12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru – 560 001, India
Tel: +91 80 6648 9000

INDEPENDENT AUDITOR'S REPORT

To the Members of Finesse International Design Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Finesse International Design Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its loss including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 36(v) of the Ind AS financial statements, which describes the Management's assessment of the impact of COVID-19 pandemic on the Company's operations and carrying value of assets as at March 31, 2020. Our opinion is not modified in respect of this matter.

Other Information

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

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Responsibilities of Management for the Ind AS Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Matter

The comparative financial information of the Company for the year ended March 31, 2019 and the transition date opening balance sheet as at April 01, 2018 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose reports for the year ended March 31, 2019 and March 31, 2018 dated June 29, 2019 and August 31, 2018, respectively, expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

i. The Company has disclosed the impact of pending litigations on the financials position in its Ind AS financial statements - refer Note 41(b) to the Ind AS Financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382
UDIN: 20208382AAAABT7111

Bangalore
August 10, 2020

Annexure 1 referred to in our report to the Members of Finesse International Design Private Limited ("the Company") for the year ended March 31, 2020. We report that:

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

(b) All property, plant and equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees, investments and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

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

(vi) To the best of our knowledge and as explained by the management, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products of the Company.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, custom duty, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, custom duty, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, the dues of income tax, custom duty, goods and service tax and cess on account of any dispute, are as follows:

Statute	**Nature of dues**	**Unpaid amount involved (Rs. in lakhs)**	**Period to which amount relates**	**Forum where the dispute is pending**
Income tax Act, 1961	Income tax	11.27	2018-19	Commissioner of income tax (appeals)

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company does not have any borrowing by way of debentures or from government.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments and term loans hence, reporting under clause (ix) of the Order is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company and accordingly, reporting under clause 3(xiii) in so far as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

(xiv) According to the information and explanations given by the management the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the private placement of equity shares. According to the information and explanations given by the management, we report that the amount raised, have been used for the purposes for which the funds were raised except for idle/surplus funds amounting to Rs. 810.86 lakhs which were not required for immediate utilization and which have been gainfully invested in liquid investments payable on demand. The maximum amount of idle/surplus funds invested during the year was Rs. 1,815 lakhs, of which Rs. 810.86 lakhs was outstanding at the end of the year.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382
UDIN: 20208382AAAABT7111

Bengaluru
August 10, 2020

Annexure 2 to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Finesse International Design Private Limited ("the Company") for the year ended March 31, 2020:

Report on the Internal Financial Controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Finesse International Design Private ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these Ind AS financial statements and such internal financial controls over financial reporting with reference to these Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/ E300004

Sd/-

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382
UDIN: 20208382AAAABT7111

Bengaluru
August 10, 2020

Finesse International Design Private Limited
Balance Sheet as at March 31, 2020
All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

	Notes	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
I ASSETS				
Non-current assets				
Property, plant and equipment	3.1	198.15	274.05	140.27
Capital work-in-progress		352.09	-	-
Intangible assets	3.2	0.96	1.33	3.10
Right-of-use assets	4(a)	2,283.73	850.74	384.84
Financial assets				
Security deposits	5	141.74	104.95	56.27
Investments	6	-	4.62	4.62
Other non-current assets	7	159.99	-	-
Deferred tax assets (net)	8	354.91	117.46	88.50
Non-current tax assets (net)	9	10.19	2.23	2.23
Total non-current assets		**3,501.76**	**1,355.38**	**679.83**
Current assets				
Inventories	10	1,021.81	899.78	645.70
Financial assets				
Investments	11	704.44	-	-
Trade receivables	12	53.11	27.12	25.33
Cash and cash equivalents	13	147.35	368.16	493.12
Security deposits	14	60.31	21.15	51.57
Other financial assets	15	0.41	1.64	8.22
Other current assets	16	85.40	64.42	40.67
Total current assets		**2,072.83**	**1,382.27**	**1,264.61**
Total Assets		**5,574.59**	**2,737.65**	**1,944.44**
II EQUITY AND LIABILITIES				
A Equity				
Equity share capital	17	123.86	100.00	100.00
Other equity	18	1,463.89	74.79	65.52
Total Equity		**1,587.75**	**174.79**	**165.52**
B Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	19	191.11	454.08	186.90
Lease liabilities	4(b)	1,933.36	645.41	319.82
Provisions	20	198.99	121.96	94.02
Total non current liabilities		**2,323.46**	**1,221.45**	**600.74**
Current liabilities				
Financial liabilities				
Lease liabilities	4(b)	403.92	274.71	133.90
Trade payables	21			
Total outstanding dues of :				
- micro enterprises and small enterprises		5.33	2.32	-
- other than micro enterprises and small enterprises		781.04	649.69	573.77
Other financial liabilities	22	215.66	124.00	94.95
Other current liabilities	23	235.87	268.80	321.41
Provisions	24	21.56	14.25	18.90
Current tax liabilities (net)	25	-	7.64	35.25
Total current liabilities		**1,663.38**	**1,341.41**	**1,178.18**
Total Equity and liabilities		**5,574.59**	**2,737.65**	**1,944.44**
Summary of significant accounting policies	2			

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

Sd/-

per Aditya Vikram Bhauwala
Partner
Membership No.: 208382

Place: Bengaluru
Date: August 10, 2020

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

Sd/-

Ashish Dikshit
Director
DIN: 01842066

Place: Bengaluru
Date: August 10, 2020

Sd/-

Kulbir Mehra
Director
DIN: 01369292

Place: New Delhi
Date: August 10, 2020

Sd/-

Shantanu Mehra
Chief Executive Officer

Place: New Delhi
Date: August 10, 2020

Sd/-

Mohana Sundaram G
Chief Financial Officer

Place: Bengaluru
Date: August 10, 2020

Sd/-

Anu Nair
Company Secretary
Membership No.: A30525

Place: Mumbai
Date: August 10, 2020

Finesse International Design Private Limited
Statement of Profit and loss for the year ended March 31, 2020
All amounts are in Rupees (Rs.) Lakhs, except share and per share data

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	26	3,060.23	3,484.05
Other income	27	113.48	30.54
Total income		**3,173.71**	**3,514.59**
Expenses			
Cost of materials consumed	28	469.38	615.91
Purchase of stock-in-trade	28	104.09	37.81
Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	(111.92)	(212.72)
Employee benefits expense	30	1,739.11	1,532.17
Finance costs	31	125.73	87.81
Depreciation and amortisation expense	32	425.65	333.37
Rent expense	42	112.41	170.73
Other expenses	33	1,231.49	947.30
Total expenses		**4,095.94**	**3,512.38**
Profit/ (loss) before tax		**(922.23)**	**2.21**
Income tax expense:			
Current tax	34	-	24.00
Income tax pertaining to prior periods		39.32	3.17
Deferred tax	34	(225.43)	(28.96)
Total tax expense/ (credit)		**(186.11)**	**(1.79)**
Profit/ (loss) for the year		**(736.12)**	**4.00**
Other comprehensive income			
Items that will not to be reclassified to statement of profit and loss			
Re-measurement gains/ (losses) on defined benefit plans	35	(47.77)	5.27
Income tax effect on above	35	12.02	-
Other comprehensive income for the year		**(35.75)**	**5.27**
Total comprehensive income for the year		**(771.87)**	**9.27**
Earnings per equity share [Nominal value of share Rs. 10 (March 31, 2019: Rs. 10)]	39		
(1) Basic		(63.44)	0.40
(2) Diluted		(63.44)	0.40
Summary of significant accounting policies	2		

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

Sd/-

per Aditya Vikram Bhauwala
Partner
Membership No.: 208382

Place: Bengaluru
Date: August 10, 2020

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

Sd/-

Ashish Dikshit
Director
DIN: 01842066

Place: Bengaluru
Date: August 10, 2020

Sd/-

Kulbir Mehra
Director
DIN: 01369292

Place: New Delhi
Date: August 10, 2020

Sd/-

Shantanu Mehra
Chief Executive Officer

Place: New Delhi
Date: August 10, 2020

Sd/-

Mohana Sundaram G
Chief Financial Officer

Place: Bengaluru
Date: August 10, 2020

Sd/-

Anu Nair
Company Secretary
Membership No.: A30525

Place: Mumbai
Date: August 10, 2020

Finesse International Design Private Limited
Statement of Changes in Equity for the year ended March 31, 2020
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)
As at April 01, 2018	1,000,000	100.00
Shares issued during the year	-	-
As at March 31, 2019	1,000,000	100.00
Shares issued during the year (refer note 17(g))	238,570	23.86
As at March 31, 2020	**1,238,570**	**123.86**

B Other equity

	Reserves and surplus		Other comprehensive income	
	Retained earnings (refer note 18)	Securities premium (refer note 18)	Re-measurment gains/ (losses) (refer note 18)	Total other equity
As at April 01, 2018	65.52	-	-	**65.52**
Profit/ (loss) for the year	4.00	-	-	**4.00**
Other comprehensive income for the year	-	-	5.27	**5.27**
As at March 31, 2019	**69.52**	**-**	**5.27**	**74.79**
Profit/ (loss) for the year	(736.12)	-	-	**(736.12)**
Other comprehensive income for the year (net of tax)	-	-	(35.75)	**(35.75)**
Premium on issue of equity shares	-	2,160.97	-	**2,160.97**
As at March 31, 2020	**(666.60)**	**2,160.97**	**(30.48)**	**1,463.89**

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

Sd/-

per Aditya Vikram Bhauwala
Partner
Membership No.: 208382

Place: Bengaluru
Date: August 10, 2020

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

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Ashish Dikshit
Director
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Place: Bengaluru
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Shantanu Mehra
Chief Executive Officer

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Sd/-

Mohana Sundaram G
Chief Financial Officer

Place: Bengaluru
Date: August 10, 2020

Sd/-

Anu Nair
Company Secretary
Membership No.: A30525

Place: Mumbai
Date: August 10, 2020

Finesse International Design Private Limited
Statement of Cash flow for the year ended March 31, 2020
All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities			
Profit/ (loss) before tax		(922.23)	2.21
Adjustments for:			
Depreciation and amortization expense	32	425.65	333.37
(Profit)/ loss on sale of property, plant and equipment	27	(14.20)	4.92
Finance costs	31	125.73	87.81
Interest income	27	(10.51)	(0.02)
Income on fair value gain on financial instruments designated as at FVTPL	27	(11.36)	(9.60)
Gain on sale of investment	27	(13.64)	-
Fair valuation of mutual funds at FVTPL	27	(19.45)	-
Foreign exchange (gain)/ loss	33	0.49	(0.65)
Bad debts written off	33	5.74	-
Allowance on doubtful receivables	33	20.12	-
Investment written off	33	4.62	-
Operating profit/ (loss) before working capital changes		**(409.04)**	**418.04**
Change in working capital			
(Increase)/ decrease in trade receivables		(51.85)	(1.79)
(Increase)/ decrease in inventories		(122.03)	(254.08)
(Increase)/ decrease in other assets		(132.68)	(53.10)
Increase/ (decrease) in trade payables		133.87	78.89
Increase/ (decrease) in provisions		36.57	28.56
Increase/ (decrease) in other liabilities		73.58	(17.72)
Cash generated from/ (used in) operations		**(471.58)**	**198.80**
Income tax paid (net of refund)		(54.93)	(54.80)
Net cash flows from/ (used in) operating activities		**(526.51)**	**144.00**
Cash flow from investing activities			
Purchase of property, plant & equipment (including capital advances and capital work-in-progress)		(533.32)	(241.03)
Proceeds from sale of property, plant & equipment		14.56	-
Purchase of current investments		(1,815.00)	-
Proceeds from sale/ maturity of current investments		1,143.66	-
Interest received		10.51	0.02
Net cash flows used in investing activities		**(1,179.59)**	**(241.01)**
Cash flow from financing activities			
Process from issue of share capital		2,184.83	-
Proceeds from borrowings		-	499.99
Repayment of borrowings		(277.82)	(238.65)
Payment of principal portion of lease liabilities		(295.99)	(201.49)
Interest on lease liabilities		(105.02)	(74.39)
Interest on borrowings		(20.71)	(13.42)
Net cash flows from/ (used) in financing activities		**1,485.29**	**(27.95)**
Net decrease in cash and cash equivalents		**(220.81)**	**(124.96)**
Cash and cash equivalents at the beginning of the year		**368.16**	**493.12**
Cash and cash equivalents at the end of the year	13	**147.35**	**368.16**
Components of cash and cash equivalents			
Balances with banks - on current accounts		145.25	356.00
Cash on hand		2.10	12.16
Total cash and cash equivalents		**147.35**	**368.16**

Note: The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

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

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

Sd/-

per Aditya Vikram Bhauwala
Partner
Membership No.: 208382

Place: Bengaluru
Date: August 10, 2020

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

Sd/-

Ashish Dikshit
Director
DIN: 01842066

Place: Bengaluru
Date: August 10, 2020

Sd/-

Kulbir Mehra
Director
DIN: 01369292

Place: New Delhi
Date: August 10, 2020

Sd/-

Shantanu Mehra
Chief Executive Officer

Place: New Delhi
Date: August 10, 2020

Sd/-

Mohana Sundaram G
Chief Financial Officer

Place: Bengaluru
Date: August 10, 2020

Sd/-

Anu Nair
Company Secretary
Membership No.: A30525

Place: Mumbai
Date: August 10, 2020

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 238,570 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-58, 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.

For all periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ("Indian GAAP"). These financial statements for the year ended March 31, 2020 are the first the Company has prepared in accordance with Ind AS. Refer to note 48 for information on how the Company adopted Ind AS.

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.

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.

(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).

(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

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

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

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.

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 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, supported by technical assessment.

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.

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.

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

(i) Right-of-use-assets

The Company recognises 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.

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.

Transition to Ind AS 116

The Company has measured the lease liability and right-of-use asset at the date of transition to Ind AS (April 01, 2018). Under this approach the lease liability is computed at the present value of the remaining lease payments discounted using the lessee’s incremental borrowing rate at the date of transition to Ind AS. Right-of-use asset is measured at the date of transition at its carrying amount as if Ind AS 116 had been applied since the commencement date of the lease, but discounted using the lessee’s incremental borrowing rate at the date of transition to Ind AS. The difference between right-of-use assets and lease liability is adjusted to the equity as at date of transition to Ind AS.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use asset, and finance cost for interest accrued on lease liability.

The weighted average incremental borrowing rate of 9.05% p.a. has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with similar characteristics.
- Applied the exemption not to recognize rights-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- Excluded the initial direct costs from the measurement of the rights-of-use asset at the date of initial application.
- Applied hindsight approach, for determining the lease term for the contract contains options to extend or terminate the lease.

(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.

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.

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.

(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.

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 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.

(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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All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

3.1 Property, Plant and Equipment

	Leasehold improvements	Plant and machinery	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Cost/ deemed cost							
As at April 01, 2018	45.80	26.63	7.21	36.00	16.62	8.01	140.27
Additions	166.83	-	34.67	-	35.42	4.12	241.04
Disposals	4.92	-	-	-	-	-	4.92
As at March 31, 2019	**207.71**	**26.63**	**41.88**	**36.00**	**52.04**	**12.13**	**376.39**
Additions	8.14	-	-	-	2.94	9.10	20.18
Disposals	-	-	-	18.43	0.78	-	19.21
As at March 31, 2020	**215.85**	**26.63**	**41.88**	**17.57**	**54.20**	**21.23**	**377.36**
Depreciation							
As at April 01, 2018	-	-	-	-	-	-	-
Depreciation for the year (refer note 32)	56.72	4.94	7.27	11.34	16.43	5.64	102.34
Disposals	-	-	-	-	-	-	-
As at March 31, 2019	**56.72**	**4.94**	**7.27**	**11.34**	**16.43**	**5.64**	**102.34**
Depreciation for the year (refer note 32)	41.84	2.39	11.86	23.82	11.86	3.95	95.72
Disposals	-	-	-	18.43	0.42	-	18.85
As at March 31, 2020	**98.56**	**7.33**	**19.13**	**16.73**	**27.87**	**9.59**	**179.21**
Net carrying value as at:							
As at April 01, 2018	**45.80**	**26.63**	**7.21**	**36.00**	**16.62**	**8.01**	**140.27**
As at March 31, 2019	**150.99**	**21.69**	**34.61**	**24.66**	**35.61**	**6.49**	**274.05**
As at March 31, 2020	**117.29**	**19.30**	**22.75**	**0.84**	**26.33**	**11.64**	**198.15**

Notes

a.) For property, plant and equipment existing as on the date of transition to Ind AS, i.e., April 01, 2018, the Company has used Indian GAAP net carrying value as deemed cost.

	Leasehold improvements	Plant and machinery	Furniture and fixtures	Vehicle	Office equipment	Computers	Total
Cost	239.01	62.30	79.01	173.50	80.77	48.67	683.26
Accumulated depreciation	193.21	35.67	71.80	137.50	64.15	40.66	542.99
Net book value as per previous GAAP	**45.80**	**26.63**	**7.21**	**36.00**	**16.62**	**8.01**	**140.27**
Deemed Cost as at April 01, 2018	**45.80**	**26.63**	**7.21**	**36.00**	**16.62**	**8.01**	**140.27**

All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

3.2 Intangible assets

	Computer software	Total
Cost/ deemed cost		
As at April 01, 2018	3.10	3.10
Additions	-	-
Disposals	-	-
As at March 31, 2019	**3.10**	**3.10**
Additions	1.06	1.06
Disposals	-	-
As at March 31, 2020	**4.16**	**4.16**
Amortisation		
As at April 01, 2018	-	-
Amortisation for the year (refer note 32)	1.77	1.77
Disposals	-	-
As at March 31, 2019	**1.77**	**1.77**
Amortisation for the year (refer note 32)	1.43	1.43
Disposals	-	-
As at March 31, 2020	**3.20**	**3.20**
Net carrying value as at:		
As at April 01, 2018	**3.10**	**3.10**
As at March 31, 2019	**1.33**	**1.33**
As at March 31, 2020	**0.96**	**0.96**

Notes

a.) For Intangible assets existing as on the date of transition to Ind AS, i.e., April 01, 2018, the Company has used Indian GAAP carrying value as deemed cost.

	Computer software
Cost	20.08
Accumulated depreciation	16.98
Net book value as per previous GAAP	**3.10**
Deemed cost as at April 01, 2018	**3.10**

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All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

4 (a) Right-of-use asset

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Building	2,283.73	850.74	384.84
	2,283.73	**850.74**	**384.84**

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

	Building
Cost	
As at April 01, 2018	-
Asset recognised as on April 01, 2018	384.84
Additions	695.16
As at March 31, 2019	**1,080.00**
Additions	1,761.49
As at March 31, 2020	**2,841.49**
Depreciation	
Depreciation for the year (refer note 32)	229.26
As at March 31, 2019	**229.26**
Depreciation for the year (refer note 32)	328.50
	557.76
Net carrying value as at March 31, 2019	**850.74**
Net carrying value as at March 31, 2020	**2,283.73**

(b) Lease liabilities

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Balance at beginning of the year	920.12	453.72	
Additions	1,713.15	667.89	
Interest expense on lease liabilities (refer note 31)	105.02	74.39	
Payments	(401.01)	(275.88)	
Balance at end of the year	**2,337.28**	**920.12**	
Current	**403.92**	**274.71**	**133.90**
Non-current	**1,933.36**	**645.41**	**319.82**

For maturity analysis of lease liabilities, refer Note - 42.

Impact of Ind AS 116 on the standalone financial statements for the year ended March 31, 2020 is as follows:

	Year ended March 31, 2020 (As per Ind AS 17)	Year ended March 31, 2020 (As per Ind AS 116)	Change due to Ind AS 116 (increase)/ decrease
Rent expense	513.42	112.41	401.01
Finance costs	20.71	125.73	(105.02)
Depreciation and amortisation expense	97.15	425.65	(328.50)

5 Security deposits

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Non-current			
Security deposits			
Unsecured, considered good	141.74	104.95	56.27
	141.74	**104.95**	**56.27**

6 Other financial assets

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Non-current investment			
Investment in gold/ diamond ornaments	-	4.62	4.62
	-	**4.62**	**4.62**

7 Other non-current assets

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Capital advances	159.99	-	-
	159.99	**-**	**-**

8 Deferred tax assets (net)

Deferred tax relates to the following:

		Balance Sheet			Statement of Profit and Loss	
		As at March 31, 2020	As at March 31, 2019	As at April 01, 2018	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation and amortisation expense		62.77	84.80	61.99	(22.03)	22.81
Impact of difference due to adjustments made in accordance with Ind AS 116		37.98	32.66	26.51	5.32	6.15
Disallowance under Section 43B and 40(a)(ia) of the Income Tax Act, 1961		63.10	-	-	63.10	-
Loss as per income tax computations available for offsetting against future taxable income		173.98	-	-	173.98	-
Provision for bad and doubtful debts		5.06	-	-	5.06	-
Total	**(A)**	**342.89**	**117.46**	**88.50**	**225.43**	**28.96**
Other comprehensive income	**(B)**	**12.02**	**-**	**-**	**12.02**	**-**
Deferred tax (income)/ expense	**(A+B)**				**237.45**	**28.96**
Net deferred tax assets/ (liabilities)	**(A+B)**	**354.91**	**117.46**	**88.50**		

9 Non-current tax assets (net)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Income tax receivable	10.19	2.23	2.23
	10.19	**2.23**	**2.23**

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10 Inventories	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
At lower of cost and net realisable value			
Raw materials	109.24	99.13	57.77
Work-in-progress	20.00	37.47	15.05
Finished goods*	820.86	763.18	572.88
Stock-in-trade (includes goods-in-transit Rs. 20.54 Lakhs (March 31, 2019: Nil)	71.71	-	-
Total	**1,021.81**	**899.78**	**645.70**

During the year ended March 31, 2020 Rs.22.97 lakhs (March 31, 2019: 59.59 lakhs) is recognised as an expense for inventories carried at net realisable value.

11 Investments - current	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
Investments fair valued through Profit and Loss:			
2,20,441.32 units of Aditya Birla Sunlife Liquid Fund -fair valued at Rs 319.56/- each unit	704.44	-	-
	704.44	**-**	**-**

12 Trade receivables	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
Trade receivables from others	43.67	27.12	25.33
Receivables from related parties (refer note 43)	9.44	-	-
	53.11	**27.12**	**25.33**
Break up for security details:			
Trade receivables			
Considered good - Unsecured	53.11	27.12	25.33
Credit impaired	18.53	-	-
Total	**71.64**	**27.12**	**25.33**
Impairment allowance			
Trade receivables - credit impaired	(18.53)	-	-
	(18.53)	**-**	**-**
Total	**53.11**	**27.12**	**25.33**

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

For terms and conditions relating to related party receivables, refer note 43

Trade receivables are generally non-interest bearing and on terms of 30 to 60 days.

13 Cash and cash equivalents	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
Balances with bank:			
Current accounts	145.25	356.00	487.43
Cash on hand	2.10	12.16	5.69
Total	**147.35**	**368.16**	**493.12**

Details of non-cash transactions from investing activities and Changes in liabilities arising from financing activities:

Year ended March 31, 2020

Particulars	**April 01, 2018**	**Cash flows**	**Others****	**March 31, 2019**
Investing activities				
Right-of-use assets	384.84	-	465.90	850.74
Investments#	4.62	-	-	4.62
	389.46	**-**	**465.90**	**855.36**
Financing activities				
Borrowings - non-current maturities	186.90	267.18	-	454.08
Lease liabilities	453.72	(201.49)	667.89	920.12
Other financial liabilities - current portion of non-current borrowings*	90.56	(5.84)	-	84.72
	731.18	**59.85**	**667.89**	**1,458.92**

Year ended March 31, 2019

Particulars	**April 01, 2019**	**Cash flows**	**Others****	**March 31, 2020**
Investing activities				
Right-of-use assets	850.74	-	1,432.99	2,283.73
Investments#	4.62	671.34	28.48	704.44
	855.36	**671.34**	**1,461.47**	**2,988.17**
Financing activities				
Borrowings - non-current maturities	454.08	(262.97)	-	191.11
Lease liabilities	920.12	(295.99)	1,713.15	2,337.28
Other financial liabilities - current portion of non-current borrowings*	84.72	(14.85)	-	69.87
	1,458.92	**(573.81)**	**1,713.15**	**2,598.26**

#Includes both current and non-current investments.
*Other financial liabilities includes current maturities of long term borrowings.
** Others additions for Right-of-use assets, lease liabilities, fair value adjustments, gain on sale of investments.

14 Security deposits	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
Current (unsecured, considered good)	60.31	21.15	51.57
	60.31	21.15	51.57
Current (unsecured, considered doubtful)	1.60	-	-
Allowance for doubtful advances	(1.60)	-	-
	-	-	-
	60.31	**21.15**	**51.57**

15 Other financial assets	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
Deposits with government authority	-	-	0.35
Accrued interest receivable	0.35	0.26	0.24
Others	0.06	1.38	7.63
	0.41	**1.64**	**8.22**

16 Other current assets	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
Prepayments	12.63	9.16	7.57
Balance with government authorities (other than income tax)	67.21	15.57	5.67
Advance to suppliers	2.45	37.68	26.17
Advance to employees	3.11	2.01	1.26
	85.40	**64.42**	**40.67**

17 Equity share capital

Authorised share capital	**No. of Shares**	**Rs. (In Lakhs)**
Equity shares of Rs. 10 each		
As at April 01, 2018	1,000,000	100.00
Increase during the year	-	-
As at March 31, 2019	1,000,000	100.00
Increase during the year	500,000	50.00
As at March 31, 2020	**1,500,000**	**150.00**

Subscribed and paid-up equity share capital	**No. of Shares**	**Rs. (In Lakhs)**
Equity shares of Rs. 10 each issued, subscribed & fully paid up share capital		
As at April 01, 2018	**1,000,000**	**100.00**
Issued during the year	-	-
As at March 31, 2019	**1,000,000**	**100.00**
Issued during the year (238,750 equity shares of Rs. 10/- each)	238,570	23.86
As at March 31, 2020	**1,238,570**	**123.86**

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

	As at March 31, 2020	**As at March 31, 2019**	**As at March 31, 2018**
Aditya Birla Fashion and Retail Limited, the holding company			
631,670 (March 31, 2019: Nil, March 31, 2018: Nil) equity shares of Rs 10/- each	63.17	-	-
	63.17	-	-

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

	As at March 31, 2020		**As at March 31, 2019**		**As at April 1, 2018**	
	No. of shares held	**% of paid up share capital**	**No. of shares held**	**% of paid up share capital**	**No. of shares held**	**% of paid up share capital**
Aditya Birla Fashion and Retail Limited	631,670	51.00%	-	-	-	-
Mr. Shantanu Mehra	303,450	24.50%	250,000	25.00%	250,000	25.00%
Mr. Nikhil Mehra	303,450	24.50%	250,000	25.00%	250,000	25.00%
Mr. Rishi Mehra	-	-	250,000	25.00%	250,000	25.00%
Mrs. Kulbir Mehra	-	-	250,000	25.00%	250,000	25.00%
	1,238,570	**100%**	**1,000,000**	**100%**	**1,000,000**	**100%**

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

e) The Shareholders at the Extraordinary General Meeting ("EGM") of the Company held on June 22, 2019 approved increase in authorised share capital from 1,000,000 equity shares of Rs. 10/- each to 1,500,000 equity shares of Rs. 10/- each.

f) Pursuant to a circular resolution passed by Board on July 15, 2019 which was further noted at the Board Meeting held on July 25, 2019, the Board of Directors of the Company agreed to enter into an agreement with Aditya Birla Fashion and Retail Limited ("ABFRL") for acquisition of shares of the Company. Henceforth, ABFRL acquired 392,920 shares on July 26, 2019, pursuant to which ABFRL became the Holding Company of the Company.

g) The Board of Directors of the Company in the meeting held on July 26, 2019, approved the allotment of 238,750 equity shares at the rate of Rs. 915.80 per share (face value: Rs. 10 per share) which includes a premium of Rs. 905.80 to Aditya Birla Fashion and Retail Limited, in accordance with shareholder's agreement.

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All amounts are in Rs lakhs, except share data and per share data

18 Other equity

Reserves and surplus	**Amount**
Retained earnings	
As at April 01, 2018	65.52
Profit/ (loss) for the year	4.00
As at March 31, 2019	**69.52**
Profit/ (loss) for the year	(736.12)
As at March 31, 2020	**(666.60)**
Securities premium	
As at April 01, 2018	-
Additions made during the year	-
As at March 31, 2019	-
Additions made during the year	2,160.97
As at March 31, 2020	**2,160.97**
Other comprehensive income	
As at April 01, 2018	-
Re-measurement gain/ (loss) on defined benefit plan	5.27
As at March 31, 2019	**5.27**
Re-measurement gain/ (loss) on defined benefit plan (net of tax)	(35.75)
As at March 31, 2020	**(30.48)**
Total	
As at April 01, 2018	**65.52**
As at March 31, 2019	**74.79**
As at March 31, 2020	**1,463.89**

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

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

Other comprehensive income:
Items of other comprehensive income consist of re-measurement gain/ (loss) on defined benefit plan of the Company.

Remeasurement gains/ (losses) on defined benefit plans
The cumulative balances of actuarial gain or loss arising on remeasurements of defined benefit plan is accumulated and recognised within this component of other comprehensive income. Items included in actuarial gain or loss reserve will not be reclassified subsequently to Statement of Profit and Loss.

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19 Borrowings

	Effective interest rate (% p.a)	Maturity	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Non- current maturities					
Vehicle loan (secured)					
HDFC Bank - (Note A)	10.25%	November, 2021	3.48	8.27	12.60
Axis Bank - (Note B)	10.85%	May, 2019	-	-	0.28
Volkswagen finance - (Note C)	9.33% - 10.11%	August, 2020	-	9.92	25.92
Term loan from Bank (secured)					
Standard Chartered Bank (Note D)	MCLR + 0.50%	March, 2034	187.63	435.89	148.10
			191.11	**454.08**	**186.90**
Current maturities of long-term borrowings (refer note - 22)					
Vehicle loan (secured)					
HDFC Bank - (Note A)	10.25%	November, 2021	4.79	4.33	3.91
Axis Bank - (Note B)	10.85%	May, 2019	-	0.28	1.60
Volkswagen finance - (Note C)	9.33% - 10.11%	August, 2020	0.97	16.00	14.48
Term loan from Bank (secured)					
Standard Chartered Bank (Note D)	MCLR + 0.50%	March, 2034	64.11	64.11	70.57
			69.87	**84.72**	**90.56**
Aggregate secured borrowings			**260.98**	**538.80**	**277.46**
Aggregate unsecured borrowings			**-**	**-**	**-**

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

Details of security and terms of repayment

Note A
The loan is secured by way of first charge created by hypothecation of vehicles of the Company. The loan is repayable in 84 monthly instalments of Rs. 0.45 lakhs each commencing from December 2014.

Note B
The loan is secured by way of first charge created by hypothecation of vehicles of the Company. The loan is repayable in 60 monthly instalments of Rs. 0.14 lakhs each commencing from June 2014.

Note C
(i) The loan is secured by way of first charge created by hypothecation of vehicles of the Company. The loan is repayable in 60 monthly instalments of Rs. 0.2 lakhs each commencing from September 2015.
(ii) The loan is secured by way of first charge created by hypothecation of vehicles of the Company. The loan is repayable in 77 monthly instalments of Rs. 0.86 lakhs and 7 annual instalments of Rs. 5.95 lakhs. The Company has pre-maturely terminated the loan in month of November 2019.

Note D
The loan is secured by the bank against the residential property of Mr. Rishi Mehra (relative of Director). The loan is repayable is 180 monthly instalment of Rs. 5.34 lakhs each. In the current year the Company has repaid Rs. 248.26 lakhs against this loan.. (refer note 43)

20 Provisions

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Non-current			
Provision for gratuity (refer note 40)	198.99	121.96	94.02
	198.99	**121.96**	**94.02**

21 Trade payables

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Total outstanding dues of micro enterprises and small enterprises (refer note 38)	5.33	2.32	-
Total outstanding dues of creditors other than micro enterprises and small enterprises *	781.04	649.69	573.77
Total	**786.37**	**652.01**	**573.77**

* Includes payable to related parties, for terms and conditions with related parties (refer note 43)

22 Other financial liabilities

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Current			
Current maturities of long-term borrowings (refer note - 19)	69.87	84.72	90.56
Book overdraft	-	33.41	-
Creditors for capital supplies	145.79	5.87	4.39
Total	**215.66**	**124.00**	**94.95**

23 Other current liabilities

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Advance from customers	192.39	214.68	289.35
Statutory liabilities*	43.48	54.12	32.06
Total	**235.87**	**268.80**	**321.41**

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

24 Provisions

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Provision for gratuity (refer note 40)	5.19	4.52	6.38
Provision for leave encashment	16.37	9.73	12.52
	21.56	**14.25**	**18.90**

25 Current tax labilities (net)

	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Current tax liability (net of advance tax)	-	7.64	35.25
	-	**7.64**	**35.25**

All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

26	**Revenue from operations**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	Revenue from contract with customers		
	Sale of products	2,980.97	3,452.26
	Revenue from rendering of services		
	Designing and alteration services	78.92	16.11
	Rental income from garments	0.34	5.68
	Other operating income		
	Brand fees	-	10.00
	Total	**3,060.23**	**3,484.05**

(a) Contract balances	**As at March 31, 2020**	**As at March 31, 2019**
Contract liabilities		
Advances received from customers	192.39	214.68
Contract assets		
Trade receivables	53.11	27.12

(b) Reconciliation of revenue as recognised in the Statement of Profit and Loss with the contracted price:

	Year ended March 31, 2020	**Year ended March 31, 2019**
Revenue as per contracted price	4,096.43	4,043.68
Less: discount	(1,036.20)	(559.63)
Revenue as per the Statement of Profit and Loss	**3,060.23**	**3,484.05**

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

	Year ended March 31, 2020	**Year ended March 31, 2019**
Revenue from retail operations	2,803.28	3,233.99
Revenue from non-retail operations	177.69	218.27
	2,980.97	**3,452.26**

27	**Other income**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
	Interest income	10.51	0.02
	Profit on sale of property, plant and equipment	14.20	-
	Foreign exchange gain (net)	-	0.65
	Net gain on sale of current investments	13.64	-
	Fair valuation gain on mutual funds at FVTPL	19.45	-
	Fair value gain on financial instruments at FVTPL	11.36	9.60
	Miscellaneous Income	44.32	20.27
	Total	**113.48**	**30.54**

28	**Cost of material consumed**	**Year ended March 31, 2020**	**Year ended March 31, 2019**
a)	**Raw material consumed**		
	Inventory at the beginning of the year	99.13	57.77
	Add: Purchases	479.49	657.27
		578.62	715.04
	Less: Inventory at the end of the year	(109.24)	(99.13)
	Total	**469.38**	**615.91**
b)	**Purchase of stock in trade**		
	Purchase of stock in trade	104.09	37.81
		104.09	**37.81**

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All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

29 Changes in inventories of finished goods, work-in-progress and stock-in-trade	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Opening inventories		
Finished goods	763.18	572.88
Work-in-progress	37.47	15.05
Stock-in-trade	-	-
	800.65	**587.93**
Less: closing inventories		
Finished goods	820.86	763.18
Work-in-progress	20.00	37.47
Stock-in-trade	71.71	-
	912.57	**800.65**
Increase in inventories	**(111.92)**	**(212.72)**

30 Employee benefits expense	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Salaries, wages and bonus	1,626.48	1,425.15
Contribution to provident and other funds, net (refer note - 40)	53.15	54.38
Gratuity expenses (refer note - 40)	40.60	32.87
Staff welfare expense	18.88	19.77
Total	**1,739.11**	**1,532.17**

31 Finance costs	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Interest expense on borrowings	20.71	13.42
Interest expense on lease liabilities [refer note 4 (b)]	105.02	74.39
Total	**125.73**	**87.81**

32 Depreciation and amortization expense	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Depreciation of property, plant and equipment (refer note 3.1)	95.72	102.34
Amortisation of intangible assets (refer note 3.2)	1.43	1.77
Depreciation of right-of-use assets [refer note 4 (a)]	328.50	229.26
Total	**425.65**	**333.37**

33 Other expenses	**Year ended March 31, 2020**	**Year ended March 31, 2019**
Dyeing, embroidery charges and designing charges	256.99	203.56
Processing charges	9.02	8.33
Commission to selling agents	24.15	18.88
Advertisement and sales promotion	310.33	350.87
Legal and professional expenses	294.72	41.26
Payment to auditors (refer details below)	6.00	0.59
Power, fuel and water charges	49.71	49.60
Travelling and conveyance	45.22	63.95
Repair and maintenance		-
- Building	23.55	8.68
- Plant and machinery	2.39	2.88
- Others	27.25	30.86
Bank and credit card charges	21.87	22.14
Foreign exchange loss (net)	0.49	-
Security and housekeeping expenses	34.26	30.56
Rates and taxes	17.04	22.72
Insurance	12.00	11.22
Information technology expenses	7.81	6.91
Bad debts written off	5.74	-
Investment written off	4.62	-
Allowance on doubtful receivables and deposits	20.12	-
Communication expenses	43.10	45.85
Printing and stationary	6.59	6.92
(Profit)/ loss on sale of property, plant and equipment	-	4.92
Miscellaneous expenses	8.52	16.60
Total	**1,231.49**	**947.30**

Payment to auditors:	**Year ended March 31, 2020**	**Year ended March 31, 2019**
For audit fees	6.00	0.45
For tax audit fees	-	0.14
	6.00	**0.59**

All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

34 Income tax expense

The major components of income tax expense are as follows:

		Year ended March 31, 2020	Year ended March 31, 2019
Statement of Profit and Loss:			
Profit or loss section			
Current income tax:			
Current income tax charge		-	24.00
Taxes pertaining to prior periods		39.32	3.17
	(A)	**39.32**	**27.17**
Deferred tax:			
Relating to origination and reversal of temporary differences		(225.43)	(28.96)
	(B)	**(225.43)**	**(28.96)**
Total	**(A+B)**	**(186.11)**	**(1.79)**
Other Comprehensive Income (OCI) section			
Deferred tax related to items recognised in OCI during the year			
Net (gains)/ loss on remeasurements of defined benefit plans		12.02	-
Total		**12.02**	**-**

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

	Year ended March 31, 2020	Year ended March 31, 2019
Accounting profit/ (loss) before income tax	(922.23)	2.21
Tax expense/(credit) at India's statutory income tax rate of 25.17% (March 31, 2019: 30.09%)	25.17%	30.09%
Computed tax charge	(232.13)	0.66
Disallowance under Section 43B of the Income Tax Act, 1961	21.28	-
Depreciation (net of books and tax)	8.86	6.60
Provision for gratuity	19.56	-
Ind AS 116 related adjustments (net)	5.32	(8.75)
Provision for bad and doubtful debts	5.07	-
Non-deductible items under income tax act:		
(Gain)/ loss on sale of property, plant and equipments	(3.57)	1.49
Other non-deductible expenses	1.62	-
Tax loss for the year to the extent available for future utilization	173.99	-
	-	-
Current income tax charge	-	24.00
Taxes pertaining to prior periods	39.32	3.17
Relating to origination and reversal of temporary differences	(225.43)	(28.96)
	(186.11)	**(1.79)**

35 Components of other comprehensive income (OCI)

	Year ended March 31, 2020	Year ended March 31, 2019
Re-measurement gains/ (losses) on defined benefit plans	(47.77)	5.27
Income tax effect on above	12.02	-
	(35.75)	**5.27**

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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, 2020. 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, 2020, the Company has Rs. 691.26 lakhs (March 31, 2019: Rs. Nil) of tax losses 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) Assessment of COVID - 19 impact on operations

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities of the Company. The Company has been taking various precautionary measures to protect employees and their families from COVID-19. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, right-of-use assets intangible assets and in relation to other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions. The Company has resumed it business activities by reopening its factory and retail stores on a gradual basis in line with the guidelines issued by the Government authorities.

(vi) Going concern

During the current year ended March 31, 2020, the management has performed an assessment of the entity's ability to continue as a going concern. Based on the assessment. the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the financial statements have been prepared on going concern basis.

37 Change in method of accounting

Upto the year ended March 31, 2019, depreciation was provided on the written down value method, computed on the basis of useful life prescribed in Schedule II to the Companies Act. 2013 ('Schedule II'). However, with effect from April 01, 2019, based on the evaluation, the management changed the method of depreciation to Straight line method.

Change in estimated useful life of assets

The Company in order to align with the policy of the Holding Company reviewed and revised the estimated useful life of assets and reduced the useful life of assets for certain block of assets such as furniture and fixtures and motor vehicles. Whereas, the useful life of computer equipment has an upward revision of 1 year from the initial estimated life of the asset.

The depreciation charge to the statement of profit and loss account on account of the above changes is lower by Rs. 19.80 lakhs.

38 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 sec 22 of MSMED Act, 2006 under the chapter of delayed payment to micro and small enterprises:

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
The principal amount and the interest due thereon, remaining unpaid to any supplier as at the end of accounting year			
The principal amount due to micro and small enterprises *	56.46	2.32	-
Interest due on above	-	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-

*Includes dues towards capital creditors.

39 Earnings per share (EPS)

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

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

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit/ (loss) attributable to equity holders for basic earnings per share	(736.12)	4.00
Net profit/ (loss) for calculation of basic EPS	(736.12)	4.00
Weighted average number of equity shares*	1,160,257	1,000,000
Basic earnings per share	**(63.44)**	**0.40**
Net profit/ (loss) for calculation of diluted EPS	(736.12)	4.00
Weighted average number of equity shares*	1,160,257	1,000,000
Diluted earnings per share	**(63.44)**	**0.40**

* 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.

40 Employee benefits expenses

A. Defined contribution plans

(i). Employers' contribution to Provident Fund

The Company has defined contribution plan in form of Provident Fund for qualifying employees. Contributions are made to provident fund for employees at the rate of 12% of salary as per regulations. The contributions are made to Employee Provident Fund Organisation (EPFO) registered provident fund administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year towards defined contribution plan is Rs 35.52 lakhs after obtaining benefit of Rs 5.71 Lakhs under Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) (March 31, 2019: Rs 28.35 lakhs after obtaining the PMRPY Benefit of Rs 7.73 Lakhs).

(ii) Employers' contribution to Employee's state insurance scheme is Rs 17.63 lakhs (March 31, 2019: Rs 26.03 lakhs).

B. Defined benefit plan

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 atleast five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service.

All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

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 recognised 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, 2020:

	As at March 31, 2020	**As at March 31, 2019**
Opening defined benefit obligation	126.48	100.40
Current service cost	30.70	25.00
Interest cost	9.90	7.87
Actuarial (gain)/loss on account of		
Changes in demographic assumptions	0.07	-
Changes in financial assumptions	53.47	1.13
Experience adjustments	(5.77)	(6.40)
Actuarial (gain)/ loss recognised in OCI	47.77	(5.27)
Benefits paid	(10.66)	(1.52)
Closing defined benefit obligation	**204.19**	**126.48**

Bifurcation between current and non current liability

	As at March 31, 2020	**As at March 31, 2019**	**As at April 01, 2018**
Current liability	5.19	4.52	6.38
Non-current liability	198.99	121.96	94.02
Net Liability	**204.19**	**126.48**	**100.40**

(ii) The amounts recognized through profit and loss and other comprehensive income

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Gratuity cost charged to profit or loss		
Current service cost	30.70	25.00
Interest expense	9.90	7.87
	40.60	**32.87**
Gratuity cost charged to other comprehensive income		
Actuarial (gains)/losses	47.77	(5.27)
	47.77	**(5.27)**

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

Particulars	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
Discount rate	6.80%	7.81%	7.87%
Salary escalation rate	8.00%	7.00%	7.00%

(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)

	As at March 31, 2020	**As at March 31, 2019**	**As at April 01, 2018**
Sensitivity level			
Discount Rate			
1% increase	(29.70)	(17.11)	(13.87)
1% decrease	36.87	21.05	(8.94)
Salary escalation rate			
1% increase	33.39	20.53	16.76
1% decrease	(28.73)	(17.09)	(39.92)

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, 2020**	**As at March 31, 2019**
Within the next 12 months (next annual reporting period)	5.20	4.52
Between 2 and 5 years	23.12	18.49
Between 6 and 10 years	52.01	31.48
Beyond 10 years	681.37	461.01
Total expected cash flow profile (payments)	**761.70**	**515.50**

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 17 years (March 31, 2019: 15 years). Expected contributions to defined benefits plan for the year ending March 31, 2020 is Rs. Nil (March 31, 2019: Rs. Nil).

41 Commitments and contingencies

a) Capital commitment

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

At March 31, 2020, the Company had commitments of Rs. 383.75 lakhs (March 31, 2019: Rs Nil, April 01, 2018: Rs Nil).

b) Contingent liabilities	**As at March 31, 2020**	**As at March 31, 2019**	**As at April 01, 2018**
Claims against the Company not acknowledged as debts			
- Income tax matters under appeal	11.27	-	-

42 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 or loss:

	Year ended March 31, 2020	**Year ended March 31, 2019**
Rent		
Expense relating to short term leases	16.46	84.12
Variable rent*	95.95	86.61
Finance cost		
Interest expense on lease liabilities	105.02	74.39
Depreciation expense		
Depreciation expense for right-of-use assets	328.50	229.26
Total	**545.93**	**474.38**

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

Contractual maturities of lease liabilities

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

	As at March 31, 2020	**As at March 31, 2019**	**As at April 01, 2018**
Less than one year	599.25	346.53	264.50
one to five years	1,733.89	728.38	876.99
more than five years	758.96	-	23.00
	3,092.10	**1,074.91**	**1,164.49**

The initial non-cancellable period of the lease agreement is up to 3 years, beyond which there is an option for the lessee to continue the lease, which the Company expects to continue for a period of 2 to 3 years after the initial non-cancellable period, accordingly 3 – 9 years has been considered as non-cancellable for the purpose of the above disclosure. Post such period, the Company has the option to exit the lease by giving a notice period and the Company assesses its intention to continue considering location and other economic factors associated with the lease arrangement.

Total cash outflow for leases for the year ended March 31, 2020 is Rs. 401.01 lakhs (March 31, 2019: Rs. 275.88 lakhs)

Lease commitments for leases not considered in measurement of lease liabilities:

	As at March 31, 2020
Lease commitment for short-term leases	25.00

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

	March 31, 2020	
Increase/ (decrease) in sales	**Increase by 5%**	**Decrease by 5%**
Rent	4.80	(4.80)

All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

43 Related party disclosures

a. Names of related parties and nature of relationship

Names of related parties	Description of relationship
Related Party who exercise control	
Aditya Birla Fashion and Retail Limited	Holding Company (w.e.f. July 26, 2019)
Other related parties	
Jaypore E-Commerce Private Limited	Fellow subsidiary (w.e.f. July 26, 2019)
Jaypore Inc.	Fellow subsidiary (w.e.f. July 26, 2019)
TG Apparel & Decor Private Limited	Fellow subsidiary (w.e.f. July 26, 2019)
Key management personnel	
Rishi Kishan Mehra	Director (upto July 13, 2019)
Shantanu Mehra	Director (upto July 26, 2019)
Nikhil Mehra	Director (upto July 26, 2019)
Kulbir Mehra	Director (upto July 13, 2019) and (Director w.e.f. July 26, 2019)
Ashish Dikshit	Director (w.e.f. July 26, 2019)
Sushil Agarwal	Director (w.e.f. July 26, 2019)
Mohana Sundaram G	Chief Financial Officer (w.e.f. July 26, 2019)
Rashmi Khandelwal	Company Secretary (w.e.f. October 16, 2019 and upto November 29, 2019)
Anu Nair	Company Secretary (w.e.f. Novemeber 30, 2019)
Relative of Directors	
Rishi Kishan Mehra	Spouse of Kulbir Mehra
Shantanu Mehra	Son of Kulbir Mehra
Nikhil Mehra	Son of Kulbir Mehra
Rima Shakhder Mehra	Spouse of Shantanu Mehra
Vidushi 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. The relative of director have provided their personal guarantee for the borrowing made by the Company (refer Note 19). For the year ended March 31, 2020, 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:

Name of the Party	Nature of Transaction	Year ended March 31, 2020	Year ended March 31, 2019
Aditya Birla Fashion and Retail Limited	Sales of goods	8.28	-
	Purchase of raw material and stock in trade	27.49	-
	Legal and professional fees	45.17	-
Kulbir Mehra	Consultancy services	38.00	-
Shantanu Mehra	Sale of motor vehicle	7.14	-
	Reimbursements received towards income taxes paid	(19.30)	
Nikhil Mehra	Sale of motor vehicle	7.14	-
	Reimbursements received towards income taxes paid	(19.30)	-

c. Outstanding balances

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

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Payables/ (receivables)			
Aditya Birla Fashion and Retail Limited	33.99	-	-
Kulbir Mehra	4.28	-	-
Rishi Kishan Mehra	8.55	-	-
Shantanu Mehra	8.12	-	-
Nikhil Mehra	8.12	-	-

All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

d. Compensation of key management personnel of the Company

Name of Party	Nature of Transaction	Year ended March 31, 2020	Year ended March 31, 2019
Rishi Kishan Mehra	Director's remuneration	19.00	48.00
Shantanu Mehra	Director's remuneration	26.00	48.00
Nikhil Mehra	Director's remuneration	26.00	48.00
Kulbir Mehra	Director's remuneration	19.00	48.00

e. Transaction with the relatives of Directors

Name of relative	Nature of transaction	Year ended March 31, 2020	Year ended March 31, 2019
Rishi Kishan Mehra	Consultancy charges	38.00	-
Nikhil Mehra	Services rendered under employment agreement	130.81	-
Shantanu Mehra	Services rendered under employment agreement	130.81	
Rima Shakhder Mehra	Services rendered under employment agreement	7.99	-
Vidushi Mehra	Services rendered under employment agreement	7.99	-
		315.60	**-**

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.
The remuneration to key management personnel and their relatives does not include the expense recognised and provision made for leave benefits and gratuity as they are obtained on acturial basis for the Company as a whole.

44 Segment information

Business segments
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 segments
The Company operates its business only in India, and accordingly, no separate geographical segment disclosures are required.
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, 2020 and March 31, 2019.

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All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

45 Financial instruments - Fair value
Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as at March 31, 2020; March 31, 2019 and April 01, 2018 are as follows:

	FVTPL	FVTOCI	Amortised cost	Total carrying value	Fair value		
					Level 1	Level 2	Level 3
As at March 31, 2020							
Financial assets							
Investments	704.44	-	-	**704.44**	704.44	-	-
Security deposits	-	-	202.05	**202.05**	-	-	-
Trade receivables	-	-	53.11	**53.11**	-	-	-
Cash and cash equivalents	-	-	147.35	**147.35**	-	-	-
Other financial assets	-	-	0.41	**0.41**	-	-	-
Total	**704.44**	-	**402.92**	**1,107.36**	**704.44**	-	-
Financial liabilities							
Borrowings	-	-	260.98	**260.98**	-	-	-
Lease liability	-	-	2,337.28	**2,337.28**	-	-	-
Trade payables	-	-	786.37	**786.37**	-	-	-
Other financial liabilities*	-	-	145.79	**145.79**	-	-	-
Total	-	-	**3,530.42**	**3,530.42**	-	-	-
As at March 31, 2019							
Financial assets							
Security deposits	-	-	126.10	**126.10**	-	-	-
Trade receivables	-	-	27.12	**27.12**	-	-	-
Cash and cash equivalents	-	-	368.16	**368.16**	-	-	-
Other financial assets	-	-	1.64	**1.64**	-	-	-
Total	-	-	**523.02**	**523.02**	-	-	-
Financial liabilities							
Borrowings	-	-	538.80	**538.80**	-	-	-
Lease liabilities	-	-	920.12	**920.12**	-	-	-
Trade payables	-	-	652.01	**652.01**	-	-	-
Other financial liabilities*	-	-	39.28	**39.28**	-	-	-
Total	-	-	**2,150.21**	**2,150.21**	-	-	-
As at April 01, 2018							
Financial assets							
Security deposits	-	-	107.84	**107.84**	-	-	-
Trade receivables	-	-	25.33	**25.33**	-	-	-
Cash and cash equivalents	-	-	493.12	**493.12**	-	-	-
Other financial assets	-	-	8.22	**8.22**	-	-	-
Total	-	-	**634.51**	**634.51**	-	-	-
Financial liabilities							
Borrowings	-	-	277.46	**277.46**	-	-	-
Lease liabilities	-	-	453.72	**453.72**	-	-	-
Trade payables	-	-	573.77	**573.77**	-	-	-
Other financial liabilities*	-	-	4.39	**4.39**	-	-	-
Total	-	-	**1,309.34**	**1,309.34**	-	-	-

*Other financial liabilities disclosed under this note do not include current maturities of long term borrowings as they are disclosed under the head borrowings.

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All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

46 Financial risk management objectives and policies

The Company's principal financial liabilities comprise of borrowings, lease liabilities, trade payables, book overdraft, 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.

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 profit before tax (decrease)/ increase
March 31, 2020		
Rs	+50	(1.26)
Rs	-50	1.26
March 31, 2019		
Rs	+50	(2.50)
Rs	-50	2.50

(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).

(a) 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 recievables. 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**
Impairment allowance as on April 01, 2018	-
Additions during the year	-
Impairment allowance as on March 31, 2019	-
Additions during the year	18.53
Impairment allowance as on March 31, 2020	**18.53**

All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's financing activities are managed centrally by maintaining an adequate level of cash and cash equivalents to finance the Company's operations. The Company 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
As at March 31, 2020				
Trade payables	786.37	-	-	786.37
Borrowings*	69.87	191.11	-	260.98
Lease liabilities (refer note 42)	599.25	1,733.89	758.96	3,092.10
Other financial liabilities	145.79	-	-	-
	1,601.28	**1,925.00**	**758.96**	**4,139.45**
As at March 31, 2019				
Trade payables	652.01	-	-	652.01
Borrowings*	84.72	274.63	179.45	538.80
Lease liabilities (refer note 42)	346.53	728.38	-	1,074.91
Other financial liabilities	39.28	-	-	39.28
	1,122.54	**1,003.01**	**179.45**	**2,305.00**
As at April 01, 2018				
Trade payables	573.77	-	-	573.77
Borrowings*	90.56	186.90	-	277.46
Lease liabilities (refer note 42)	264.50	876.99	23.00	1,164.49
Other financial liabilities	4.39	-	-	4.39
	933.21	**1,063.90**	**23.00**	**2,020.11**

* includes current maturities of long term borrowings.

47 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):

	March 31, 2020	March 31, 2019	April 01, 2018
Borrowings	191.11	454.08	186.90
Current maturities of long term borrowings	69.87	84.72	90.56
Less: Cash and cash equivalents	(147.35)	(368.16)	(493.12)
Net debt	**113.63**	**170.64**	**(215.66)**
Total equity	**1,587.75**	**174.79**	**165.52**
Total capital	**1,701.38**	**345.43**	**(50.14)**
Gearing ratio	6.68%	49.40%	Not applicable

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All amounts are in Rupees (Rs.) Lakhs, unless otherwise stated

48 First Time adoption

These financial statements prepared for year ended March 31, 2020, are the first financial statements that the Company has prepared in accordance with Ind AS. For the periods up to and including year ended March 31, 2019, the Company prepared its financial statements in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act ("Indian GAAP" or "IGAAP").

Accordingly the Company has prepared its financial statements for the year ended March 31, 2020, together with comparative data as at and for the year ended March 31, 2019, as described in significant accounting policies. In preparing these financial statements, the Company's opening balance was prepared as at April 01, 2018, the Company's date of transition to Ind AS. This note explains the prinicipal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2018 and the financial statements as at and for the year ended March 31, 2019.

A. Exemptions and exceptions availed

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions

A.1 Deemed Cost

The Company has elected to avail expemtion under Ind AS 101 to use the Indian GAAP carrying value as deemed cost as at the date of transition for all items of property, plant and equipment and intangible assets, as per the financial statements prepared in accordance with Indian GAAP.

A.2 Mandatory Exceptions

Derecognition of financial assets and financial liabilities

Ind AS 101 requires application the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Therefore, the Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS since information required to apply de-recognition prrovisions is not available with the Company as of the transition date.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist at the date of transition to Ind AS. The Company has assessed the same accordingly.

Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is an objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2018, are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transitions as these were not required under Indian GAAP :
• Impairment of financial assets based on expected credit loss method

B. Reconciliations between Indian GAAP and Ind AS

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

B.1 Reconciliation of equity

	As at March 31, 2019	As at April 01, 2018
Total equity		
As per IGAAP	246.90	225.58
Adjustments under Ind AS 116	(129.79)	(101.98)
Fair value gain on financial instruments at FVTPL	25.02	15.41
Deferred tax on Ind AS 116 adjustments	32.66	26.51
As per Ind As	**174.79**	**165.52**

B.2 Reconciliation of total comprehensive income for the year ended March 31, 2019

	Reference	Year ended March 31, 2019
Profit after tax as per Indian GAAP		21.32
Adjustments		
Total income		
Unwinding of interest income on security deposit	**(i)**	9.60
Depreciation and amortisation expense		
Depreciation of right of use asset	**(ii)**	(229.26)
Finance cost		
Interest expense on lease liabilities	**(ii)**	(74.39)
Other expenses		
Rent	**(ii)**	275.86
Employee benefit expenses		
Gratiuity	**(iii)**	(5.27)
Tax expense		
Deferred tax income	**(iv)**	6.14
Total adjustments		**(17.32)**
Profit after tax as per Ind AS		4.00
Other comprehensive income	**(v)**	
Remeasurement gain on defined benefit plan		5.27
Income tax relating to above item		-
Total comprehensive income as per Ind AS		**9.27**

B.3 Reconciliation of statement of cash flow

	Previous GAAP	Adjustments	Year ended March 31, 2019 (Ind AS)
Net cash flows from/ (used in) operating activities	(102.10)	246.11	144.00
Net cash flows used in investing activities	(276.61)	35.60	(241.01)
Net cash flows from/ (used) in financing activities*	253.76	(281.71)	(27.95)

*In pursuant to Ind AS adoption, the Company recognizes the cash outflow from leases as part of financing activity.

C. Notes to reconciliation between Indian GAAP and Ind AS

(i) Amortised cost of finacial assets and liabilities

Under Indian GAAP, interest free security deposits (that are refundable on completion of the lease term) are recorded at their transaction value. Under Ind AS all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS, the difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

As per Ind AS 116, any balance of prepaid rent expenses shall be adjusted to right of use asset and amortised accordingly. As a result, balance of Rs. 33.10 lakhs is transferred from security deposit to right of use asset at the date of transition.
In 2019, the balance of Rs 27.27 lakhs is transferred from security deposit to ROU asset. For the period ended March 31, 2019, security deposit is further increased by Rs. 9.60 lakhs by the amount recognised as unwinding of interest income on security deposit in statement of profit and loss.

(ii) Right of use asset and Lease liabilities

Impact of Ind AS 116 on the standalone financial statements for the year ended March 31, 2019 is as follows:

Particulars	Year ended March 31, 2019 (As per Ind AS 17)	Year ended March 31, 2019 (As per Ind AS 116)	Change due to Ind AS 116 (increase)/ decrease
Rent expense	446.59	170.73	275.86
Finance costs	13.42	87.81	(74.39)
Depreciation and amortisation expense	104.11	333.37	(229.26)

(iii) Remeasurment gain on defined benefit plan

Under Ind AS, re-measurements i.e. actuarial gains and losses are recognised in Other Comprehensive Income (OCI) instead of profit or loss. Under the Indian GAAP, these re-measurements were forming part of the profit or loss for the year. As a result of this change there is no impact on the total equity as at April 01, 2018 and March 31, 2019.

(iv) Deferred tax

Tax adjustments include deferred tax impact on account of differences between Ind AS and Indian GAAP. This has resulted in change in equity and statement of profit or loss.

(v) Other comprehensive income

Under the Indian GAAP, the Company has not presented other comrehensive income (OCI) separately. Hence it has reconciled the Indian GAAP profit or loss to profit or loss as per Ind AS. Further, Indian GAAP profit or loss is reconciled to the total comprehensive income as per Ind AS.

49 Previous year figures

The comparatives given in the financial statements have been complied after making the necessary Ind AS adjustments to the respective audited financial statements under Indian GAAP to give a true and fair view in accordance with Ind AS. The previous years Indian GAAP financial statements were audited by a firm of chartered accountants other than S.R. Batliboi & Associates LLP.

As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No. 101049W/E300004

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

Sd/-

per Aditya Vikram Bhauwala
Partner
Membership No.: 208382

Place: Bengaluru
Date: August 10, 2020

Sd/-

Ashish Dikshit
Director
DIN: 01842066

Place: Bengaluru
Date: August 10, 2020

Sd/-

Kulbir Mehra
Director
DIN: 01369292

Place: New Delhi
Date: August 10, 2020

Sd/-

Shantanu Mehra
Chief Executive Officer

Place: New Delhi
Date: August 10, 2020

Sd/-

Mohana Sundaram G
Chief Financial Officer

Place: Bengaluru
Date: August 10, 2020

Sd/-

Anu Nair
Company Secretary
Membership No.: A30525

Place: Mumbai
Date: August 10, 2020