Pasadena Retail Private Limited
(CIN - U52520DL2019PTC344249)
Balance Sheet as at 31 March 2022

(Amount in Rupees)

Particulars	Note	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	28,83,795	40,86,312
Capital work-in-progress		-	-
Right-of-use assets	3	1,69,90,528	2,42,86,868
Other intangible assets		-	-
Intangible assets under development		-	-
Financial assets			
- Loans		-	-
- Other financial assets		-	-
Deferred tax assets (net)	4	9,82,530	6,93,697
Other non-current assets	5	34,14,292	30,52,945
Total non-current assets		**2,42,71,145**	**3,21,19,821**
Current assets			
Inventories	6	4,77,15,847	4,39,90,420
Financial assets			
- Trade receivables		-	-
- Cash and cash equivalents	7	38,97,873	64,09,909
- Loans		-	-
- Other financial assets		-	-
Other current assets	5	64,25,487	69,80,594
Total current assets		5,80,39,207	5,73,80,923
Total Assets		**8,23,10,352**	**8,95,00,745**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	1	3,50,00,000	2,00,00,000
Other equity	2	(35,06,454)	(39,86,051)
Total equity		**3,14,93,546**	**1,60,13,949**
Liabilities			
Non-current liabilities		**-**	**-**
Financial liabilities			
- Borrowings		-	-
- Lease liabilities	10	1,01,37,851	1,71,44,671
Provisions		-	-
Total non-current liabilities		**1,01,37,851**	**1,71,44,671**
Current liabilities			
Financial liabilities			
- Borrowings	9	30,00,000	89,70,458
- Lease liabilities	10	1,00,25,114	92,24,068
-Trade payables			
-total outstanding dues of micro and small enterprises			
-total outstanding dues of creditors other than micro enterprises and small enterprises	11	2,31,44,510	2,85,42,159
- Other financial liabilities	12	39,75,396	94,52,188
Other current liabilities	13	83,806	1,53,251
Provisions		-	-
Current tax liabilities (net)		4,50,130	-
Total current liabilities		**4,06,78,955**	**5,63,42,125**
Total liabilities		**5,08,16,806**	**7,34,86,796**
Total Equity and Liabilities		**8,23,10,352**	**8,95,00,744**

Notes to accounts and Significant Acounting Policies-1-29

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

ANIL KUMAR GOYAL Digitally signed by ANIL KUMAR GOYAL Date: 2022.05.27 16:30:09 +05'30'

A. K Goyal
Proprietor
M/ship No. : 080255
UDIN:
Place: Chandigarh
Date: 27-05-2022

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

YASHOVARDHAN SABOO Digitally signed by YASHOVARDHAN SABOO Date: 2022.05.27 13:15:50 +05'30'

Yashovardhan Saboo
Director
DIN: 00012158
Place: Chandigarh
Date: 27-05-2022

ASHOK K GOEL Digitally signed by ASHOK GOEL Date: 2022.05.27 13:34:18 +05'30'

Ashok Goel
Director
DIN: 00783117

Pasadena Retail Private Limited

(CIN - U52520DL2019PTC344249)

Statement of profit and loss for the year ended 31 March 2022			
			(Amount in Rupees)
Particulars	**Note**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Revenue from operations	14	8,58,26,810	6,44,67,983
Other income	15	25,42,626	42,87,915
Total Income		**8,83,69,436**	**6,87,55,898**
Expenses			
Purchase of stock-in-trade	16	6,92,63,160	4,55,52,404
Changes in inventory of stock-in-trade	17	(37,25,427)	30,03,267
Employee benefits expense			
Finance costs	18	42,20,313	53,44,497
Depreciation and amortization expense	3	88,66,959	87,20,609
Other expenses	19	91,03,533	41,29,384
Total expenses		**8,77,28,538**	**6,67,50,162**
Profit/(Loss) before exceptional items and tax (I-II)		6,40,898	20,05,736
Profit/(Loss) before income tax		**6,40,898**	**20,05,736**
Income tax expense			
- Current tax		4,50,130	-
- Deferred tax	4	(2,88,829)	(6,93,697)
Total income tax expense		1,61,301	(6,93,697)
Profit/(Loss) for the year		**4,79,597**	**26,99,433**
Other comprehensive income/(expense)			
Total comprehensive income/(Loss) for the year		**4,79,597**	**26,99,433**
Earnings per equity share			
Basic (Rs.)		**0.14**	**1.35**
Diluted (Rs.)		**0.14**	**1.35**

Notes to accounts and Significant Acounting Policies-1-29

Auditors' Report

For Singhal Karun & Co.
Chartered Accountants
Firm Regn No.-4496N

ANIL KUMAR GOYAL
Digitally signed by ANIL KUMAR GOYAL
Date: 2022.05.27 16:30:30 +05'30'

A. K Goyal
Proprietor
M/ship No. : 080255
UDIN:
Place: Chandigarh
Date 27-05-2022

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

YASHOVARDHAN SABOO
Digitally signed by YASHOVARDHAN SABOO
Date: 2022.05.27 13:16:27 +05'30'

Yashovardhan Saboo
Managing Director
DIN: 00012158
Place: Chandigarh
Date 27-05-2022

ASHOK GOEL
Digitally signed by ASHOK GOEL
Date: 2022.05.27 13:35:03 +05'30'

Ashok Goel
Director
DIN: 00783117

Pasadena Retail Private Limited
(CIN - U93000CH2009PLC031625)
Cash flow statement for the year ended 31 March 2022

(Amount in Rupees)

Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
A. Cash flow from operating activities:		
Net profit before tax from continuing operations	6,40,898	20,05,736
Adjustments for:		
Depreciation	88,66,959	87,20,609
Interest expense	42,20,313	53,44,497
Interest income	25,42,626	(42,87,915)
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	(37,25,427)	30,03,267
(Increase) / decrease in Other Current Assets	5,55,107	19,12,280
Increase / (decrease) in trade payables	(53,97,649)	(20,64,933)
Increase / (decrease) in other current liabilities	(55,46,237)	61,50,579
Short term provisions		
Cash flow from operating activities before taxes	**21,56,588**	**2,07,84,121**
Direct taxes paid / (refunds) (net)	-	
Net cash flow from operating activities	**21,56,588**	**2,07,84,121**
B. Cash flow from investing activities:		
Purchase of fixed assets	(3,68,103)	-
Interest received	(25,42,626)	
(Increase) / decrease in otherNon Current Assets (Security Deposits)	(3,61,347)	-
Interest received	-	-
Net cash used in investing activities	**(32,72,076)**	**-**
C. Cash flow from financing activities:		
Proceeds from issue of capital	1,50,00,000	-
Increase / (Decrease) in Financing Activities		
Proceeds of long term borrowings (net of repayment)	(59,70,462)	(75,00,000)
Increase/(decrease) in Lease Liability	(62,05,775)	
Lease Rent paid		(13,45,448)
Interest paid	(42,20,313)	(59,49,167)
Net cash used in financing activities	**(13,96,550)**	**(1,47,94,615)**
Net increase/(decrease) in cash and cash equivalents	**(25,12,037)**	**59,89,506**
Opening cash and cash equivalents	64,09,909	4,20,403
Closing cash and cash equivalents	**38,97,873**	**64,09,909**

Notes:

1 Cash and cash equivalents include:

Balance with banks	**38,97,873**	**64,09,909**

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"

3 Refer note no. 29 for significant accounting policies.

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

ANIL KUMAR GOYAL Digitally signed by ANIL KUMAR GOYAL Date: 2022.05.27 16:30:48 +05'30'

A. K Goyal
Proprietor
M/ship No. : 080255

Place: Chandigarh
Date 27-05-2022

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

YASHOVARDHAN SABOO Digitally signed by YASHOVARDHAN SABOO Date: 2022.05.27 13:16:42 +05'30'

Yashovardhan Saboo
Managing Director
DIN: 00012158
Place: Chandigarh
Date 27-05-2022

ASHOK GOEL Digitally signed by ASHOK GOEL Date: 2022.05.27 13:35:39 +05'30'

Ashok Goel
Director
DIN: 00783117

Pasadena Retail Private Limited

(CIN - U52520DL2019PTC344249)

Statement of changes in Equity for the period ended 31 March 2022

(Amount in Rupees)

1. Equity share capital

	Nos.	Amount (Rs.)
Balance as at 1st April, 2019	**10,00,000**	**1,00,00,000**
Changes in equity share capital during 2019-20	10,00,000	1,00,00,000
Balance as at 31st March 2020	**20,00,000**	**2,00,00,000**
Changes in equity share capital during 2020-21	-	-
Balance as at 31st March 2021	**20,00,000**	**2,00,00,000**
Further issue of share capital during the period	15,00,000	1,50,00,000
Balance as at 31 March 2022	**35,00,000**	**3,50,00,000**

2. Other Equity

Particulars	**Retained earnings**	**Securties 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)**
-Profit/(Loss) for the Period ended 31.12.2021		-	-
As at 31st Dec 2021	**(39,86,051)**	-	**(39,86,051)**
Profit fot the Year	**4,79,597**		**4,79,597**
As at 31st March 2022	**(35,06,454)**		**(35,06,454)**

Auditors' Report

For Singhal Karun & Co.

Chartered Accountants

Firm Regn No.-4496N

ANIL KUMAR GOYAL Digitally signed by ANIL KUMAR GOYAL Date: 2022.05.27 16:31:03 +05'30'

A. K Goyal

Proprietor

M/ship No. : 080255

Place: Chandigarh

Date: 27-05-2022

For and on behalf of the Board of Directors of

Pasadena Retail Private Limited

YASHOVARDHAN SABOO Digitally signed by YASHOVARDHAN SABOO Date: 2022.05.27 13:16:57 +05'30'

Yashovardhan Saboo

Director

DIN: 00012158

ASHOK GOEL Digitally signed by ASHOK GOEL Date: 2022.05.27 13:36:15 +05'30'

Ashok Goel

Director

DIN: 00783117

Place: Chandigarh

Date: 27-05-2022

Pasadena Retail Private Limited
(CIN - U93000CH2009PLC031625)
Notes to the standalone financial statements for the period ended 31 March 2022

3. Property, Plant & Equipment

(Amount in Rupees)

Deemed Cost (Gross Carrying amount) (refer note c)	Leasehold improvements	Furniture & Fixtures	Office equipment	Computer	Total	CWIP	ROU	Grand Total
Gross Cost								
Balance as at 1 April 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**
Additions			**46,525**	**22,700**	**69,225**		**2,98,877**	**3,68,102**
Disposals								
Blance as on 31 March 2022	**52,42,096**	**6,24,049**	**94,910**	**91,837**	**60,52,892**	**-**	**3,61,46,050**	**4,21,98,941**
Depreciation								
Balance as at 1 April 2019	-	-			-	-	-	-
Depreciation for the year-2019-20	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 -2020-21	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**	**1,34,57,659**
Balance as at 1 April 2021	**17,58,378**	91,694	14,215	33,068	**18,97,355**	-	1,15,60,304	1,34,57,659
Depreciation for the year	**11,60,180**	**59,236**	**27,244**	**25,080**	**12,71,741**		**75,95,218**	**88,66,959**
Disposals	-	-	-	-				
Balance as at 31 March 2022	**29,18,558**	**1,50,930**	**41,459**	**58,148**	**31,69,096**	**-**	**1,91,55,522**	**2,23,24,618**
Carrying amounts (WDV net)								
At 31 March 2020	46,43,898	5,91,591	43,353	57,942	53,36,784	-	3,17,57,005	3,70,93,789
At 31 March 2021	**34,83,718**	**5,32,355**	**34,170**	**36,069**	**40,86,312**	**-**	**2,42,86,868**	**2,83,73,180**
At 31 March 2022	**23,23,538**	**4,73,119**	**53,451**	**33,688**	**28,83,796**	**-**	**1,69,90,528**	**1,98,74,323**

Pasadena Retail Private Limited
(CIN - U93000CH2009PLC031625)
Notes to the standalone financial statements for the period ended 31 March 2022

(Amount in Rupees)

		As at 31 March 2022	As at 31 March 2021
4	**Deferred Tax Asset/(Liability)**		
	Tax effect of items constituting deferred tax liability:		
	On difference between book balance and tax balance of fixed assets	15,58,325	7,99,955
	Unabsorbed depreciation carried forward	-	2,86,432
	On items included/Capitalised pending amortisation into the Statement of Profit and Loss-Viz ROU, Lease Liability, Interest on Security deposit etc	22,38,419	15,09,202
	Preliminary expenses W/off in Books but to be allowed in future years	1,07,118	1,60,677
	Total Deferred tax assets	39,03,863	27,56,267
	Tax effect of items constituting deferred tax assets	9,82,524	6,93,697
	Net deferred tax asset	9,82,524	6,93,697

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax. The Company has recognised deferred tax asset based on the Management's estimates of future profits.

		As at 31 March 2022		As at 31 March 2021	
5	**Advances**	Current	Non-current	Current	Non-current
	(unsecured, considered good unless otherwise stated)				
	Security deposit	-	34,14,292	-	30,52,945
	GST Recoverable	64,17,967	-	68,98,500	-
	Impress Balance	7,520	-	-	-
	Advance to Vendor		-	-	-
	Sundry Debtors	-	-	-	-
	Prepaid Expenses	-	-	82,094	-
		64,25,487	34,14,292	69,80,594	30,52,945

		As at 31 March 2022	As at 31 March 2021
6	**Inventories**		
	(As Taken, valued and certified by Management)		
	Finished Goods for Trading	4,77,15,847	4,39,90,420
		4,77,15,847	4,39,90,420

		As at 31 March 2022	As at 31 March 2021
7	**Cash and Cash Equivalents**		
	Balances with banks in current accounts	38,97,873	64,09,909
		38,97,873	64,09,909

		As at 31 March 2022	As at 31 March 2021
8	**Equity share capital**		
	Authorised		
	40,00,000 equity shares of Rs. 10 each)	4,00,00,000	2,00,00,000
	(Previous Year-20,00,000 equity shares of Rs. 10 each)		
	Issued, Subscribed and Paid up share capital		
	35,00,000 equity shares of Rs. 10 each	3,50,00,000	2,00,00,000
	(Previous Year-20,00,000 equity shares of Rs. 10 each)		

(i) Provide detail of the rights, preferences and restrictions attaching to each class of Shares
All holders of Equity Shares enjoys equal rights in every respect.

		As at 31 March 2022		As at 31 March 2021	
(ii)	**The shareholding of the Company is held as follows:-**				
	Name of the shareholder	No of equity shares held	%age holding	No of equity shares held	%age holding
(i)	Ethos Limited	17,50,000	50%	10,00,000	50%
(ii)	Luxury Time Private Limited	17,50,000	50%	10,00,000	50%
	Total	35,00,000	100%	20,00,000	100%

		As at 31 March 2022	As at 31 March 2021
9	**Borrowings**		
	Beanstalk Brand Consultancy*	-	50,00,000
	Mr. Yashovardhan Saboo*	-	5,00,000
	Mr.Ashok Goel*	30,00,000	30,00,000
	Interest Accrued &Due	-	4,70,458
		30,00,000	89,70,458

* Unsecured loans carry an interest rate of 12% per annum and is repayable on demand but within next 12 months.

10 **Lease Liability**

	As at 31 March 2022		As at 31 March 2021	
	1,00,25,114	1,01,37,851	92,24,068	1,71,44,671

11 **Trade Payable**

	As at 31 March 2022	As at 31 March 2021
-Total outstanding due to Micro and Small Enterprises	-	-
-To related parties	3,95,628	73,444
-Others	2,27,48,881	2,84,68,715
	2,31,44,510	2,85,42,159

	Outstanding for following periods from due date of payment				
As at 31 March 2022	**< 1 years**	**1 year to 2 years**	**2 year to 3 years**	**> 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	Nil	Nil	Nil	Nil	Nil
Total outstanding dues of creditors other than micro enterprises and small	2,31,44,510	Nil	Nil	Nil	2,31,44,510
Total	2,31,44,510	Nil	Nil	Nil	2,31,44,510

12 **Other Financial liabilities**

	As at 31 March 2022	As at 31 March 2021
Other Creditors		
-To related parties	-	18,11,481
-Others	3,29,565	1,22,007
Advance from Customers		
-To related parties	-	75,00,000
-Others	36,45,831	18,700
	39,75,396	94,52,188

13 **Other current liabilities**

	As at 31 March 2022	As at 31 March 2021
Statutory dues-TDS Payable	83,806	1,53,251
	83,806	1,53,251

Pasadena Retail Private Limited
(CIN - U93000CH2009PLC031625)
Notes to the standalone financial statements for the period ended 31 March 2022

(Amount in Rupees)

		For the year ended 31 March 2022	For the year ended 31 March 2021
14	Revenue from Operations		
	Sales (net)	8,58,26,810	6,44,67,983
		8,58,26,810	6,44,67,983
	Foot Notes :-		
	(i) Sale of traded goods (net)		
	watches	8,58,26,810	6,44,67,983
		8,58,26,810	6,44,67,983
15	Other Income		
	Rent Adjustment	21,81,279	39,63,310
	Interest income	3,61,347	3,24,605
		25,42,626	42,87,915
16	Purchase of Stock-in-Trade		
	Finished Goods for Trading	6,92,63,160	4,55,52,404
		6,92,63,160	4,55,52,404
17	Changes in inventory of Finished Goods		
	Opening stock of finished goods for Trading	4,39,90,420	4,69,93,687
	Closing stock of finished goods for Trading	4,77,15,847	4,39,90,420
	(Increase)/Decrease in Stocks	(37,25,427)	30,03,267
18	Financial Costs		
	Interest on borrowings	12,20,219	18,75,036
	Interest on PV of Lease Liability w/off	28,39,328	34,34,435
	Interest on Custom Duty	15,900	11,136
	Interest on Govt Dues	-	1,971
	Bank Charges	1,44,866	21,920
		42,20,313	53,44,497
19	Other Expenses		
	Mall Maintenance Charges	8,27,268	3,60,562
	Power Expenses	2,98,811	1,36,454
	Insurance	1,73,507	1,03,893
	Business Support service	36,32,570	26,49,242
	Rates & Taxes	1,83,673	27,451
	Exchange Fluctuation loss	21,67,498	(60,587)
	Market Promotion expenses	7,31,718	1,07,731
	Legal & Professional Fees	62,000	25,500
	Auditors remuneration:		
	- Audit Fee	1,17,500	80,000
	- For Certification Work	12,500	-
	- Tax Audit	20,000	
	Printing and stationery	17,069	25,150
	Telephone Expenses	41,341	24,850
	Office Maintenance Expenses	50,365	35,770
	Postal Expenses	1,12,902	1,50,856
	Staff Welfare Expenses	2,000	21,182
	Uniform Expenses	28,920	31,703
	Conveyance Expenses	39,789	20,550
	Credit Card collection Charges	5,55,840	3,74,658
	Miscellaneous Expenses	28,314	14,484
	Round off expenses	(51)	(66)
	Total	91,03,534	41,29,384

20 Corporate Information

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

Regd Office: 713, Pearls Omaxe Building, Tower-2, Netaji Subhash Place, Wazirpur, North West Delhi
PIN-110034
CIN No. U52520DL2019PTC344249

21 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. Provision of Income Tax is estimated, final provision will be made in Profit & Loss account of full year.

ix. Previous year's figures have been regrouped/reclassified, wherever necessary, to correspond with the current year's classification/ disclosure.

22a. **Related parties and nature of related party relationship, where control exists:**

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

22b. **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

22c. **Transactions with related parties**

(Amount in Rupees)

Nature of transactions		**As at 31 March 2022**	**As at 31 March 2021**
Interest Expense			
Dream Digital Technology Private Limited		-	2,11,474
Mr. Yashovardhan Saboo		37,644	60,000
Beanstalk Brand Consultancy		3,74,794	6,00,000
Mr. Ashok Goel		3,23,114	3,60,000
Ethos Limited		1,52,876	6,43,562
Saboo Ventures LLP		2,95,890	-
Purchases of Goods			
Luxury Time Private Limited		7,21,693	1,84,015
Business Support Services Paid			
Ethos Limited		30,18,836	26,49,242
Luxury Time SARL		6,13,734	
Loan Repaid			
Dream Digital Technology Private Limited		-	75,00,000
Mr. Yashovardhan Saboo		5,00,000	-
Beanstalk Brand Consultancy		50,00,000	-
			-
Advance Received			-
Ethos Limited		75,00,000	75,00,000
Saboo Ventures LLP		-	75,00,000
Advance Paid			
Ethos Limited		75,00,000	**75,00,000**
Saboo Ventures LLP		75,00,000	
Loan Outstanding			
Dream Digital Technology Private Limited		-	-
Mr. Yashovardhan Saboo		-	5,00,000
Beanstalk Brand Consultancy		-	50,00,000
Mr. Ashok Goel		30,00,000	30,00,000
Amount Payable (including Interest wherever applicable)			
Dream Digital Technology Private Limited		-	-
Mr. Yashovardhan Saboo		-	5,27,674
Beanstalk Consultancy		-	52,76,740
Mr. Ashok Goel		30,00,000	31,66,044
Ethos Limited		3,95,628	18,11,481
Luxury Time Private Limited		14,961	73,444

23-I Financial instruments - fair values and risk management

(Amount in Rupees)

Financial instruments by category and fair values	Note	Level of hierarchy	As at 31 March 2022		As at 31 March 2021		
			FVTPL	Amortised cost	FVTPL	Amortised cost	FVOCI
Financial assets							
Non-current							
Investments		3	-	-	-	-	-
-Security deposit				34,14,292		30,52,945	
Current							
Trade receivables	(a)	3	-	-	-	-	-
Cash and cash equivalents	(a)	3	-	38,97,873	-	64,09,909	-
Total			**-**	**73,12,165**	**-**	**94,62,854**	**-**
Financial liabilities							
Non-current							
Borrowings	(b)	3	-	-	-	-	-
Current							
Borrowings	(a)	3	-	30,00,000	-	89,70,458	-
Trade payables	(a)	3	-	2,31,44,510	-	2,85,42,159	-
Other financial & Statutory liabilities	(a)	3	-	40,59,202	-	96,05,439	-
Total			**-**	**3,02,03,712**	**-**	**4,71,18,057**	

Note:

(a) Fair valuation of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount

(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 2022 and 31 March 2021.

23-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. 41,84,436 at 31 March 2022 (31 March 2021: Rs. 6,409,909). 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.

(Amount in Rupees)

24 *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 2022			**Contractual cash flow**		
	Carrying amount	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Non derivative financial liabilities					
-Borrowings(including current maturities & inc. Interest accrued)	30,00,000	30,00,000	30,00,000	-	-
-Trade payables	2,31,44,510	-		-	-
-Other Creditors	3,29,565	3,29,565	3,29,565	-	-
-Statutory Dues	83,806	83,806	83,806	-	-
-Advance From customer	-	-	-		
-Lease Liability	2,01,62,964	2,01,62,964	1,00,25,114	1,01,37,851	-
	4,67,20,845	**2,35,76,335**	**1,34,38,485**	**1,01,37,851**	**-**

31 March 2021			**Contractual cash flow**		
	Carrying amount	**Total**	**Less than 1 year**	**1-5 years**	**More than 5 years**
Non derivative financial liabilities					
-Borrowings(including current maturities	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	-	-
-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	-
	7,33,33,545	**7,33,33,545**	**5,61,88,874**	**1,71,44,671**	**-**

25 *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.

(Amount in Rupees)

25 b) Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which purchases are denominated and the functional currency of the Company. The currencies in the which the Company is exposed to risk is CHF.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows :

31 March 2022	**CHF**
Trade payables	2,27,48,881
31 March 2021	**CHF**
Trade payables	2,82,65,490

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.

	31 March 2022	**31 March 2021**
Total liabilities	5,08,16,806	7,34,86,796
Less: cash and cash equivalents	(38,97,873)	(64,09,909)
Adjusted net debt	4,69,18,933	6,70,76,887
Total equity	3,14,93,546	1,60,13,949
Adjusted net debt to equity ratio	**1.49**	**4.19**

26 Ratio Analysis

Ratios	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	% change
Current Ratio	Current Assets	Current Liabilities	1.43	1.02	40.09%
Debt Equity Ratio	Total Debts	Shareholder's Equity	0.10	0.53	-82.05%

Ratios	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	% change
Debt Service Coverage Ratio	Earnings for debt service = Net profit before taxes + Non-cash operating expenses+Finance Cost	Debt service = Interest & Lease Payments + Principal Repayments	1.23	1.57	-22.01%
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	2.02%	18.41%	89.03%
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	0.73	0.91	-19.64%
Trade Receivable turnover Ratio	Net sales = Total sales - sales return	Average Trade Receivable	-	-	0.00%
Trade Payable turnover Ratio	Net purchases = Gross purchases - purchase return	Average Trade Payables	2.68	1.54	74.00%
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	4.94	62.06	-92.03%
Net Profit Ratio	Net Profit after tax	Net sales = Total sales - sales return	0.56%	4.19%	86.65%
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Total Assets - Current Liabilities	11.33%	22.10%	48.74%

27 Other Statutory Information

1) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

2) The Company do not have any transactions with companies struck off.
3) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
5) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries); or

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

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
7) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

Signatures to 1 to 29
As per our report of even date

For Singhal Karun & Co.
Chartered Accountants
Firm Regn No.-4496N

ANIL KUMAR GOYAL
Digitally signed by ANIL KUMAR GOYAL
Date: 2022.05.27 16:31:32 +05'30'

A. K Goyal
Proprietor
Membership No. 87921

Place: Chandigarh
Date: 27-05-2022

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

YASHOVARDHAN SABOO
Digitally signed by YASHOVARDHAN SABOO
Date: 2022.05.27 13:17:23 +05'30'

Y.Saboo
DIN: 00012158

ASHOK GOEL
Digitally signed by ASHOK GOEL
Date: 2022.05.27 13:37:58 +05'30'

Ashok Goel
DIN: 00783117

Place: Chandigarh
Date: 27-05-2022

28. 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 11.01.2019. The Company's business consists of trading of watches, accessories and luxury items.

29. 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 31st March 2022 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.

The financial statements were authorized for issue by the Company's Board of Directors on 27 May 2022.

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 entirely 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

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) Judgment 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 judgments 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. Deferred 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

<u>*Financial assets*</u>

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
- 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.