

# Price Waterhouse & Co Chartered Accountants LLP

## Independent Auditor's Report

To the Members of Finesse International Design Private Limited

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Finesse International Design Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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, 2023, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

### Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)

**Responsibilities of management and those charged with governance for the financial statements**

5. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's responsibilities for the audit of the financial statements**

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
  - 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.





# INDEPENDENT AUDITOR'S REPORT

To the Members of Finesse International Design Private Limited  
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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. 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 other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) Clause (i) of Section 143(3) on internal financial controls with reference to financial statements is not applicable pursuant to notification G.S.R 583(E) dated 13 June 2017.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38(b) to the financial statements;
    - ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at March 31, 2023.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 53 (A) to the financial statements);



# INDEPENDENT AUDITOR'S REPORT

To the Members of Finesse International Design Private Limited  
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- (b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 53 (B) to the financial statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
- 12. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/ E-300009

*Sonika Burman*

Sonika Burman

Partner

Membership Number: 504839

UDIN: 23504839BGYXIT5937

Gurugram

May 12, 2023

**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Finesse International Design Private Limited on the financial statements for the year ended March 31, 2023  
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- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Note 3.1 to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on (or) are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account as set out below. (Also refer Note 47 to the financial statements).
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.



**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Finesse International Design Private Limited on the financial statements for the year ended March 31, 2023  
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- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of professional tax and income tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	11.19	AY 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	12.82	AY 2018-19	Commissioner of Income Tax (Appeals)

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 17 to the financial statements).
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- x. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.





**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Finesse International Design Private Limited on the financial statements for the year ended March 31, 2023  
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- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act and, accordingly, to this extent, the reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. The Company is not mandated to have an internal audit system during the year.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group has 8 CICs (registered and unregistered) as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.



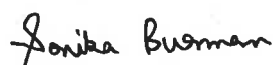
**Annexure B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Finesse International Design Private Limited on the financial statements for the year ended March 31, 2023  
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- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 48 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E-300009



Sonika Burman  
Partner  
Membership Number: 504839  
UDIN: 23504839BGYXIT5937

Place: Gurugram  
Date: May 12, 2023



**Finesse International Design Private Limited**  
**Balance Sheet as at year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	1,571.02	1,108.69
Intangible assets	3.2	50.20	107.28
Capital work-in-progress	3.3	6.20	-
Right-of-use assets	4.1	6,003.38	3,765.59
Financial assets			
Security deposits	5	488.35	317.86
Deferred tax assets (net)	6	1,340.66	1,027.74
Non-current tax assets	7	24.03	23.52
<b>Total non-current assets</b>		<b>9,483.84</b>	<b>6,350.68</b>
<b>Current assets</b>			
Inventories	8	1,378.20	972.38
Financial assets			
Investments	9	-	1,301.63
Trade receivables	10	78.93	35.25
Cash and cash equivalents	11	32.93	120.14
Security deposits	12	60.99	38.23
Other financial assets	13	102.17	4.35
Other current assets	14	179.76	104.62
<b>Total current assets</b>		<b>1,832.98</b>	<b>2,576.60</b>
<b>Total Assets</b>		<b>11,316.82</b>	<b>8,927.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	146.90	146.90
Other equity	16	508.93	1,662.55
<b>Total Equity</b>		<b>655.83</b>	<b>1,809.45</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	17	497.90	635.09
Lease liabilities	4.2	5,556.07	3,555.11
Other financial liabilities	18	105.50	-
Provisions	19	296.64	245.64
<b>Total non-current liabilities</b>		<b>6,456.11</b>	<b>4,435.84</b>
<b>Current liabilities</b>			
Borrowings	20	1,063.51	344.11
Financial liabilities			
Lease liabilities	4.2	1,031.42	558.73
Trade payables	21	-	-
Total outstanding dues of :			
- micro enterprises and small enterprises		104.47	81.10
- other than micro enterprises and small enterprises		990.26	925.66
Other financial liabilities	22	472.51	296.83
Other current liabilities	23	462.20	431.66
Provisions	24	80.51	43.90
<b>Total current liabilities</b>		<b>4,204.88</b>	<b>2,681.99</b>
<b>Total Equity and liabilities</b>		<b>11,316.82</b>	<b>8,927.28</b>

Summary of significant accounting policies

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The accompanying notes are an integral part of the financial statements.  
This is the Balance Sheet date referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration No. 304026E/E300009

*Sonika Burman*

Sonika Burman  
Partner  
Membership No.:504839

Place: Gurugram  
Date: May 12, 2023



For and on behalf of the Board of Directors of  
Finesse International Design Private Limited

*Ashish Dikshit*  
Ashish Dikshit  
Director  
DIN: 01842066

Place: Mumbai  
Date: May 12, 2023

*Nikhil Mehra*  
Nikhil Mehra  
Director  
DIN:01125351

Place: Noida  
Date: May 12, 2023

*Shantanu Mehra*  
Shantanu Mehra  
Director and Chief Executive Officer  
DIN: 01125457

Place: Noida  
Date: May 12, 2023

*Rajesh Annamalai*  
Rajesh Annamalai  
Chief Financial Officer

Place: Mumbai  
Date: May 12, 2023

**Finesse International Design Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2023**  
All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income</b>			
Revenue from operations	25	7,087.37	4,622.37
Other income	26	78.08	51.24
<b>Total income</b>		<b>7,165.45</b>	<b>4,673.61</b>
<b>Expenses</b>			
Cost of materials consumed	27(a)	345.71	363.08
Purchase of stock-in-trade	27(b)	676.21	278.86
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(232.72)	(27.94)
Employee benefits expense	29	2,827.02	1,976.78
Finance costs	30	573.09	402.01
Depreciation and amortisation expense	31	1,593.48	993.27
Other expenses	32	2,858.20	1,760.85
<b>Total expenses</b>		<b>8,640.99</b>	<b>5,746.91</b>
<b>Loss before tax</b>		<b>(1,475.54)</b>	<b>(1,073.30)</b>
<b>Income tax expense:</b>			
Current tax		-	-
Deferred tax	33	(315.18)	(319.38)
<b>Total tax credit</b>		<b>(315.18)</b>	<b>(319.38)</b>
<b>Loss for the year</b>		<b>(1,160.36)</b>	<b>(753.92)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to statement of profit and loss</b>			
Re-measurement gains/ (losses) on defined benefit plans	37	9.00	(18.20)
Income tax effect on above		(2.26)	4.58
<b>Other comprehensive income for the year</b>		<b>6.74</b>	<b>(13.62)</b>
<b>Total comprehensive income for the year</b>		<b>(1,153.62)</b>	<b>(767.54)</b>
<b>Earnings per equity share [Nominal value of share Rs. 10 (March 31, 2022: Rs. 10)] (In Rs.)</b>	34		
(1) Basic		(78.99)	(52.89)
(2) Diluted		(78.99)	(52.89)
<b>Summary of significant accounting policies</b>	2		

The accompanying notes are an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration No. 304026E/E300009

*Sonika Burman*

Sonika Burman  
Partner  
Membership No.:504839

Place: Gurugram  
Date: May 12, 2023



For and on behalf of the Board of Directors of  
Finesse International Design Private Limited

*Ashish Dikshit*  
Ashish Dikshit  
Director  
DIN: 01842066

Place: Mumbai  
Date: May 12, 2023

*Nikhil Mehra*  
Nikhil Mehra  
Director  
DIN:01125351

Place: Noida  
Date: May 12, 2023

*Shantanu Mehra*  
Shantanu Mehra  
Director and Chief Executive Officer  
DIN: 01125457

Place: Noida  
Date: May 12, 2023

*Rajesh Annamalai*  
Rajesh Annamalai  
Chief Financial Officer

Place: Mumbai  
Date: May 12, 2023

**Finesse International Design Private Limited**  
**Statement of Changes in Equity for the year ended March 31, 2023**  
All amounts are in Rupees (Rs.) Lakhs, except share data

**A Equity share capital**

Equity shares of Rs 10 each issued, subscribed and fully paid up

No. of shares	Rs. (In Lakhs)
12,38,570	123.86
2,30,432	23.04
<b>14,69,002</b>	<b>146.90</b>
-	-
<b>14,69,002</b>	<b>146.90</b>

As at April 01, 2021  
Shares issued during the year  
As at March 31, 2022  
Shares issued during the year  
As at March 31, 2023

**B Other equity**

Particulars	Reserves and surplus		Total other equity
	Retained earnings (refer note 16)	Securities premium (refer note 16)	
As at April 01, 2021	(1,701.07)	2,160.97	459.90
Loss for the year	(753.92)	-	(753.92)
Other comprehensive income for the year (net of tax)	(13.62)	-	(13.62)
Premium on issue of equity shares	-	1,970.19	1,970.19
<b>As at March 31, 2022</b>	<b>(2,468.61)</b>	<b>4,131.16</b>	<b>1,662.55</b>
Loss for the year	(1,160.36)	-	(1,160.36)
Other comprehensive income for the year (net of tax)	6.74	-	6.74
<b>As at March 31, 2023</b>	<b>(3,622.23)</b>	<b>4,131.16</b>	<b>508.93</b>

The accompanying notes are an integral part of the financial statements.

This is the Statement of Changes in Equity referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration No. 304026E/E300009

*Sonika Burman*

Sonika Burman  
Partner  
Membership No.:504839

Place: Gurugram  
Date: May 12, 2023

For and on behalf of the Board of Directors of  
Finesse International Design Private Limited

*Ashish Dikshit*  
Ashish Dikshit  
Director  
DIN: 01842066

Place: Mumbai  
Date: May 12, 2023

*Nikhil Mehra*  
Nikhil Mehra  
Director  
DIN:01125351

Place: Noida  
Date: May 12, 2023

*Shantanu Mehra*  
Shantanu Mehra  
Director and Chief Executive Officer  
DIN: 01125457

Place: Noida  
Date: May 12, 2023

*Rajesh Annamalai*  
Rajesh Annamalai  
Chief Financial Officer

Place: Mumbai  
Date: May 12, 2023





**Finesse International Design Private Limited**  
**Statement of Cash flows for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cash flows from operating activities</b>			
Loss before tax		(1,475.54)	(1,073.30)
Adjustments for:			
Depreciation and amortization expense	31	1,593.48	993.27
(Profit) on sale of property, plant and equipment	32	(6.94)	-
Finance costs	30	573.09	402.01
Interest income	26	(1.68)	(0.37)
Fair value gain on financial instruments at FVTPL	26	(41.31)	(25.34)
Net gain on sale of current investments	26	(11.84)	(10.20)
Fair valuation of mutual funds at FVTPL	26	-	(9.48)
Rent concession on lease rentals	4.2	-	(88.44)
Provision no longer required written back	26 & 32	(83.69)	-
Bad debts written off	32	5.54	0.25
<b>Operating loss before working capital changes</b>		<b>551.11</b>	<b>188.40</b>
<b>Change in working capital</b>			
(Increase)/ decrease in trade receivables		(49.22)	(16.71)
(Increase)/ decrease in inventories		(405.82)	(126.31)
(Increase)/ decrease in other assets		(373.14)	(68.56)
Increase/ (decrease) in trade payables		70.65	401.68
Increase/ (decrease) in provisions		87.61	66.29
Increase/ (decrease) in other liabilities		297.97	125.02
<b>Cash used in operations</b>		<b>179.16</b>	<b>569.81</b>
Income tax paid (net of refund)		1.17	(10.14)
<b>Net cash flows used in operating activities</b>	(A)	<b>180.33</b>	<b>559.67</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant & equipment		(797.87)	(297.12)
Purchase of current investments		(466.84)	(2,772.00)
Proceeds from sale/ maturity of current investments		1,780.31	1,575.25
Proceeds from sale of property, plant & equipment		11.02	-
Interest received		-	0.78
<b>Net cash flows used in investing activities</b>	(B)	<b>526.62</b>	<b>(1,493.09)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of share capital		-	1,993.23
Proceeds/ (repayments) of long term borrowings (net of charges)		(137.19)	(335.27)
Proceeds/ (repayments) of short term borrowings (net of charges)		719.40	116.52
Payment of principal portion of lease liabilities		(814.73)	(425.90)
Interest on lease liabilities		(483.76)	(314.83)
Interest on borrowings		(77.88)	(91.82)
<b>Net cash flows from financing activities</b>	(C)	<b>(794.16)</b>	<b>941.93</b>
<b>Net decrease in cash and cash equivalents</b>	(A+B+C)	<b>(87.21)</b>	<b>8.52</b>
Cash and cash equivalents at the beginning of the year		120.14	111.62
<b>Cash and cash equivalents at the end of the year</b>	11	<b>32.93</b>	<b>120.14</b>
<b>Components of cash and cash equivalents</b>			
Balances with banks - on current accounts		8.54	91.92
Cash on hand		24.39	28.22
<b>Total cash and cash equivalents</b>		<b>32.93</b>	<b>120.14</b>

Note: The Statement of Cash Flows 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.  
This is the Statement of Cash Flows referred to in our report of even date

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration No. 304026E/E300009

*Sonika Burman*

Sonika Burman  
Partner  
Membership No.:504839

Place: Gurugram  
Date: May 12, 2023



For and on behalf of the Board of Directors of  
Finesse International Design Private Limited

*Ashish Dikshit*  
Ashish Dikshit  
Director  
DIN: 01842066

Place: Mumbai  
Date: May 12, 2023

*Nikhil Mehra*  
Nikhil Mehra  
Director  
DIN:01125351

Place: Noida  
Date: May 12, 2023

*Shantanu Mehra*  
Shantanu Mehra  
Director and Chief Executive Officer  
DIN: 01125457

Place: Noida  
Date: May 12, 2023

*Rajesh Annamalai*  
Rajesh Annamalai  
Chief Financial Officer

Place: Mumbai  
Date: May 12, 2023

**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

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**1. Corporate information**

Finesse International Design Private Limited (the "Company") was incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of manufacturing and retailing of high-end fashion clothing. On July 26, 2019, the existing shareholders of the Company transferred certain equity shares to Aditya Birla Fashion and Retail Limited ("ABFRL or the Holding Company"). The Company also allotted 2,38,570 equity shares of Rs. 10 each at a premium of Rs. 905.80 per share. Consequently, the Company became subsidiary of ABFRL, with effect from July 26, 2019.

Consequent to above, the Company is a deemed public limited company under the provisions of the Companies Act, 2013 and has its registered office at D-32, Ground Floor, Defence Colony, New Delhi - 110 024.

**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.

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) and all values are rounded to the nearest lakh, unless otherwise stated.

**New and amended standards adopted by the company**

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022:

- Ind AS 16, Property, Plant & Equipment - Proceeds before intended use of property, plant and equipment.
- Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Costs of Fulfilling a Contract.
- Ind AS 103, Business Combination - Reference to the Conceptual Framework.
- Ind AS 109, Financial Instruments - Fees included in the 10 percent test for derecognition of financial liabilities.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.



### **New and amended standards issued but not effective**

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 01, 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the company's accounting policy already complies with the now mandatory treatment.

## **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 a 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.

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 reporting**

#### *Identification of segments*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's operating businesses is organized and managed according to the nature of products and services provided representing a strategic business that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

#### *Segment accounting policies*

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.





**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

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**(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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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
- 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.

**(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).



**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

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

The Company is primarily engaged in the business of manufacturing and retailing high end fashion clothing. Revenue from contracts with customer is recognised upon transfer of control of promised goods/ services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ services.

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

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

Revenue from sale of products

**(i) Sale of goods - wholesale**

The Company is primarily engaged in the business of manufacturing and retailing high end garments. Revenue from sale of goods is recognised when the control of the goods has transferred, being when the goods are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales terms, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. No significant element of financing is deemed present as the sales are made with a credit term of approximately 30 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The Company does not have a return policy for wholesale customer and hence no refund liability created in the books.

**(ii) Sale of goods - retail**

The Company operates a chain of retail stores for high end garments. Revenue from the sale of goods is recognised when Company sells a good to the customer. Payment of the transaction price is due immediately when the customer purchases the goods and takes delivery in store. The Company does not have a return policy for retail customer and hence no refund liability created in the books for retail sale.

Income from services

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

Interest 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.





**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

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Contract asset

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration. Revenue in excess of invoicing are classified as contract assets (which is referred as unbilled revenue).

Contract liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Invoicing in excess of revenues are classified as contract liabilities (which is referred as deferred revenue).

**(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 interest costs.

**(VII) Income Tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or 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





**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

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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.

Tax benefits acquired as a part of business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information is received or circumstances change. Acquired deferred tax benefits recognised within the measurement period reduce goodwill related to that acquisition, if they result from new information obtained about facts and circumstances existing at the acquisition date.

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 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 comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

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.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work-in-progress is stated at cost net of accumulated impairment losses, if any.



**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 on a pro rata basis upto the month preceding the month of deletions/ disposals. The management believes that these estimated useful lives 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
Plant and Machinery	15 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
Furniture and fixtures (retail stores)	10 years	5 years
Furniture and fixtures (other than retail stores)	10 years	7 years
Motor Vehicles	10 years	5 years
Computer Equipment	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.

Leasehold improvements are amortized over the period of the lease or management's assessment of useful lives of assets, whichever is shorter.

**(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 or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 are recognised in the Statement of Profit and Loss when the asset is de-recognised.



**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

**Amortisation methods and periods**

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

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

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

The carrying amount of assets are reviewed at each Balance Sheet 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. An asset's recoverable amount is higher of an asset's or cash-generating unit's (CGUs) fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rates, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss.

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's lease asset classes primarily consist of leases for buildings. The Company assesses at contract inception, all arrangements to determine whether they are, or contain, a lease, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. 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 – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- 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 has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset either the Company has the right to operate the asset; or the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

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

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for short-term leases which are less than 12 months and leases of low value assets. The right-of-use asset is initially 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 comprises of the initial amount of the lease liability recognized, plus any initial direct costs incurred, plus lease payments made at or before the commencement date and 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.





**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

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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.

**(ii) Lease liabilities**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments. The lease liabilities are measured at amortised cost using the effective interest method.

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 assets are recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property, and lease liabilities, separately in the Balance Sheet.

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

The Company applies the short-term lease recognition exemption to its short-term leases (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 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 marketplace 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.



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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 or 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. Interest earned is recognised under the Effective Interest Rate (EIR) model.

(iii) Financial assets at fair value through profit or loss (FVTPL)

Debt instruments 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.





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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 applies simplified approach of expected credit loss model for recognising impairment loss on financial assets measured at amortised cost trade receivables and other contractual rights to receive cash or other financial asset.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

**(b) Non derivative financial liabilities**

**(i) 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.





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(1) Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(2) Compound financial instruments:

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

(3) Financial Liability

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.

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.

(ii) Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as the transaction cost of the loan to the extent it is probable that some or all of the facility will be drawn down, the fees are deferred until the draw down occurs. To the extent that there is no evidence that is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity and amortised over the period of facility to which it relates.



### **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 recognized amounts, and there is an intention to settle on a net basis or realize 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 accessories are valued at lower of cost or net realisable value. However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost includes cost of purchase and other costs in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis.





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Traded goods, work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Work-in-progress and finished goods include costs of direct materials, labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing cost. Traded goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Proceeds in respect of sale of raw materials/ stores are credited to the respective heads. Obsolete and defective inventory are duly provided for, basis the management estimates.

**(XIV) 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 or 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.

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

**(a) 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.

**(b) Defined benefit plan**

The Company operates a defined benefit gratuity plan. The Company's gratuity plan is unfunded 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





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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.

**(c) 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.

The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.

**(d) Share Appreciation rights**

Liabilities for the group's share appreciation rights are recognized as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date and are presented as employee benefit obligations in the balance sheet.

**(XVI) 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.

**(XVII) 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.

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**Finesse International Design Private Limited**  
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### 3.1 Property, Plant and Equipment

Property, Plant and Equipment						
	Leasehold improvements	Plant and machineries	Furniture and fixtures	Vehicles	Office equipments	Computers
Cost						Total
<b>As at April 01, 2021</b>						
Additions	1,034.21	23.06	181.69	17.57	78.76	93.94
Disposals	120.05	10.15	37.47	-	14.27	212.19
<b>As at March 31, 2022</b>						
Additions	1,154.26	33.21	219.16	17.57	93.03	1,641.42
Disposals	602.69	11.12	66.66	-	34.71	802.65
	1.70	-	6.64	-	0.59	8.93
<b>As at March 31, 2023</b>	1,755.25	44.33	279.18	17.57	127.15	2,435.14
<b>Depreciation</b>						
<b>As at April 01, 2021</b>						
Depreciation for the year (refer note 31)	197.41	7.95	31.40	17.36	32.70	22.05
Disposals	138.70	2.81	43.33	0.20	13.88	24.94
<b>As at March 31, 2022</b>						
Depreciation for the year (refer note 31)	336.11	10.76	74.73	17.56	46.58	46.99
Disposals	231.32	4.23	41.29	-	17.41	41.99
	0.74	-	3.92	-	0.19	-
<b>As at March 31, 2023</b>	566.69	14.99	112.10	17.56	63.80	88.98
<b>Net carrying value as at:</b>						
<b>As at March 31, 2022</b>	818.15	22.45	144.43	0.01	46.45	77.20
<b>As at March 31, 2023</b>	1,188.56	29.34	167.08	0.01	63.35	122.68
						1,571.02

Note: The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) during the current or previous year.



### 3.2 Intangible assets

Cost	Computer software	Total
<b>As at April 01, 2021</b>		
Additions	119.87	119.87
Disposals	69.23	69.23
<b>As at March 31, 2022</b>		
Additions	189.10	189.10
Disposals	5.91	5.91
<b>As at March 31, 2023</b>	<b>195.01</b>	<b>195.01</b>
<b>Amortisation</b>		
<b>As at April 01, 2021</b>		
Amortisation for the year (refer note 31)	35.14	35.14
Disposals	46.68	46.68
<b>As at March 31, 2022</b>	<b>81.82</b>	<b>81.82</b>
Amortisation for the year (refer note 31)	62.99	62.99
Disposals		
<b>As at March 31, 2023</b>	<b>144.81</b>	<b>144.81</b>
<b>Net carrying value as at:</b>		
<b>As at March 31, 2022</b>	<b>107.28</b>	<b>107.28</b>
<b>As at March 31, 2023</b>	<b>50.20</b>	<b>50.20</b>

Note: The Company has not revalued its intangible assets during the current or previous year.

### 3.3 Capital Work in Progress

Capital Work in Progress

Capital work in progress mainly related to leasehold improvement for new stores.

CWIP ageing as at March 31, 2023

Projects in Progress	Amount in Capital-work-in-progress for a period of			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 years
	6.20	-	-	-
<b>Total</b>				<b>6.20</b>





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**4.1 Right-of-use assets**

As at March 31, 2023	As at March 31, 2022
6,003.38	3,765.59
<b>6,003.38</b>	<b>3,765.59</b>

Building

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

<b>Cost</b>	<b>Building</b>
As at April 01, 2021	3,298.63
Additions	2,254.58
As at March 31, 2022	5,553.21
Additions	3,621.61
Deletion	(189.56)
As at March 31, 2023	8,985.26
<b>Depreciation</b>	
As at April 01, 2021	1,064.89
Depreciation for the year (refer note 31)	722.73
As at March 31, 2022	1,787.62
Depreciation for the year (refer note 31)	1,194.25
As at March 31, 2023	2,981.87
<b>Net carrying value as at March 31, 2022</b>	<b>3,765.59</b>
<b>Net carrying value as at March 31, 2023</b>	<b>6,003.39</b>

**4.2 Lease liabilities**

As at March 31, 2023	As at March 31, 2022
4,113.84	2,369.12
3,492.01	2,259.05
(203.63)	-
483.76	314.83
-	(88.44)
(1,298.49)	(740.73)
<b>6,587.49</b>	<b>4,113.84</b>
<b>Current</b>	<b>1,031.42</b>
<b>Non-current</b>	<b>5,556.07</b>
	<b>3,555.11</b>

Balance at beginning of the year

Additions

Deletion

Interest expense on lease liabilities (refer note 30)

Rent Concession

Payments

Balance at end of the year

Current

Non-current

**5 Security deposits**

As at March 31, 2023	As at March 31, 2022
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At amortised cost

Non-current

Security deposits

Unsecured, considered good

Total

488.35	317.86
<b>488.35</b>	<b>317.86</b>



6 Deferred tax assets (net)

Balance Comprises temporary difference attributable to:

Depreciation and amortisation expense  
Impact of difference due to adjustments made in accordance with Ind AS 116  
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961  
Loss as per income tax computations available for offsetting against future taxable income  
Provision for bad and doubtful debts

Total Deferred tax assets

Fair valuation gain on mutual funds at FVTPL  
Re-measurement gains/ (losses) on defined benefit plans  
Impact of difference due to adjustments made in accordance with Ind AS 109

Total Deferred tax liabilities

Net deferred tax assets

As at March 31, 2023	As at March 31, 2022
103.87	73.99
240.02	144.49
98.61	91.04
915.79	724.17
0.40	1.79
<b>1,358.69</b>	<b>1,035.48</b>
-	2.37
(5.92)	(8.18)
23.95	13.55
<b>18.03</b>	<b>7.74</b>
<b>1,340.66</b>	<b>1,027.74</b>

	Depreciation and amortisation	Impact of Ind AS 116 and Ind AS 109	Disallowance under Section 43B and 40(a)(ia)	Tax Losses	Fair valuation gain on mutual funds at FVTPL	Provision for bad and doubtful debts	Other comprehensi ve income	Total
<b>As at April 01, 2021</b>	<b>57.86</b>	<b>62.61</b>	<b>70.35</b>	<b>502.91</b>	-	6.45	3.60	<b>703.78</b>
(Charged)/credited:								
to profit or loss	16.13	68.33	20.69	221.26	(2.37)	(4.66)	-	319.38
to other comprehensive income	-	-	-	-	-	-	4.58	4.58
<b>As at March 31, 2022</b>	<b>73.99</b>	<b>130.94</b>	<b>91.04</b>	<b>724.17</b>	<b>(2.37)</b>	<b>1.79</b>	<b>8.18</b>	<b>1,027.74</b>
(Charged)/credited:								
to profit or loss	29.88	85.13	7.57	191.62	2.37	(1.39)	-	315.18
to other comprehensive income	-	-	-	-	-	-	(2.26)	(2.26)
<b>As at March 31, 2023</b>	<b>103.87</b>	<b>216.07</b>	<b>98.61</b>	<b>915.79</b>	-	<b>0.40</b>	<b>5.92</b>	<b>1,340.66</b>



**Finesse International Design Private Limited**  
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**7 Non-current tax asset**

	As at March 31, 2023	As at March 31, 2022
Income tax receivable	24.03	23.52
	<b>24.03</b>	<b>23.52</b>

**8 Inventories**

	As at March 31, 2023	As at March 31, 2022
<u>At lower of cost and net realisable value</u>		
Raw materials		
Work-in-progress	392.49	219.39
Finished goods*	44.09	38.13
Stock-in-trade [includes goods-in-transit Rs. 1 Lakhs (March 31, 2022: Rs.Nil)]	615.41	561.96
<b>Total</b>	<b>326.21</b>	<b>152.90</b>
	<b>1,378.20</b>	<b>972.38</b>

\* During the year ended March 31, 2023 provision for dormancy credited to Statement of Profit and Loss amounted to Rs. 41.77 Lakhs (charged to Statement of Profit and Loss for the year ended March 31, 2022 Rs. 16.52 Lakhs).

**9 Investments - current**

**Investments fair valued through Profit and Loss (Quoted):**

March 31, 2023: Nil

(March 31, 2022: 379,345,349 units of Aditya Birla Sunlife Liquid Fund fair valued at Rs. 343.12/- each unit)

	As at March 31, 2023	As at March 31, 2022
	-	1,301.63
	<b>-</b>	<b>1,301.63</b>





**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

**10 Trade receivables**

**At amortised cost**

Trade receivables from others

Trade receivables from related parties (refer note 40)

**Total**

**Break up for security details:**

**Trade receivables**

Considered good - Unsecured

Credit impaired

**Total**

**Impairment allowance**

Trade receivables - credit impaired

**Total**

As at  
March 31,  
2023

As at  
March 31,  
2022

35.13

13.43

43.80

21.82

78.93

35.25

As at  
March 31,  
2023

As at  
March 31,  
2022

78.93

35.25

78.93

35.25

-

-

78.93

35.25

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

**Aging of Trade receivables**

Particulars	Unbilled	Not Due	Outstanding as on March 31, 2023 for following periods from the due date					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade receivables:								
Considered good	-	-	67.29	8.13	0.36	3.15	-	78.93
which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables:								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	67.29	8.13	0.36	3.15	-	78.93

Particulars	Unbilled	Not Due	Outstanding as on March 31, 2022 for following periods from the due date					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade receivables:								
Considered good	-	-	4.71	18.13	12.41	-	-	35.25
which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables:								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
Credit Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	4.71	18.13	12.41	-	-	35.25



**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

<b>11</b>	<b>Cash and cash equivalents</b>		
		<b>As at</b>	<b>As at</b>
		<b>March 31,</b>	<b>March 31,</b>
		<b>2023</b>	<b>2022</b>
	Balances with bank:		
	Current accounts	8.54	91.92
	Cash on hand	24.39	28.22
	<b>Total</b>	<b>32.93</b>	<b>120.14</b>
<b>12</b>	<b>Security deposits</b>		
		<b>As at</b>	<b>As at</b>
		<b>March 31,</b>	<b>March 31,</b>
		<b>2023</b>	<b>2022</b>
	<b>At amortised cost</b>		
	Current (unsecured, considered good)	60.99	38.23
		60.99	38.23
	Current (unsecured, considered doubtful)	1.60	7.14
	Allowance for doubtful advances	(1.60)	(7.14)
	<b>Total</b>	<b>60.99</b>	<b>38.23</b>
<b>13</b>	<b>Other financial assets</b>		
		<b>As at</b>	<b>As at</b>
		<b>March 31,</b>	<b>March 31,</b>
		<b>2023</b>	<b>2022</b>
	<b>At amortised cost</b>		
	Advance to employees	102.17	4.35
	<b>Total</b>	<b>102.17</b>	<b>4.35</b>
<b>14</b>	<b>Other current assets</b>		
		<b>As at</b>	<b>As at</b>
		<b>March 31,</b>	<b>March 31,</b>
		<b>2023</b>	<b>2022</b>
	Prepayments	50.54	34.12
	Balance with government authorities (other than income tax)	72.57	4.30
	Advance to suppliers	51.30	53.93
	Capital Advance	5.35	12.27
	<b>Total</b>	<b>179.76</b>	<b>104.62</b>



**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, except share data**

**15 Equity share capital**

**Authorised share capital**

Equity shares of Rs. 10 each

**As at April 01, 2021**

Increase during the year

**As at March 31, 2022**

Increase during the year

**As at March 31, 2023**

No. of Shares	Rs. (In Lakhs)
15,00,000	150.00
-	-
15,00,000	150.00
-	-
15,00,000	150.00

**Subscribed and paid-up equity share capital**

Equity shares of Rs. 10 each issued, subscribed & fully paid up share capital

**As at April 01, 2021**

Issued during the year (230,432 equity shares of Rs.10/- each)

**As at March 31, 2022**

Issued during the year

**As at March 31, 2023**

No. of Shares	Rs. (In Lakhs)
12,38,570	123.86
2,30,432	23.04
14,69,002	146.90
-	-
14,69,002	146.90

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

The Company has only one class of equity shares having par value of Rs. 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) Shares held by Holding Company and/ or their subsidiaries/ associates**

Out of the shares issued, the shares held by the holding company are as below

Aditya Birla Fashion and Retail Limited, the holding company  
862,102 (March 31, 2022: 862,102) equity shares of Rs 10/- each

As at March 31, 2023	As at March 31, 2022
86.21	86.21
86.21	86.21

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

Aditya Birla Fashion and Retail Limited  
Mr. Shantanu Mehra  
Mr. Nikhil Mehra

As at March 31, 2023		As at March 31, 2022	
No. of shares held	% of paid up share capital	No. of shares held	% of paid up share capital
8,62,102	58.68%	8,62,102	58.68%
3,03,450	20.66%	3,03,450	20.66%
3,03,450	20.66%	3,03,450	20.66%
14,69,002	100.00%	14,69,002	100.00%

**d) Details of Shareholding of Promoters:**

**Shares held by promoters as at March 31, 2023**

Name of the Promoter	No. of Shares	% of total numbers of shares	% Change during the year
Aditya Birla Fashion and Retail Limited	8,62,102	58.68%	0.00%
Mr. Shantanu Mehra	3,03,450	20.66%	0.00%
Mr. Nikhil Mehra	3,03,450	20.66%	0.00%
<b>Total</b>	<b>14,69,002</b>	<b>100.00%</b>	<b>-</b>

**Shares held by promoters as at March 31, 2022**

Name of the Promoter	No. of Shares	% of total numbers of shares	% Change during the year
Aditya Birla Fashion and Retail Limited	8,62,102	58.68%	7.68%
Mr. Shantanu Mehra	3,03,450	20.66%	-3.84%
Mr. Nikhil Mehra	3,03,450	20.66%	-3.84%
<b>Total</b>	<b>14,69,002</b>	<b>100.00%</b>	<b>-</b>

**e) There are no shares allotted for consideration other than cash during the period of five years.**





**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs**

**16 Other equity**

**Reserves and surplus**

**Retained earnings**

**As at April 01, 2021**

Loss for the year

Other comprehensive income for the year

**As at March 31, 2022**

Loss for the year

Other comprehensive income for the year

**As at March 31, 2023**

**Securities premium**

**As at April 01, 2021**

Additions made during the year

**As at March 31, 2022**

Additions made during the year

**As at March 31, 2023**

**Total**

**As at March 31, 2022**

**As at March 31, 2023**

**Amount**

(1,701.07)

(753.92)

(13.62)

**(2,468.61)**

(1,160.36)

6.74

**(3,622.23)**

2,160.97

1,970.19

**4,131.16**

-

**4,131.16**

**1,662.55**

**508.93**

**Retained earnings**

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

**Securities premium**

Securities premium 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.



**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

**17 Borrowings**

	Effective interest rate (% p.a)	Maturity	As at March 31, 2023	As at March 31, 2022
<b>Non-current maturities</b>				
Term loan from Bank (secured)				
Axis Bank (Note A)	1 Year MCLR + 1.25%	September, 2024	97.90	556.57
Standard Chartered Bank (Note B)	Repo rate + 4.00%	March, 2034	-	78.52
ICICI Bank (Note C)	8.75%	March, 2026	400.00	-
			<b>497.90</b>	<b>635.09</b>
<b>Current maturities of long-term borrowings (refer note 20)</b>				
Term loan from Bank (secured)				
Axis Bank (Note A)	1 Year MCLR + 1.25%	September, 2024	460.00	280.00
Standard Chartered Bank (Note B)	Repo rate + 4.00%	March, 2034	-	64.11
			<b>460.00</b>	<b>344.11</b>
<b>Aggregate secured borrowings</b>			<b>957.90</b>	<b>979.20</b>
<b>Aggregate unsecured borrowings</b>			-	-

The Company has not defaulted on any loans payable, and there has been no breach of any loan covenants.

The Borrowings obtained by the Company from banks and financial institutions have been applied for the purpose for which such loans were taken.

**Details of security and terms of repayment**

**Note A**

The loan is secured by way of first charge created by hypothecation of movable property, plant and equipment (excluding vehicles) and current assets of the Company both present and future. The loan is repayable in 12 structured quarterly instalments commencing from December 2021, i.e., after the moratorium period of 12 months. During the year ended March 31, 2023 the Company has repaid Rs. 280 Lakhs.

**Note B**

The loan was secured by the bank against the residential property of Mr. Rishi Mehra (relative of Director). The loan is repayable was 180 monthly instalment of Rs. 5.34 Lakhs each. During the year ended March 31, 2023 the Company has fully repaid Rs. 142.63 Lakhs.

**Note C**

The loan is secured by way of first charge created by hypothecation of movable property, plant and equipment and current assets of the Company both present and future. The loan is repayable in 8 structured quarterly instalments commencing from June 2024.

**18 Other financial liabilities**

**Non-Current**

Security Deposit

As at March 31, 2023	As at March 31, 2022
105.50	-
<b>105.50</b>	<b>-</b>

**19 Provisions**

**Non-current**

Provision for gratuity (refer note 37)

**Total**

As at March 31, 2023	As at March 31, 2022
296.64	245.64
<b>296.64</b>	<b>245.64</b>

**20 Borrowings**

**Current - Secured**

Working capital demand loan\*

Cash Credit\*

Current maturities of long-term borrowings (refer note 17)\*\*

**Total**

As at March 31, 2023	As at March 31, 2022
500.00	-
103.51	-
460.00	344.11
<b>1,063.51</b>	<b>344.11</b>

\* Secured by way of charge on current assets of the Company.

\*\* Secured by way of charge created by hypothecation of movable property, plant and equipment (excluding vehicles) and current assets of the Company.



**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

**21 Trade payables**

Total outstanding dues of micro enterprises and small enterprises (refer note 35)  
Total outstanding dues of creditors other than micro enterprises and small enterprises \*  
**Total**

As at March 31, 2023	As at March 31, 2022
104.47	81.10
990.26	925.66
<b>1,094.73</b>	<b>1,006.76</b>

\* Includes payable to related parties, for terms and conditions with related parties (refer note 40).

Particulars	Unbilled	Not Due	Outstanding as on March 31, 2023 for following periods from the due date					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade payables:								
Micro enterprises and small enterprises	-	85.01	18.60	0.19	-	-	0.67	104.47
Others	106.58	395.56	442.16	24.52	4.61	8.50	8.33	990.26
Disputed Trade payables:								
Micro enterprises and small enterprises	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
<b>Total</b>	<b>106.58</b>	<b>480.57</b>	<b>460.76</b>	<b>24.71</b>	<b>4.61</b>	<b>8.50</b>	<b>9.00</b>	<b>1,094.73</b>

Particulars	Unbilled	Not Due	Outstanding as on March 31, 2022 for following periods from the due date					Total
			Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade payables:								
Micro enterprises and small enterprises	-	71.70	9.32	-	-	-	0.08	81.10
Others	175.87	339.81	357.52	2.27	12.04	21.86	16.29	925.66
Disputed Trade payables:								
Micro enterprises and small enterprises	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
<b>Total</b>	<b>175.87</b>	<b>411.51</b>	<b>366.84</b>	<b>2.27</b>	<b>12.04</b>	<b>21.86</b>	<b>16.37</b>	<b>1,006.76</b>





**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

**22 Other financial liabilities**

**Current**

Interest accrued but not due  
Employee benefits payable  
Capital creditors  
**Total**

As at March 31, 2023	As at March 31, 2022
4.91	1.13
392.16	230.23
75.44	65.47
<b>472.51</b>	<b>296.83</b>

**23 Other current liabilities**

Advance from customers  
Statutory liabilities \*  
**Total**

As at March 31, 2023	As at March 31, 2022
384.40	358.62
77.80	73.04
<b>462.20</b>	<b>431.66</b>

\* Includes dues towards provident fund, withholding taxes, goods and services tax, professional tax and employees state insurance corporation.

**24 Provisions**

**Current**

Provision for gratuity (refer note 37)  
Provision for compensated absences  
Share appreciation rights  
**Total**

As at March 31, 2023	As at March 31, 2022
12.39	9.68
64.33	34.22
3.79	-
<b>80.51</b>	<b>43.90</b>

The amount of the provision of Rs. 64.33 Lakhs (March 31, 2022 - Rs. 34.22 Lakhs ) is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations.



25	<b>Revenue from operations</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
	<b>Revenue from contract with customers</b>		
	Sale of products	6,977.65	4,506.87
	<b>Revenue from rendering of services</b>		
	Designing and alteration services	105.19	115.50
	<b>Other operating income</b>		
	Royalty Fees	4.53	-
	<b>Total</b>	<b>7,087.37</b>	<b>4,622.37</b>
(a) Contract balances		<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
	Contract liabilities		
	Advances received from customers	384.40	358.62
	Contract assets		
	Trade receivables	78.93	35.25
(b) Reconciliation of revenue as recognised in the Statement of Profit and Loss with the contracted price:		<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
	Revenue as per contracted price	8,150.73	5,597.60
	Less: discount	(1,063.36)	(975.23)
	<b>Revenue as per the Statement of Profit and Loss</b>	<b>7,087.37</b>	<b>4,622.37</b>
(c) Disclosure of disaggregated revenue recognised in the Statement of Profit and Loss:		<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
	Revenue from retail operations	6,571.75	4,051.60
	Revenue from non-retail operations	515.62	570.77
	<b>Total</b>	<b>7,087.37</b>	<b>4,622.37</b>
26	<b>Other income</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
	Interest income	1.68	0.37
	Profit on lease modification {net of assets written off amounting to Rs. 4.08 Lakhs for the year ended March 31, 2023 (March 31, 2022 : Nil)}	6.94	-
	Net gain on sale of current investments	11.84	10.20
	Fair valuation gain on mutual funds at FVTPL	-	9.48
	Fair value gain on financial instruments at FVTPL	41.31	25.34
	Provision no longer required written back	16.31	-
	Miscellaneous Income	-	5.85
	<b>Total</b>	<b>78.08</b>	<b>51.24</b>



**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

<b>27(a) Cost of material consumed</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
<b>a) Raw material consumed</b>		
Inventory at the beginning of the year	219.39	121.02
Add: Purchases	518.81	461.45
	738.20	582.47
Less: Inventory at the end of the year	(392.49)	(219.39)
<b>Total</b>	<b>345.71</b>	<b>363.08</b>
<b>b) Purchase of stock in trade</b>		
Purchase of stock in trade	676.21	278.86
<b>Total</b>	<b>676.21</b>	<b>278.86</b>
<b>28 Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Opening inventories		
Finished goods	561.96	567.07
Work-in-progress	38.13	42.71
Stock-in-trade	152.90	115.27
	752.99	725.05
Less:		
Closing inventories		
Finished goods	615.41	561.96
Work-in-progress	44.09	38.13
Stock-in-trade	326.21	152.90
	985.71	752.99
<b>(Increase)/ Decrease in inventories</b>	<b>(232.72)</b>	<b>(27.94)</b>
<b>29 Employee benefits expense</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Salaries, wages and bonus	2,615.00	1,845.93
Contribution to provident and other funds (net) [refer note 37]	100.24	57.33
Gratuity expenses (refer note 37)	72.43	53.86
Staff welfare expense	39.35	19.66
<b>Total</b>	<b>2,827.02</b>	<b>1,976.78</b>
<b>30 Finance costs</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Interest expense on borrowings	81.66	86.45
Interest expense on lease liabilities (refer note 4.2)	483.76	314.83
Interest on MSME	4.33	0.58
Interest expense on others	3.34	0.15
<b>Total</b>	<b>573.09</b>	<b>402.01</b>
<b>31 Depreciation and amortization expense</b>	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
Depreciation of property, plant and equipment (refer note 3.1)	336.24	223.86
Amortisation of intangible assets (refer note 3.2)	62.99	46.68
Depreciation of right-of-use assets (refer note 4.1)	1,194.25	722.73
<b>Total</b>	<b>1,593.48</b>	<b>993.27</b>





**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

**32 Other expenses**

	Year ended March 31, 2023	Year ended March 31, 2022
Rent	221.42	63.22
Dyeing, embroidery, designing and processing charges	700.67	338.72
Commission to selling agents	159.57	67.24
Advertisement and sales promotion	647.60	332.44
Legal and professional expenses	292.20	405.91
Payment to auditors (refer details below)	7.75	6.75
Power, fuel and water charges	107.81	71.23
Travelling and conveyance	133.67	70.58
Postage expenses	97.57	46.76
Repair and maintenance		
- Building	11.14	22.36
- Plant and machinery	4.71	2.53
- Others	150.70	74.48
Bank and credit card charges	60.61	28.43
Foreign exchange loss (net)	0.31	0.33
Security and housekeeping expenses	43.72	34.82
Rates and taxes	34.29	13.08
Insurance	24.12	23.65
Information technology expenses {net of provision no longer required written back amounting to Rs. 67.38 Lakhs for the year ended March 31, 2023 (March 31, 2022: Nil)}	6.68	93.98
Bad debts written off	5.54	0.25
Communication expenses	14.75	13.85
Printing and stationary	13.59	9.25
Miscellaneous expenses	119.78	40.99
<b>Total</b>	<b>2,858.20</b>	<b>1,760.85</b>

**Payment to auditors:**

	Year ended March 31, 2023	Year ended March 31, 2022
For audit fees	6.60	6.00
For tax audit fees	0.65	-
Re-imbursment of expenses	0.50	0.75
<b>Total</b>	<b>7.75</b>	<b>6.75</b>



**33 Income tax expense**

The major components of income tax expense are as follows:

**Statement of Profit and Loss:**

**Profit or loss section**

**Current income tax:**

Current income tax charge

Taxes pertaining to prior periods

	Year ended March 31, 2023	Year ended March 31, 2022
	-	-
(A)	-	-

**Deferred tax:**

Relating to origination and reversal of temporary differences

	(315.18)	(319.38)
(B)	(315.18)	(319.38)

**Total**

(A+B)	(315.18)	(319.38)
-------	----------	----------

**Reconciliation of tax (income)/ expense and the accounting profit multiplied by India's domestic tax rate:**

**Accounting loss before income tax**

Tax credit at India's statutory income tax rate of 25.17%

Computed tax credit

	Year ended March 31, 2023	Year ended March 31, 2022
	(1,475.54)	(1,073.30)
	25.17%	25.17%
	(371.39)	(270.15)

Disallowance under Section 43B of the Income Tax Act, 1961

Disallowance under Section 40a(ia) of the Income Tax Act, 1961

Fair valuation gain on mutual funds at FVTPL

Depreciation (net of books and tax)

Provision for gratuity

Ind AS 116 related adjustments (net)

Ind AS 109 related adjustments

Provision for bad and doubtful debts and Security Deposit

Tax loss for the year to the extent available for future utilization

	(2.95)	7.27
	(5.26)	5.26
	2.37	(2.37)
	29.88	16.13
	13.52	12.74
	95.53	74.71
	(10.40)	(6.38)
	(1.39)	(4.66)
	191.62	221.26
	(58.47)	53.81

Current income tax charge

Taxes pertaining to prior periods

Relating to origination and reversal of temporary differences

**Total**

	-	-
	-	-
	(315.18)	(319.38)
	(315.18)	(319.38)



### 34 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 loss and share data used for the basic and diluted EPS computation:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Loss attributable to equity holders for basic earnings per share	(1,160.36)	(753.92)
Net loss for calculation of basic EPS	(1,160.36)	(753.92)
Weighted average number of equity shares *	14,69,002	14,25,441
<b>Basic earnings per share (in Rs.)</b>	<b>(78.99)</b>	<b>(52.89)</b>
Net loss for calculation of diluted EPS	(1,160.36)	(753.92)
Weighted average number of equity shares *	14,69,002	14,25,441
<b>Diluted earnings per share (in Rs.)</b>	<b>(78.99)</b>	<b>(52.89)</b>

\* The weighted average number of shares takes into account the weighted average effect of changes in share transactions during the year. There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

### 35 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from October 02, 2006, certain disclosures 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 no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006.

The following disclosures 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, 2023	As at March 31, 2022
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.*	123.57	110.55
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	0.45	0.58
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	321.95	48.16
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	3.89	0.58
Interest accrued and remaining unpaid at the end of the accounting year.	4.92	0.58
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act.	-	-

\* Includes dues towards capital creditors amounting to Rs. 19.10 Lakhs (March 31, 2022: Rs. 29.45 Lakhs).





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

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. 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.

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's assumptions and estimates are based on parameters available at the time of preparation of financial statements. 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) Employee 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 discounting 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 discounting rate. In determining the appropriate discounting 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. 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.

Based on periodic review of the demographic assumptions, attrition rate assumption used for actuarial valuation of liability related to gratuity & compensated absences has been re-assessed during the year ended March 31, 2023. For the purpose of assessing the attrition rate, the Company considered the historical attrition trend and expected rate based on such trend/ experience.

**(ii) Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

As at March 31, 2023, the Company has accumulated tax losses of Rs. 2679.65 Lakhs (March 31, 2022: Rs. 2211.88 Lakhs) carried forward as per income tax records of the Company.

**(iii) Provision on inventories**

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

**(iv) Leases**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

**(v) Going concern**

The Company's net current assets as on March 31, 2023 exceed its current liabilities by Rs. 1,340.47 Lakhs excluding current lease liability of Rs. 1,031.42 Lakhs, the Company has access to approved unutilised/ undrawn working capital loan facility of Rs. 696.49 Lakhs to meet its future working capital requirements and the Company is net debt negative by Rs. 1,528.48 Lakhs as on March 31, 2023 (Borrowings Rs. 1,561.41 Lakhs, less Investment Rs. Nil Lakhs, less Cash and cash equivalent Rs 32.93 Lakhs). The Company has also undertaken various business initiatives including cost reduction/optimisation strategies to strengthen its financial position. Accordingly, the management is confident that the Company would continue to generate cash flows from its operations. Hence, these financial statements have been prepared by the management assuming going concern which contemplates realization of assets and settlement of liabilities in the normal course of business.



37 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 Organization (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 recognized during the year towards defined contribution plan is Rs. 83.18 Lakhs after obtaining benefit of Rs. Nil Lakhs under Pradhan Mantri Roger Portesham Yojana (PMRPY) (March 31, 2022: Rs. 43.30 Lakhs after obtaining the PMRPY Benefit of Rs. 0.59 Lakhs).

(ii) Employers' contribution to Employee's state insurance scheme is Rs. 17.06 Lakhs (March 31, 2022: Rs. 14.03 Lakhs).

B. Defined benefit plans

The Company has a defined benefit gratuity plan as per The Payment of Gratuity Act, 1972. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.

The following tables summarize the components of net benefit expense that has been recognized in the statement of profit and loss and the funded status and amount recognized in the balance sheet:

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

Changes in the defined benefit obligation as at March 31, 2023:

		As at March 31, 2023	As at March 31, 2022
Opening defined benefit obligation		255.32	204.69
Current service cost		54.06	40.97
Interest cost		18.37	12.89
<b>Total</b>	<b>(A)</b>	<b>327.75</b>	<b>258.55</b>
Actuarial (gain)/ loss on account of			
Changes in demographic assumptions		0.77	8.50
Changes in financial assumptions		(9.71)	(0.32)
Experience adjustments		(0.06)	10.02
<b>Actuarial (gain)/ loss recognized in OCI</b>	<b>(B)</b>	<b>(9.00)</b>	<b>18.20</b>
Benefits paid	<b>(C)</b>	(19.08)	(21.43)
Transfer in/out	<b>(D)</b>	9.36	-
<b>Closing defined benefit obligation</b>	<b>(A+B+C+D)</b>	<b>309.03</b>	<b>255.32</b>

Bifurcation between current and non current liability

	As at March 31, 2023	As at March 31, 2022
Current liability	12.39	9.68
Non-current liability	296.64	245.64
<b>Net Liability</b>	<b>309.03</b>	<b>255.32</b>

(ii) The amounts recognized through Statement of Profit and Loss and other comprehensive income

Particulars	Year ended March 31, 2023	Year ended March 31, 2023
<b>Gratuity cost charged to Statement of Profit or Loss</b>		
Current service cost	54.06	40.97
Interest expense	18.37	12.89
<b>Total</b>	<b>72.43</b>	<b>53.86</b>
<b>Gratuity cost charged to other comprehensive income</b>		
Actuarial (gain)/ loss	(9.00)	18.20
<b>Total</b>	<b>(9.00)</b>	<b>18.20</b>



(iii) The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.45%	7.20%
Salary escalation rate	9.00%	9.00%
Retirement age	60 Years	60 Years
Attrition rate		
Up to 30 Years	9%	6%
31-45 Years	6%	7%
Above 45 Years	2%	1%
Mortality rate	100% of IALM 2012-14	100% of IALM 2012-14

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

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Impact of defined benefit obligation - increase/ (decrease)

Sensitivity level	As at March 31, 2023	As at March 31, 2022
<i>Discount Rate</i>		
0.5% increase	(18.24)	(29.75)
0.5% decrease	19.96	35.72
<i>Salary escalation rate</i>		
0.5% increase	16.37	29.49
0.5% decrease	(15.32)	(26.77)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(v) The following represents expected cash flow profile for the defined benefit plan in future years :

Particulars	As at March 31, 2023	As at March 31, 2022
Within the next 12 months (next annual reporting period)	12.39	9.68
Between 2 and 5 years	62.48	45.28
Between 6 and 10 years	127.24	105.17
Beyond 10 years	768.31	628.02
<b>Total expected cash flow profile (payments)</b>	<b>970.42</b>	<b>788.15</b>

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 13 years (March 31, 2022: 13 years).  
Expected contributions to defined benefits plan for the year ending March 31, 2023 is Rs. Nil (March 31, 2022: Rs. Nil).

### 38 Commitments and contingencies

#### a) Capital commitment

**Estimated amount of contracts remaining to be executed on capital account and not provided for:**

The Company has Capital commitments as on the Balance Sheet date of Rs. 50.79 Lakhs (March 31, 2022: 1.42 Lakhs).

#### b) Contingent liabilities

**Claims against the Company not acknowledged as debts**

- The Company had received assessment orders under Section 153A of the IT Act for the assessment year 2017-18 and 2018-19. The Company had filed further appeal against the tax demand of Rs. 101.58 Lakhs and is confident that the outcome is unlikely to result in a claim against the Company. Further, the Company has recourse to indemnification provided by the promoters of the Company vide the Share Subscription and Purchase Agreement executed with the Company.
- The Company had received penalty orders under Section 271DA of the IT Act for the assessment year 2018-19 and 2019-20 and the tax penalty made was Rs. 28.56 Lakhs. The Company had filed further appeal against the penalty demand of Rs. 15.38 Lakhs and is confident that the outcome is unlikely to result in a claim against the Company, for the balance penalty the Company has received a favorable outcome during the year. Further, the Company has recourse to indemnification provided by the promoters of the Company vide the Share Subscription and Purchase Agreement executed with the Company.
- The Company has received penalty orders under Section 271AAC of the IT Act for the assessment year 2017-18 and 2018-19 during the year. The Company had filed further appeal against the penalty demand of Rs. 24.01 Lakhs and is confident that the outcome is unlikely to result in a claim against the Company. Further, the Company has recourse to indemnification provided by the promoters of the Company vide the Share Subscription and Purchase Agreement executed with the Company.





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**39 Leases**

**Lease commitments as lessee**

The Company has entered into agreements for taking on lease certain office/ store premises, warehouses, on lease basis. The lease term is for a period ranging from 3 to 9 years, with escalation clauses in the lease agreements. Consistent with industry practice, the Company has contracts which have fixed rentals or variable rentals based on a percentage of sales at stores.

**Expenses/ (income) recognised in the Statement of Profit and loss:**

**Rent**

Expense relating to short term leases

Variable rent \*

Rent concession adjusted against rent expense #

**Total rent expense**

**Finance cost**

Interest expense on lease liabilities

**Depreciation expense**

Depreciation expense for right-of-use assets

**Total**

	Year ended March 31, 2023	Year ended March 31, 2022
Expense relating to short term leases	-	-
Variable rent *	221.42	151.66
Rent concession adjusted against rent expense #	-	(88.44)
<b>Total rent expense</b>	<b>221.42</b>	<b>63.22</b>
<b>Finance cost</b>		
Interest expense on lease liabilities	483.76	314.83
<b>Depreciation expense</b>		
Depreciation expense for right-of-use assets	1,194.25	722.73
<b>Total</b>	<b>1,899.43</b>	<b>1,100.78</b>

**Future Cash Outflows to which the Company is potentially exposed and not reflected in measurement of lease liabilities:**

**Impact on rent due to change in sales**

Increase in sales by 5%

Decrease in sales by 5%

11.07

(11.07)

7.58

(7.58)

\* The variable rent varies basis percentage of Net Sales Value (NSV) at the lease premises.

# The Ministry of Corporate Affairs vide notification dated June 18, 2021, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19-Related Rent Concessions" due on or before June 30, 2022. During the previous year ended March 31, 2022, the Company received rent concession of Rs. 88.44 Lakhs and the same has been adjusted with rent expense in the Statement of Profit and Loss (Refer note 4.2 and 32)

- The Company does not have any leases of low value assets and income from subleasing.
- Extension and termination option are included in major leases contracts of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercised by the Company and lessor.
- Total cash outflow for leases for the year ended Year ended March 31, 2023 is Rs. 1,298.49 Lakhs (March 31, 2022: Rs. 740.73 Lakhs).



40 Related party disclosures

a. Names of related parties and nature of relationship

Names of related parties	Description of relationship
<b>Related Party who exercise control</b> Aditya Birla Fashion and Retail Limited	Holding Company
<b>Key management personnel</b> Shantanu Mehra Nikhil Mehra Kulbir Mehra Ashish Dikshit Sushil Agarwal Jagdish Bajaj Ullal Sooraj Bhat Mohana Sundaram G Rajesh Annamalai Yoshita Vora	Chief Executive Officer and Whole Time Director (w.e.f Jan 16, 2023) Chief Design Officer and Whole Time Director (w.e.f Jan 16, 2023) Director (upto Nov 17, 2022) Director Director (upto Jan 16, 2023) Director (w.e.f Jan 16, 2023) Director (w.e.f Jan 16, 2023) Chief Financial Officer (upto Sep 14, 2022) Chief Financial Officer (w.e.f, Nov 1, 2022) Company Secretary (upto Dec 3, 2022)
<b>Relatives of Director</b> Rima Shakhder Mehra Vidushi Mehra	Spouse of Shantanu Mehra Spouse of Nikhil Mehra

b. Transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

Nature of Transaction	Relation	Year ended March 31, 2023	Year ended March 31, 2022
Sales of goods	Holding company	72.86	49.80
Purchase of raw material and stock in trade	Holding company	382.00	239.61
Legal and professional fees	Holding company	34.71	128.12
Brokerage & commission	Holding company	64.28	41.14
Reimbursement of expenses(Corporate overhead allocation)	Holding company	102.19	102.50
Consultancy services	Key management personnel	40.42	57.00

c. Outstanding balances

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Payables</b>		
Holding Company	116.63	247.92
Key management personnel	24.47	8.16
Relatives of director	-	10.89
<b>Receivables</b>		
Holding Company	43.80	21.82
Key management personnel	95.89	-



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

Nature of transaction	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	475.00	224.35
Post employment benefits *	-	-
<b>Total</b>	<b>475.00</b>	<b>224.35</b>

**e. Transaction with the relatives of Directors**

Nature of transaction	Year ended March 31, 2023	Year ended March 31, 2022
Consultancy charges	40.60	57.00
Salaries, wages and bonus	-	224.35
<b>Total</b>	<b>40.60</b>	<b>281.35</b>

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

\*Does not include gratuity, leave encashment and share based payment expense, as it is not ascertainable at individual employee level.

**41 Segment information**

**Business segment**

The Company is engaged in manufacturing and retailing of high-end fashion clothing which is governed by similar risks and returns and is considered as a single segment. The Board of Directors reviews the Company level data and accordingly no additional disclosures are required as per Ind AS 108 on Operating Segments.

**Geographical segment**

The "Geographical Segment", comprises domestic segment which includes sales to customer located in India and the overseas segment includes sales to customers located outside India.

**Significant clients**

The Company does not have any customer individually to account for more than 10% of the revenue for the year ended March 31, 2023 and March 31, 2022.

Particulars	March, 31 2023			March, 31 2022		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Segment Revenue by location of customers	7,071.54	15.83	7,087.37	4,607.39	14.98	4,622.37
Carrying Amount of Segment Assets (a)	78.93	-	78.93	35.25	-	35.25
Unallocated Assets (b)	-	-	11,237.89	-	-	8,892.03
Addition to tangible and intangible assets	808.56	-	808.56	281.42	-	281.42

**Notes:-**

- Carrying Amount of Segment Assets includes Trade receivables
- Unallocated Assets include all assets except Trade receivables





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**42 Financial instruments - Fair value**

**Accounting classification and fair values**

The carrying value and fair value of financial instruments by categories as at March 31, 2023 and March 31, 2022 are as follows:

	FVTPL	FVTOCI	Amortised cost	Total carrying value	Level 1	Fair value Level 2	Level 3
<b>As at March 31, 2023</b>							
<b>Financial assets</b>							
Investments	-	-	-	-	-	-	-
Security deposits	-	-	549.34	549.34	-	-	-
Trade receivables	-	-	78.93	78.93	-	-	-
Cash and cash equivalents	-	-	32.93	32.93	-	-	-
Other financial assets	-	-	102.17	102.17	-	-	-
<b>Total</b>	-	-	<b>763.37</b>	<b>763.37</b>	-	-	-
<b>Financial liabilities</b>							
Borrowings	-	-	1,561.41	1,561.41	-	-	-
Lease liabilities	-	-	6,587.49	6,587.49	-	-	-
Trade payables	-	-	1,094.73	1,094.73	-	-	-
Other financial liabilities	-	-	578.01	578.01	-	-	-
<b>Total</b>	-	-	<b>9,821.64</b>	<b>9,821.64</b>	-	-	-
<b>As at March 31, 2022</b>							
<b>Financial assets</b>							
Investments	1,301.63	-	-	1,301.63	1,301.63	-	-
Security deposits	-	-	356.09	356.09	-	-	-
Trade receivables	-	-	35.25	35.25	-	-	-
Cash and cash equivalents	-	-	120.14	120.14	-	-	-
Other financial assets	-	-	4.35	4.35	-	-	-
<b>Total</b>	<b>1,301.63</b>	-	<b>515.83</b>	<b>1,817.46</b>	<b>1,301.63</b>	-	-
<b>Financial liabilities</b>							
Borrowings	-	-	979.20	979.20	-	-	-
Lease liabilities	-	-	4,113.84	4,113.84	-	-	-
Trade payables	-	-	1,006.76	1,006.76	-	-	-
Other financial liabilities	-	-	296.83	296.83	-	-	-
<b>Total</b>	-	-	<b>6,396.63</b>	<b>6,396.63</b>	-	-	-



#### 43 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of borrowings, lease liabilities, trade payables and employee related payables. The main purpose of these financial liabilities is to finance the Company's 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 management oversees the management of these risks. The Company's management is responsible to ensure that Company's financial risk activities which are governed by appropriate policies and procedures and such 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 includes interest rate risk.

##### (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 has significant debt obligations with floating interest rates, hence, is exposed to interest rate risk.

##### (b) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on borrowings, as follows:

	Increase/ decrease in basis points	Effect on losses before tax increase/ (decrease)
<b>March 31, 2023</b>		
Rs.	+50	7.81
Rs.	-50	(7.81)
<b>March 31, 2022</b>		
Rs.	+50	4.90
Rs.	-50	(4.90)

##### (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. 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.

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).

##### Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The majority of the sales of the Company happens without credit. 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 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. 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 trade receivables is not material.

##### Reconciliation of Impairment allowance on trade receivables :

	Amount
<b>As at April 01, 2021</b>	<b>18.53</b>
Addition/(Deletion) during the year	(18.53)
<b>As at March 31, 2022</b>	-
Addition/(Deletion) during the year	-
<b>As at March 31, 2023</b>	-

##### Cash and Cash equivalents and Bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits accounts in different banks across the country.

##### Other Financial Assets

Other financial assets are measured at amortised cost includes security deposits, and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.



(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 uses 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.

The below tables summarises the maturity profile of the Company's financial liabilities based on contractual payments (undiscounted basis):

	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>As at March 31, 2023</b>				
Trade payables	1,072.61	22.11	-	1,094.72
Borrowings	1,063.51	497.90	-	1,561.41
Lease liabilities	1,571.12	6,029.27	804.77	8,405.16
Other financial liabilities	472.51	105.50	-	578.01
	<b>4,179.75</b>	<b>6,654.78</b>	<b>804.77</b>	<b>11,639.30</b>
<b>As at March 31, 2022</b>				
Trade payables	956.49	50.27	-	1,006.76
Borrowings	344.11	635.09	-	979.20
Lease liabilities	991.72	3,864.39	331.29	5,187.40
Other financial liabilities	296.83	-	-	296.83
	<b>2,589.15</b>	<b>4,549.75</b>	<b>331.29</b>	<b>7,470.19</b>

44 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 funds 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.

The following table summarises the capital of the Company (debts excludes lease liabilities):

	As at March 31, 2023	As at March 31, 2022
Borrowings	497.90	635.09
Current maturities of long term borrowings	1,063.51	344.11
Less: Cash and cash equivalents	(32.93)	(120.14)
<b>Net debt</b>	<b>1,528.48</b>	<b>859.06</b>
Total equity	655.83	1,809.45
<b>Total equity</b>	<b>655.83</b>	<b>1,809.45</b>
Net debt to equity ratio	2.33	0.47



**Finesse International Design Private Limited**  
**Notes to the financial statements for the year ended March 31, 2023**  
**All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated**

**45 Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	As at March 31, 2023	As at March 31, 2022
<b>Current</b>			
Floating charge			
Inventories	8	1,378.20	972.38
Trade receivables	10	78.93	35.25
<b>Total current assets pledged as security</b>		<b>1,457.13</b>	<b>1,007.63</b>
<b>Non-Current</b>			
First Charge			
Property, Plant and equipment (excluding Vehicles)	3.1	1,571.02	1,108.69
<b>Total non-currents assets pledged as security</b>		<b>1,571.02</b>	<b>1,108.69</b>
<b>Total assets pledged as security</b>		<b>3,028.15</b>	<b>2,116.32</b>

There are no charge or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**46 Relationship with struck off companies**

Name of the struck off company	Nature of transaction with struck off companies	Balance outstanding as at current period	Relationship with the struck off company , if any, to be disclosed	Balance outstanding as at previous period	Relationship with the struck off company , if any, to be disclosed
Azzura International Fashions Private Limited	Receivable	-	-	-	-





47 Borrowings Secured Against Current assets

Quarter (FY23)	Name of the bank	Working Capital Limit Sanctioned (in Lakhs)	Particular of securities provided	Amount as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	Reason for material discrepancies
Q1	Axis Bank	800	Inventories	1,068.29	1,068.29	(0.00)	No differences
			Trade Receivable	53.17	53.17	(0.00)	No differences
			Trade Payable	(376.97)	(376.44)	(0.53)	Immaterial difference
Q2	Axis Bank	800	Inventories	1,337.47	1,337.47	0.00	No differences
			Trade Receivable	131.88	131.88	0.00	No differences
			Trade Payable	(515.88)	(515.88)	(0.00)	No differences
Q3	Axis Bank	800	Inventories	1,634.05	1,634.40	(0.35)	Immaterial difference
			Trade Receivable	110.70	106.69	4.01	Immaterial difference
			Trade Payable	(516.38)	(519.79)	3.41	Immaterial difference
Q4	Axis Bank	800	Inventories	1,378.21	1,385.22	(7.01)	Immaterial difference
			Trade Receivable	78.93	70.93	8.00	Difference is Due to Balance sheet Reclassification
			Trade Payable	506.93	507.19	(0.26)	Immaterial difference

Quarter (FY22)	Name of the bank	Working Capital Limit Sanctioned (in Lakhs)	Particular of securities provided	Amount as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	Reason for material discrepancies
Q1	Axis Bank	500	Inventories	764.43	763.21	1.22	Immaterial difference
			Trade Receivable	34.47	30.85	3.62	Immaterial difference
			Trade Payable	(148.89)	(164.43)	15.54	Difference is due to adjustment with advance to suppliers.
Q2	Axis Bank	500	Inventories	824.19	824.19	-	No differences
			Trade Receivable	30.66	58.25	(27.59)	Difference is due to adjustment with advances from customers.
			Trade Payable	(224.33)	(224.33)	-	No differences
Q3	Axis Bank	500	Inventories	942.84	924.84	18.00	Immaterial difference
			Trade Receivable	67.70	76.67	(8.97)	Difference is due to adjustment with advances from customers
			Trade Payable	(296.68)	(296.68)	-	No differences
Q4	Axis Bank	500	Inventories	972.38	972.38	-	No differences
			Trade Receivable	35.25	37.31	(2.06)	Immaterial difference
			Trade Payable	(326.36)	(326.36)	-	No differences

\* Discrepancy below 10% considered immaterial, hence not explained



48 Analytical Ratios

Particulars	As at March 31, 2023	As at March 31, 2022	% Difference	Reason for material discrepancies
Current ratio	0.58	1.21	-52%	Change is due to decrease in current investments and increase in working capital demand loan and cash credit during the year.
Debt-equity ratio	1.23	(0.21)	-701%	Change is due to increase in net debt balance and decrease in equity due to losses during the year.
Debt service coverage ratio	(2.71)	(4.84)	-44%	Change is due to increase in Earning before interest and tax which is due to better margins with corresponding increase in debt repayment during the year due to foreclosure of Standard Chartered Bank loan.
Return On Equity	(0.94)	(0.63)	49%	Change is due increase in loss after tax.
Inventory turnover	5.94	4.96	20%	Immaterial difference
Debtors turnover	122.22	167.57	-27%	Change is due to increase in turnover which is due to the opening of new stores and better performance during the year.
Net profit ratio	(0.17)	(0.17)	-1%	Immaterial difference
Return on Capital Employed	(0.11)	(0.12)	-5%	Immaterial difference
Trade Payable Turnover Ratio	0.75	0.76	-1%	Immaterial difference
Net Capital Turnover Ratio	(15.73)	41.71	-138%	Change is due to increase in turnover which is due to the opening of new stores and better performance during the year.
Return on Investment	(0.14)	(0.14)	1%	Change is due to decrease in current investments and increase in working capital demand loan and cash credit during the year.

Ratios have been computed as follows:

1. Current ratio = Current Assets / Current Liabilities (excluding Lease Liabilities accounted as per Ind AS 116)

2. Debt equity ratio = Debt / Equity

Debt = Borrowings (excluding Lease Liabilities accounted as per Indian Accounting Standard 116) - Cash and Bank Balance (includes fixed deposits) - Liquid Investments

Equity = Equity share capital + Other equity (excluding Indian Accounting Standard 116)

3. Debt service coverage ratio = Earnings before interest (excluding impact of interest on lease liability as per IND AS 116) and tax / [Finance cost (excluding impact of interest on lease liability as per IND AS 116) + Principal repayment of non-current borrowings (netted off to the extent of non-current borrowings availed during the same period for the repayments)]

4. Return on equity ratio = Profit after Tax / Average of opening and closing Net Worth

5. Inventory turnover = Revenue from Operations for the period / Average of opening and closing Inventories

6. Debtors turnover = Revenue from Operations for the period / Average of opening and closing Trade Receivables.

7. Net profit ratio = Profit After Tax / Revenue from Operations

8. Return on Average Capital Employed = Earnings Before Interest and Tax / Average Capital Employed

9. Trade Payables Turnover Ratio = Cost of Goods Sold / Average Trade Payables

10. Net Capital Turnover ratio = Revenue / Average Working Capital

11. Return on Investments = Earnings Before Interest and Tax / Average Total Assets

12. Revenue includes Sales of products only



**49 Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder

**50 Wilful defaulter**

Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**51 Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**52 Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**53 Utilisation of borrowed funds and share premium**

(A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or  
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:  
a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or  
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

**54 Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**55 Details of crypto currency or virtual currency**

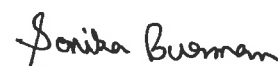
The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

**56 Previous year figures**

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

In terms of our report attached

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration No. 304026E/E300009



Sonika Burman  
Partner  
Membership No.:504839

Place: Gurugram  
Date: May 12, 2023


For and on behalf of the Board of Directors of  
Finesse International Design Private Limited

  
Ashish Dikshit  
Director  
DIN: 01842066


Place: Mumbai  
Date: May 12, 2023

  
Nikhil Mehra  
Director  
DIN:01125351

Place: Noida  
Date: May 12, 2023

  
Shantanu Mehra  
Director and Chief Executive Officer  
DIN: 01125457

Place: Noida  
Date: May 12, 2023

  
Rajesh Annamalai  
Chief Financial Officer

Place: Mumbai  
Date: May 12, 2023

