



INDEPENDENT AUDITORS' REPORT

**To the Members of
Pasadena Retail Private Limited.**

Report on the Audit of the Financial Statements

1. Opinion

We have audited the financial statements of **M/s Pasadena Retail Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and Profit and other changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

3. Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



4. Management's Responsibility for the Financial Statements

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

In preparing the financial statements, management and Board of Directors are 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.

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

5. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

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

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

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

6. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (ii) 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, the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company, As per the Board of Directors of the company, in view of the MCA Notification No. G.S.R. 583(E) dated 13 June 2017, the company is exempt from the requirements of clause (i) of section 143(3) and therefore the report on adequacy and operating effectiveness of internal financial controls is not being made.

Contd—4-



- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its 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 have been no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
- h) With respect to the matter to be included in the Auditors' Report under section 197(16):
The Company is a private limited company and accordingly the requirements as stipulated by the provisions of section 197(16) of the Act are not applicable to the Company.

Place: Chandigarh

Dated: 08-06-2021



For Singhal Karun & Co.,
Chartered Accountants
(Firm Registration no-004496N)

A handwritten signature in blue ink, appearing to read "Anil K. Goyal".

(Anil K. Goyal)
Proprietor

M.Ship No.FCA-80255

UDIN: 21080255AAAABH4959

Based on audit procedures performed and taking into consideration the information and explanations given to us and the books of accounts and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

1. (a) The Company is in process to maintain proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.

© As explained to us the company does not own any immovable property.
2. The management has conducted physical verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on the aforesaid verification. The inventory has been valued at cost or realizable value whichever is less.
3. 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. Accordingly, the provisions of clause 3 (iii) of the Order are not applicable.
4. The Company has not entered into any transaction covered u/s 185 and 186 of the Act. Accordingly, the provisions of clause 3 (iv) of the Order are not applicable.
5. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (v) of the Order are not applicable.
6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable.
7. According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Income-tax, GST, Wealth Tax, Custom Duty and other material statutory dues, as applicable, with the appropriate authorities in India. The provisions of Employees Provident Fund Act and The Employees' State Insurance Act are not applicable to the Company. Further no undisputed amounts were outstanding at the year end for a period of more than 6 months from they became payable.
8. According to the records of the company examined by us and as per the information and explanations given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures. Accordingly, the provisions of clause 3 (viii) of the Order are not applicable.
9. As the company did not raise any money by way of either Term Loan or by Public Issue, therefore, the question of application of such money does not arise.



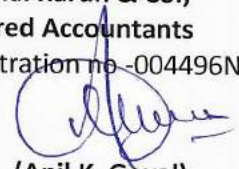
10. We have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.
11. As per information provided to us the company has not paid any managerial remuneration during the year. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable.
12. In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
13. In our opinion all transactions with the related parties, are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully/partly paid debentures.
15. In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
16. The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: Chandigarh

Dated: 08-06-2021



For Singhal Karun & Co.,
Chartered Accountants
(Firm Registration no.-004496N)


(Anil K. Goyal)

Proprietor

M.Ship No.FCA-80255

UDIN:21080255AAAABH4959

Pasadena Retail Private Limited
(CIN - U52520DL2019PTC344249)
Balance Sheet as at 31 March 2021

Particulars	Note	Amount (Rs) as at 31 Mar 2021	Amount (Rs) as at 31 Mar 2020
ASSETS			
Non-current assets			
Property, plant and equipment	1	40,86,312	53,36,784
Capital work-in-progress		-	-
Right-of-use assets	1	2,42,86,868	3,17,57,006
Other intangible assets		-	-
Intangible assets under development		-	-
Financial assets			
- Loans		-	-
- Other financial assets		-	-
Deferred tax assets (net)	2	6,93,697	-
Other non-current assets	3	30,52,945	27,28,340
Total non-current assets		3,21,19,822	3,98,22,129
Current assets			
Inventories	4	4,39,90,420	4,69,93,687
Financial assets			
- Trade receivables		-	-
- Cash and cash equivalents		-	-
- Loans	5	64,09,909	4,20,403
- Other financial assets		-	-
Other current assets	3	69,80,594	88,92,874
Total current assets		5,73,80,923	5,63,06,964
Total Assets		8,95,00,745	9,61,29,093
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	2,00,00,000	2,00,00,000
Other equity	7	(39,86,051)	(66,85,484)
Total equity		1,60,13,949	1,33,14,516
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings		-	-
- Lease liabilities		-	-
Provisions	9	1,71,44,671	2,29,34,304
Total non-current liabilities		1,71,44,671	2,29,34,304
Current liabilities			
Financial liabilities			
- Borrowings			
- Lease liabilities	8	89,70,458	1,70,75,128
-Trade payables	9	92,24,068	87,43,193
-total outstanding dues of micro and small enterprises			
-total outstanding dues of creditors other than micro enterprises and small enterprises	10	2,85,42,159	3,06,07,092
- Other financial liabilities	11	94,52,188	33,09,464
Other current liabilities	12	1,53,251	1,45,396
Provisions		-	-
Current tax liabilities (net)		-	-
Total current liabilities		5,63,42,125	5,98,80,273
Total liabilities		7,34,86,796	8,28,14,576
Total Equity and Liabilities		8,95,00,745	9,61,29,093

Notes to accounts and Significant Accounting Policies-1-24

Auditors' Report
For Singhal Karun & Co.
Chartered Accountants
Firm Regn. No. 4406N
A. K Goyal
Proprietor
M/ship No. : 080255
UDIN: 21080255AAAABH4959
Place: Chandigarh
Date : 7th June, 2021



For and on behalf of the Board of Directors of
Pasadena Retail Private Limited

Y. Saboo

Y. Saboo
Director
DIN: 00012158
Place: Chandigarh
Date : 7th June, 2021

Asitok Goel

Asitok Goel
Director
DIN: 00783117

Pasadena Retail Private Limited

(CIN - U52520DL2019PTC344249)

Statement of Profit and Loss for the year ended 31 March 2021			
Particulars	Note	(Amount in Rs.)	
		For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	13	6,44,67,983	2,91,67,729
Other income	14	42,87,915	1,54,083
Total Income		6,87,55,898	2,93,21,812
Expenses			
Purchase of stock-in-trade	15	4,55,52,404	6,99,51,105
Changes in inventory of stock-in-trade	16	30,03,267	(4,69,93,687)
Employee benefits expense			
Finance costs	17	53,44,497	35,70,693
Depreciation and amortization expense	1	87,20,609	47,37,050
Other expenses	18	41,29,384	47,42,134
Total expenses		6,67,50,162	3,60,07,296
Profit/(Loss) before exceptional items and tax (I-II)		20,05,736	(66,85,484)
Exceptional Items		-	-
Profit/(Loss) before income tax		20,05,736	(66,85,484)
Income tax expense			
- Current tax			
- Deferred tax			
Total income tax expense		(6,93,697)	-
Profit/(Loss) for the year		(6,93,697)	-
Other comprehensive income/(expense)			
Total comprehensive income/(Loss) for the year		26,99,433	(66,85,484)
Earnings per equity share			
Basic (Rs.)		1.35	Negative
Diluted (Rs.)		1.35	Negative

Notes to accounts and Significant Accounting Policies-1-24

Auditors' Report

For Singhal Karun & Co.

Chartered Accountants

Firm Regn No.-4496N


A. K Goyal

Proprietor

M/ship No. : 080255

UDIN: 21080255AAAA BH4959

Place: Chandigarh

Date 8th June, 2021



For and on behalf of the Board of Directors of
Pasadena Retail Private Limited



Y. Saboo

Managing Director

DIN: 00012158

Place: Chandigarh

Date 7th June, 2021



Ashok Goel

Director

DIN: 00783117

Pasadena Retail Private Limited
(CIN - U93000CH2009PLC031625)
Cash flow statement for the year ended 31 March 2021
(Amount in Rupees unless stated otherwise)

Particulars	For the year ended 31 March 2021	For the period ended 31st March 2020
A. Cash flow from operating activities:		
Net profit before tax from continuing operations	20,05,736	(66,85,484)
Adjustments for:		
Depreciation	87,20,609	47,37,050
Deferred Tax	-	-
Pre-Operative expenses	-	21,954
Preliminary Expenses	-	2,45,841
Loss on sale of fixed assets	-	-
Provision of doubtful debts	-	-
Bad debts written off	-	-
Dividend Income	-	-
Interest expense	53,44,497	12,22,054
Interest income	(42,87,915)	(1,54,083)
Less: Tax paid	-	-
Operating profit before working capital changes		
Adjustments for:		
(Increase) / decrease in trade and other receivables		
(Increase) / decrease in loans and advances		
(Increase) / decrease in inventories	30,03,267	(4,69,93,687)
(Increase) / decrease in Other Current Assets	19,12,280	(89,05,506)
Increase / (decrease) in trade payables	(20,64,933)	3,06,07,092
Increase / (decrease) in other current liabilities	61,50,579	34,52,874
Short term provisions		
Cash flow from operating activities before taxes	2,07,84,122	(2,24,51,895)
Direct taxes paid / (refunds) (net)	-	-
Net cash flow from operating activities	2,07,84,122	(2,24,51,895)
B. Cash flow from investing activities:		
(Increase) / decrease in Investments	-	(59,83,667)
(Increase) / decrease in other Non Current Assets (Security Deposits)	-	(30,95,829)
Interest received	-	1,54,083
Net cash used in investing activities	-	(89,25,413)
C. Cash flow from financing activities:		
Proceeds from issue of capital	-	1,00,00,000
Proceeds of long term borrowings (net of repayment)	(75,00,000)	1,70,75,128
Repayment of Demand Loan		
Increase/(decrease) in short term borrowings		
Increase/(decrease) in unsecured loans		
Increase/(decrease) in Lease Liability		
Lease Rent paid	-	(0)
Interest paid	(13,45,448)	(46,15,244)
Dividend paid	(59,49,167)	10,53,014
Net cash used in financing activities	(1,47,94,615)	2,35,12,898
Net increase/(decrease) in cash and cash equivalents	59,89,506	(78,64,409)
Opening cash and cash equivalents	4,20,403	82,84,812
Closing cash and cash equivalents	64,09,909	4,20,403
Notes:		
1 Cash and cash equivalents include:		
Balance with banks	64,09,909	4,20,403
2 The cash flow statement has been prepared in accordance with "Indirect Method" as set out in Indian Accounting Standard-7 on "Statement on Cash Flows"	(0)	(0)
3 Refer note no.1 for significant accounting policies.		

Auditors' Report
For Singhal Karun & Co.
Chartered Accountants
Firm Regn. No. 4496N



A. K Goyal
Proprietor

M/ship No. : 080255

UDIN 21080255AAAA BH4959

Place: Chandigarh

Date: 8th June, 2021

For and on behalf of the Board of Directors of
Pasadena Retail Private Limited

(Signature)

Y. Saboo
Managing Director

DIN: 00012158

Place: Chandigarh

Date: 7th June, 2021

Ashok Goel
Director

DIN: 00783117

Pasadena Retail Private Limited

(CIN - U52520DL2019PTC344249)

Statement of changes in Equity for the year ended 31st March 2021

a. Equity share capital

Total

	2020-21
Balance as at 1st April, 2019	1,00,00,000
Changes in equity share capital during 2019-20	1,00,00,000
Balance as at 31st March 2020	2,00,00,000
Changes in equity share capital during 2020-21	-
Balance as at 31st March 2021	2,00,00,000

b. Other Equity

Particulars	Retained earnings	Securities premium	Total Other Equity
Balance as at 1st April, 2019	-	-	-
-Loss for the year	(66,85,484)	-	(66,85,484)
As at 31st March, 2020	(66,85,484)	-	(66,85,484)
-Profit for the year	26,99,433	-	26,99,433
As at 31st March 2021	(39,86,051)	-	(39,86,051)

Auditors' Report

For Singhal Karun & Co.

Chartered Accountants

Firm Regn No. 4496N



For and on behalf of the Board of Directors of
Pasadena Retail Private Limited

A. K Goyal

Proprietor

M/ship No. : 080255

UDIN 21080255AAAABH4959

Place: Chandigarh

Date : 8th June, 2021

Y. Saboo

Director

DIN: 00012158

Place: Chandigarh

Date : 7th June, 2021

Ashok Goel

Director

DIN: 00783117

Deemed cost (gross carrying amount) (refer note c)	Leasehold improvements	Furniture & Fixtures	Office equipment	Computer	Total	CWIP	ROU	Grand Total
Balance as at 1 April 2019	-	-	-	-	-	-	-	-
Additions	52,42,096	6,24,049	48,385	69,137	59,83,667	41,53,634	3,58,47,173	4,59,84,474
Disposals	-	-	-	-	-	(41,53,634)	-	(41,53,634)
Balance as at 31 March 2020	52,42,096	6,24,049	48,385	69,137	59,83,667	-	3,58,47,173	4,18,30,839
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	52,42,096	6,24,049	48,385	69,137	59,83,667	-	3,58,47,173	4,18,30,839
Accumulated depreciation	-	-	-	-	-	-	-	-
Balance as at 1 April 2019	-	-	-	-	-	-	-	-
Depreciation for the year	5,98,198	32,458	5,032	11,195	6,46,883	-	40,90,167	47,37,050
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	5,98,198	32,458	5,032	11,195	6,46,883	-	40,90,167	47,37,050
Balance as at 1 April 2020	5,98,198	32,458	5,032	11,195	6,46,883	-	40,90,167	47,37,050
Depreciation for the year	11,60,180	59,236	9,183	21,873	12,50,472	-	74,70,137	87,20,609
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	17,58,378	91,694	14,215	33,068	18,97,355	-	1,15,60,304	1,34,57,660
Carrying amounts (net)								
At 31 March 2019	-	-	-	-	-	-	-	-
At 31 March 2020	46,43,898	5,91,591	43,353	57,942	53,36,784	-	3,17,57,006	3,70,93,789
At 31 March 2021	34,83,718	5,32,355	34,170	36,068	40,86,312	-	2,42,86,868	2,83,73,180



Pasadena Retail Private Limited
(CIN - U93000CH2009PLC031625)

Notes to the standalone financial statements for the year ended 31 March 2021

	<u>As at 31 March 2021</u>		<u>As at 31 March 2020</u>	
	<u>As at 31 March 2021</u>		<u>As at 31 March 2020</u>	
9 Lease Liability	92,24,068	1,71,44,671	87,43,193	2,29,34,304
10 Trade Payable				
- Total outstanding due to Micro and Small Enterprises	-	-	-	-
- To related parties	73,444	-	-	-
- Others	2,84,68,715	-	3,06,07,092	-
	<u>2,85,42,159</u>	<u>-</u>	<u>3,06,07,092</u>	<u>-</u>
11 Other Financial liabilities				
Other Creditors				
- To related parties	18,11,481	-	15,34,750	-
- Others	1,27,007	-	1,06,614	-
Advance from Customers				
- To related parties	75,00,000	-	-	-
- Others	18,700	-	16,68,100	-
	<u>94,52,188</u>	<u>-</u>	<u>33,09,464</u>	<u>-</u>
12 Other current liabilities				
Statutory dues-TDS Payable	1,53,251	-	1,45,396	-
	<u>1,53,251</u>	<u>-</u>	<u>1,45,396</u>	<u>-</u>



Pasadena Retail Private Limited
(CIN - U93000CH2009PLC031625)

Notes to the standalone financial statements for the year ended 31 March 2021

	For the year ended 31 March 2021	For the year ended 31 March 2020
13 Revenue from Operations		
Sales (net)	6,44,67,983	2,91,67,729
	<u>6,44,67,983</u>	<u>2,91,67,729</u>
Foot Notes :-		
(i) Sale of traded goods (net)		
watches	6,44,67,983	2,91,67,729
	<u>6,44,67,983</u>	<u>2,91,67,729</u>
14 Other Income		
Rent Adjustment	39,63,310	-
Interest income	3,24,605	1,54,083
	<u>42,87,915</u>	<u>1,54,083</u>
15 Purchase of Stock-in-Trade		
Finished Goods for Trading	4,55,52,404	6,99,51,105
	<u>4,55,52,404</u>	<u>6,99,51,105</u>
16 Changes in inventory of Finished Goods		
Opening stock of finished goods for Trading	4,69,93,687	-
Closing stock of finished goods for Trading	4,39,90,420	4,69,93,687
(Increase)/Decrease in Stocks	<u>30,03,267</u>	<u>(4,69,93,687)</u>
17 Financial Costs		
Interest on borrowings	18,75,036	11,94,590
Interest on PV of Lease Liability w/off	34,34,435	22,75,069
Interest on Custom Duty	11,136	-
Interest on Govt Dues	1,971	27,464
Bank Charges	21,920	73,570
	<u>53,44,497</u>	<u>35,70,693</u>
18 Other Expenses		
Pre-Operative expenses	-	21,954
Preliminary Expenses	-	2,45,841
Total (A)	<u>-</u>	<u>2,67,795</u>
Mall Maintenance Charges	3,60,562	3,10,417
Power Expenses	1,36,454	1,68,708
Insurance	1,03,893	39,013
Business Support service	26,49,242	13,64,716
Rates & Taxes	27,451	90,000
Exchange Flutuation loss	(60,587)	21,57,031
Market Promotion expenses	1,07,731	47,175
Legal & Professional Fees	25,500	550
Auditors remuneration:		
- Audit Fee	80,000	25,000
- For Certification Work	-	15,000
Printing and stationery	25,150	3,626
Software Expenses	-	13,500
Telephone Expenses	24,850	16,737
Travelling Expenses	-	13,644
Office Maintenance Expenses	35,770	500
Postal Expenses	1,50,856	230
Staff Welfare Expenses	21,182	19,903
Uniform Expenses	31,703	28,530
Conveyance Expenses	20,550	9,467
Credit Card collection Charges	3,74,658	1,14,541
Customer Entertainment Expenses	-	18,045
Miscellaneous Expenses	14,484	18,000
Round off expenses	(66)	6
Total (B)	<u>41,29,384</u>	<u>44,74,339</u>
Grand Total	<u>41,29,384</u>	<u>47,42,134</u>



Pasadena Retail Private Limited

(CIN - U93000CH2009PLC031625)

Notes to the standalone financial statements for the year ended 31 March 2021

19 Corporate Information

The Company has been incorporated on 11th January, 2019 with an objective of trading in Watches, Watch accessories, components and fashion & household items.

Regd Office: 713, Pearls Omaxe Building, Tower-2, Netaji Subhash Place, Wazirpur, North West Delhi
PIN-110034

CIN No. U52520DL2019PTC344249

20 Additional Information

- i. The Company has capitalised future lease liability of showroom taken on rent. The same shall be amortised over the period of Lease
- ii. Interest on Security deposit with Lessor has also been capitalised and shall be adjusted over the period of Lease
- iii. The Company has recognised Deferred Tax asset on expenses booked/capitalised as ROU, and interest on Security deposit etc along with Tax asset on timing difference of depreciation.
- iv. Contingent liabilities and commitments (to the extent not provided for)
Contingent liabilities:
 - a) The Company has not employed any person, as such no provision has been made for leave encashment accrued/ to be accrued in the books of accounts.
 - a) The Company has not employed any person, as such no provision has been made for Gratuity accrued/to be accrued in the books of accounts.
- v. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business. The provision of all known liabilities is adequate and not in excess of the amount considered reasonable.
- vi. Outstanding amount payable to MSME suppliers as on closing date, which is paid after 45 days from the date when they became due is - Nil.
- vii. Debit and credit balances in the accounts of the parties are subject to confirmation and reconciliation.
- viii. Previous year's figures have been regrouped/reclassified, wherever necessary, to correspond with the current year's classification/ disclosure.

Auditors' Report

For Singhal Karun & Co.

Chartered Accountants

Firm Regn No.-4496N

A. K Goyal

Proprietor

M/ship No. : 080255

UDIN 21080255AAAABH4959

Place Chandigarh

Date 8th June, 2021



For and on behalf of the Board of Directors of
Pasadena Retail Private Limited

Y. Saboo

Director

DIN: 00012158

Place : Chandigarh

Date : 7th June, 2021

Ashok Goel

Director

DIN: 00783117

Pasadena Retail Private Limited

(CIN - U93000CH2009PLC031625)

Notes to the standalone financial statements for the year ended 31 March 2021

21a. **Related parties and nature of related party relationship, where control exists:**

Description of Relationship	Name of the Party
Holding / Ultimate Holding Company	Nil

21b. **Other related parties with whom transactions have taken place:**

Description of Relationship	Name of the Party
Partner/Associate Companies	i Ethos Limited
	ii Luxury Time Private Limited
Entities over which significant influence is exercised by the relatives of Key Management Personnel	i Beanstalk Brand Consultancy
	ii Dream Digital Technology Private Limited
	iii Saboo Ventures LLP
Directors	i Mr. Yashovardhan Saboo
	ii Mr. Ashok Goel

21c. **Transactions with related parties**

Nature of transactions	As at 31 March 2021	As at 31 March 2020
Interest Expense		
Dream Digital Technology Private Limited	2,11,474	5,72,951
Mr. Yashovardhan Saboo	60,000	33,115
Beanstalk Brand Consultancy	6,00,000	3,81,967
Mr. Ashok Goel	3,60,000	2,06,557
Ethos Limited	6,43,562	-
Purchases of Goods		
Luxury Time Private Limited	1,84,015	2,41,503
Business Support Services Paid		
Ethos Limited	26,49,242	13,64,716
Loan Received		
Dream Digital Technology Private Limited	-	75,00,000
Mr. Yashovardhan Saboo	-	5,00,000
Beanstalk Brand Consultancy	-	50,00,000
Mr. Ashok Goel	-	30,00,000
Loan Repaid		
Dream Digital Technology Private Limited	75,00,000	-
Advance Received		
Ethos Limited	75,00,000	-
Saboo Ventures LLP	75,00,000	-
Advance Paid		
Ethos Limited	75,00,000	-
Loan Outstanding		
Dream Digital Technology Private Limited	-	75,00,000
Mr. Yashovardhan Saboo	5,00,000	5,00,000
Beanstalk Brand Consultancy	50,00,000	50,00,000
Mr. Ashok Goel	30,00,000	30,00,000
Amount Payable (including Interest wherever applicable)		
Dream Digital Technology Private Limited	-	80,15,656
Mr. Yashovardhan Saboo	5,27,674	5,29,803
Beanstalk Consultancy	52,76,740	53,43,768
Mr. Ashok Goel	31,66,044	31,85,901
Ethos Limited	18,11,481	15,34,750
Luxury Time Private Limited	73,444	-



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

22-I Financial instruments - fair values and risk management

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2021		As at 31 March 2020		
			FVTPL	Amortised cost	FVTPL	Amortised cost	FVOCI
Financial assets							
Non-current							
Investments		3	-	-	-	-	-
Loans		3	-	-	-	-	-
-Security deposit			-	30,52,945	-	27,28,340	-
-Loan to employees			-	-	-	-	-
-Loan to related party			-	-	-	-	-
Other financial assets		3	-	-	-	-	-
-Deposits with original maturity of m	(iii)		-	-	-	-	-
Current							
Trade receivables	(a)	3	-	-	-	-	-
Cash and cash equivalents	(a)	3	-	64,09,909	-	4,20,403	-
Total			-	94,62,854	-	31,48,743	-
Financial liabilities							
Non-current							
Borrowings	(b)	3	-	-	-	-	-
Current							
Borrowings	(a)	3	-	89,70,458	-	1,70,75,128	-
Trade payables	(a)	3	-	2,85,42,159	-	3,06,07,092	-
Other financial & Stat. liabilities	(a)	3	-	96,05,439	-	34,54,860	-
Total			-	4,71,18,057	-	5,11,37,080	-

Note:

- (a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying
(b) The fair value of borrowings is based upon a discounted cash flow analysis that used the aggregate cash flows from principal and finance costs over the life of the debt and current market interest rates.

There are no transfers between Level 1, Level 2 and Level 3 during the year ended 31 March 2021 and 31 March 2020.



II. Financial risk management

(i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to effect changes in market conditions and Company's activities.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk (see (ii));
- Liquidity risk (see (iii));and
- Market risk (see (iv))

(ii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The carrying amount of financial assets represents the maximum credit risk exposure and arises principally from the Company's receivable from customers and loans.

Trade receivables

The Company's retail business is pre-dominantly on cash and carry basis which is largely through credit-card collections. The credit risk on such collections is minimal, since they are primarily owned by customers' card issuing banks. The Company has adopted a policy of dealing with only credit worthy counterparties in case of institutional customers and the credit risk exposure for institutional customers is managed by the Company by credit worthiness checks.

The Company's experience of delinquencies and customer disputes have been minimal. Further, Trade and other receivables consist of a large number of customers, across geographies within India, hence, the Company is not exposed to concentration risks.

Cash and cash equivalents

The Company holds cash and cash equivalents of Rs. 6,409,909 at 31 March 2021 (31 March 2020: Rs. 420,403). The cash and cash equivalents are held with scheduled banks.

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets. The Company's approach to manage liquidity is to have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed circumstances, without incurring unacceptable losses or risking damage to the Company's reputation.

Management manages the liquidity risk by monitoring cash flow forecasts on a periodic basis and maturity profiles of financial assets and liabilities. This monitoring takes into account the accessibility of cash and cash equivalents.



23 Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

31 March 2021

	Carrying amount	Total	Contractual cash flow		
			Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
-Borrowings(including current maturities & inc. Interest accrued)	89,70,458	89,70,458	89,70,458	-	-
-Trade payables	2,85,42,159	2,85,42,159	2,85,42,159	-	-
-Other Creditors	19,33,488	19,33,488	19,33,488		
-Statutory Dues	1,53,251	1,53,251	1,53,251		
-Advance From customer	75,18,700	75,18,700	75,18,700		
-Lease Liability	2,63,68,739	2,63,68,739	92,24,068	1,71,44,671	-
	7,34,86,796	7,34,86,796	5,63,42,125	1,71,44,671	-

31 March 2020

	Carrying amount	Total	Contractual cash flow		
			Less than 1 year	1-5 years	More than 5 years
Non derivative financial liabilities					
-Borrowings(including current maturities)	1,70,75,128	1,70,75,128		1,70,75,128	
-Trade payables	3,06,07,092	3,06,07,092	3,06,07,092		
-Other Creditors	16,41,364	16,41,364	16,41,364		
-Advance From customer	16,68,100	16,68,100	16,68,100		
-Lease Liability	3,16,77,496	3,16,77,496	87,43,193	2,29,34,304	
	8,26,69,180	8,26,69,180	4,26,59,749	4,00,09,432	-

24 Market Risk

a. Product price risk

In a potentially inflationary economy, the Company expects periodical price increases across its retail product lines. Product price increases which are not in line with the levels of customers' discretionary spends, may affect the business/retail sales volumes. Since the Company operates in luxury category, the demand is reasonably inelastic to changes in price. However, the Company continually monitor and compares prices of its products in other developed markets as its customers tend to compare prices across markets. In the event that prices deviate significantly unfavorably from the markets, the Company negotiates with its principals for change of prices. The Company also manages the risk by offering judicious product discounts to retail customers to sustain volumes. The Company negotiates with its vendors for purchase price rebates such that the rebates substantially absorb the product discounts offered to the retail customers. This helps the Company protect itself from significant product margin losses.



Pasadena Retail Private Limited
Notes to the financial statements for the year ended 31 March 2021

24 b) Currency risk
 There is no financial liability designated in foreign currency.

Capital Management

(i) *Risk management*

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital. The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total borrowings net of cash and cash equivalents and other bank balances. Equity comprises all components of equity (as shown in the Balance Sheet).

The Company's adjusted net debt to equity ratio was as follows.

	<u>31 March 2021</u>	<u>31 March 2020</u>
Total liabilities	7,34,86,796	8,28,14,576
Less: cash and cash equivalents	<u>(64,09,909)</u>	<u>(4,20,403)</u>
Adjusted net debt	6,70,76,887	8,23,94,174
Total equity	<u>1,60,13,949</u>	<u>1,33,14,516</u>
Adjusted net debt to equity ratio	4.19	6.19

Auditors' Report
 For Singhal Karun & Co.
 Chartered Accountants
 Firm Regn No.-4496N
 A. K Goyal
 Proprietor

Signatures to notes 1-24

For and on behalf of the Board of Directors of
Pasadena Retail Private Limited

Director
 DIN: 00012158
 Place: Chandigarh
 Date: 7th June, 2021

Director
 DIN: 00783117

M/ship No. : 080255
 UDIN:
 Place: Chandigarh
 Date: 8th June, 2021

UDIN 21080255AAAABH4959



Pasadena Retail Private Limited

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

i. Reporting entity

Pasadena Retail Private Limited ('PRPL' or 'the Company'), an associate of Ethos Limited, is a limited liability private company and was incorporated on 11th January, 2019. The Company's business consists of trading of watches, accessories and luxury items.

ii. Significant accounting policies

a) Basis of preparation

i) Statement of compliance

These Ind AS financial statements ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (India Accounting Standards) Amendment Rules, 2016 notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's financial statements upto and for the year ended 31 March 2019 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Though the Ind AS are not applicable to the Company but since it has become an associate of Ethos Limited we have applied Ind AS.

As these are Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time adoption of Indian Accounting Standards has been applied. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

The financial statements were authorized for issue by the Company's Board of Directors on 7th June, 2021.

ii) Functional and presentation currency

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

iii) Basis of measurement

The financial statements have been prepared on the historical cost basis unless stated otherwise at concerned place.

iv) Use of estimates and judgments

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

v) Measurement of fair values

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to measurement of fair values. This includes the top management division which is responsible for overseeing all significant fair value measurements, including Level 3 fair values. The top management division regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the top management division assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirement of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair



value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the changes have occurred.

Further information about the assumptions made in measuring fair values used in preparing these financial statements is included in the respective notes

b) Inventories

Inventories which comprises traded goods which are valued at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost method, and includes expenditure incurring in acquiring the inventories, and other costs incurred in bringing them to their present location and condition.

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

c) Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future losses are not provided for.

d) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are recognized when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

A contingent asset is disclosed where an inflow of economic benefits is probable.

e) Revenue

The Company has initially applied Ind AS 115 from 1 April 2019.

Revenue recognition under Ind AS 115 (applicable from 1 April 2018)

Under Ind AS 115, the company recognized revenue when (or as) a performance obligation was satisfied, i.e. when 'control' of the goods underlying the particular performance obligation were transferred to the customer.

Use of significant judgements in revenue recognition

- a) The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- b) Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as discounts. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is



reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

- c) The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract.

Sale of services

The Company offers services in fixed term contracts and short term arrangement. Revenue from service is recognized when obligation is performed or services are rendered.

f) Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to :

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

g) Borrowing Costs

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as a part of cost of the asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

h) Income taxes

Income tax comprises current and deferred tax. It is recognised instatement of profit or loss except to the extent that it relates to a business combination or an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Ddeferred tax whether recognised or not, are reviewed at each reporting date.



Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authorities.

i) Leases

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease based on the substance of the lease arrangement.

Finance leases

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. A finance lease is recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payment made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payment are structure to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

j) Financial instruments

i. Recognition and initial measurement

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost;
- fair value through other comprehensive income (FVOCI) – debt investment;
- fair value through other comprehensive income (FVOCI) – equity investment;
- fair value through profit and loss (FVTPL)

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and



Pasadena Retail Private Limited

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

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
 - A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
 - the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On the recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on de-recognition is recognised in statement of profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Other net gains and losses are recognised in OCI. On de- recognition, gains and losses accumulated in OCI are reclassified to statement of profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to statement of profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL, if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on de-recognition is also recognised in profit or loss.

iii. De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all



or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

v. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives will be carried as financial assets when the fair value is positive and as financial liability when the fair value is negative

k) Impairment

i. Impairment of financial asset

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that the financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- the breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial re-organisation; or
- the disappearance of active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis,



based on the Company's historical experience and informed credit assessment and including forward looking information.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flow due to the Company in accordance with the contract and the cash flow that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowance for financial assets measured at the amortised cost is deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtors do not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedure for recovery of amounts due.

ii) Impairment of non-financial assets

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine if there is indication of any impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generate cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and fair value less cost to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in statement of profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

l) Foreign currency transactions

Initial recognition

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

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences on restatement/settlement of all monetary items are recognised in profit or loss.

m) Operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed



regularly by the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

n) Cash and cash equivalents

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

o) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

p) Earnings per share

Basic earnings/ (loss) per share are calculated by dividing the net profit/ (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings/ (loss) per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date

q) Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company shall comply:

Ind AS 116 – Leases

The Company is required to adopt Ind AS 116. Leases Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment.

Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of offices, factory facilities, Plant and equipment and Computers. The Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

In addition, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

No significant impact is expected for the Company's finance leases.

Leases in which the Company is a lessor

The Company will assess the classification of sub-leases in which the Company will be a Lessor. Based on the information currently available, the Company has not yet entered any financial lease agreement as Lessor.



Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The Company will follow the applicable provisions of Income Tax Act in respect of each accounting/reporting period. This amendment however has no effect on the accounting results of the year under review.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

