**(ii) Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term, discounted using Company's incremental borrowing cost. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In addition, the carrying amount of lease liabilities is re-measured if there is a modification arising due to change in the lease term, change in the lease payments or a change in the assessment of an option to purchase the underlying asset. When the lease liability is re-measured 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.

**(iii) Short term leases and lease of low value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**(XII) Financial instruments**

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

Financial assets and financial liabilities are recognised when a 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 the Statement of Profit and Loss are recognised immediately in the Statement of Profit and Loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognised on the trade date.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:

**(a) Non-derivative financial assets**

**(i) Financial assets at amortised cost**

Financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

**Effective Interest Rate (EIR) method:**

The EIR method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in the Statement of Profit and Loss, and is included in the 'Other income' line item.

**(ii) Debt instruments at Fair Value Through Other Comprehensive Income (FVTOCI)**

An instrument shall be measured at FVTOCI, if both of the following conditions are met:

- The objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- The asset's contractual cash flows represent Solely Payments of Principal and Interest (SPPI).

For the impairment policy on financial assets measured at amortised cost, refer note below.

Debt instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction cost. Fair value movements are recognised in other comprehensive income. However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain/ (loss) in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss.

(iii) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Finance assets that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets:

The Company assesses at each date of balance sheet whether a financial asset is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition

**(b) Non derivative financial liabilities**

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are recognized initially at fair value and in case of loans and borrowings net of directly attributable cost.

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the Statement of Profit and Loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **De-recognition of financial assets and financial liabilities**

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable, and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in the Statement of Profit and Loss, if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (for example: when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in the Statement of Profit and Loss, if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is

allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

The Company de-recognises financial liabilities only when the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

#### **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

#### **(XIII) Inventories**

Raw materials and consumables are valued at cost or net realisable value, whichever is lower. Cost is determined on FIFO basis. Finished Goods and materials under process are valued at lower of cost and net realisable value. Cost of Finished Goods and Materials under process is determined by considering materials, labour and other related direct expenses.

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

Obsolete and defective inventory are duly provided for, basis the management estimates.

#### **(XIV) Business combination**

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively.

Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the difference is recorded as a gain in Other Comprehensive Income and accumulated in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

As per Indian Accounting Standards as prescribed under section 133 of the Companies Act, 2013, no specific accounting guidance is given in case of formation of a joint venture, hence, the Company had an option to either recognize the acquisition of business undertaking using 'Pooling of interest' method or adopt the 'fair value' method. The Company has adopted 'Pooling of interest' method. (Refer note 46)

**(XV) Provisions and contingent liability**

**Provision**

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).

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. The expense relating to a provision is presented in the Statement of Profit and Loss, net of any reimbursements.

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.

**Contingent liability**

Contingent liability exists when there is 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 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 or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote.

**(XVI) Retirement and other employee benefits**

**(a) Short-term employee benefits**

Short-term employee benefits are recognised as an expense on accrual basis.

**(b) Defined contribution plan**

The Company makes defined contribution to the Government Employee Provident Fund, which are recognised in the Statement of Profit and Loss, on accrual basis. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

**(c) Defined benefit plan**

The Company operates a defined benefit gratuity plan in India. The Company's gratuity plan is funded in nature. The Company's liabilities under The Payment of Gratuity Act, 1972 are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in the 'Employee benefits expense' in the Statement of Profit and Loss. Re-measurement gains or losses (excluding amounts included in net Interest on the net defined benefit liability) arising from changes in actuarial assumptions are recognised in the period in which they occur, directly in OCI. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Re-measurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

**(d) Compensated absences**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation in the Statement of Profit and Loss.

**(XVII) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(XVIII) 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, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

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