

Independent Auditor's Report

TO THE MEMBERS OF ARTIMAS FASHIONS PRIVATE LIMITED

Report on the Audit of Ind AS Financial Statements

Opinion

We have audited the financial statements of **Artimas Fashions Private Limited** ("the Company"), which comprise the Balance Sheet as at 31' March 2022, and the statement of profit and loss including Other Comprehensive Income, 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 significant accounting policies and other explanatory information for the year ended on that date (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and Loss (including other comprehensive income) changes in equity and its cash flows for the year ended on that date.

Material Uncertainty Relating to Going Concern

We draw attention to Note no. 38 to the accompanying financial statements which indicate the fact that the net worth of the company is eroded as on Balance sheet date, as its current liabilities exceeded its current assets. This condition may indicate existence of uncertainty about the company's ability to continue as a going concern. However, the financial statement of the company has been prepared on a going concern basis based on the reason stated in the aforesaid note.

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 Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence 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

Emphasis of Matter

We draw attention to Note 40 to the financial statement, which describes the uncertainties and potential impact of the Covid-19 pandemic of the company's operation and results as assessed by the management. The actual results may differ from such estimates depending upon future



developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31st March 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that gives a true and fair view of the financial position, financial performance, Changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed 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 implementation and maintenance of 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 gives a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, 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 including Other Comprehensive Income, the Statement of Changes in Equity and the Statements 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 Indian Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. With respect to other matters to be included in the Auditors Report in accordance with section 197 (16) of the Act, as amended, in our opinion and to the best of our information and explanation given

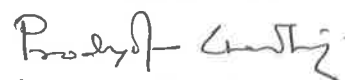
to us, the provision of section 197 is not applicable to the company as this is a private limited company.

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

- i. The company does not have any pending litigations having an impact on its financial position in its financial statement.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that , to the best of its knowledge and belief , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities including foreign entities (" Intermediaries").

(b) The management has represented that to the best of its knowledge and belief, no funds have been received by the company from any persons or entities including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall:
 - i) Directly or indirectly send or invest in other persons or entities identified in any manner whatsoever ("Ultimate beneficiaries') by or on behalf of the funding party or
 - ii) Provide any guarantee , security or the like from or on behalf of the ultimate beneficiaries and
 - iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv)(a) & iv(b) contain any material misstatements.

For SANJAY MODI & CO
Chartered Accountants
FRN.-322295E


CA Prodyat Chaudhuri
(Partner)

Membership No: 065401

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Place: Kolkata

Date : 30.05.2022

UDIN: 22065401ALPAUK 5880

Annexure-A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditor's Report to the members of Artimas Fashions Private Limited (the Company') on the Ind AS financial statements for the year ended on March 31, 2022.

We report that:

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

(B) (a) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant & equipment by which property, plant & equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant & equipment were verified during the year and no material discrepancies were noticed on such verification.


(c) According to information and explanation given to us, as the company owns no immovable properties, therefore the requirement on reporting whether title deeds of immovable properties held in the name of the company is not applicable.

(d) According to information and explanation given to us, the company has not revalued any of its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

(e) According to information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The inventories have been physically verified during the year by the management at reasonable intervals (except for materials lying with third parties which have substantially been confirmed by such third parties at the yearend). According to the information and explanations given to us, discrepancies noticed were less than 10% of each class of inventories.

(b) The company has working capital limits in excess of five crore rupees from banks on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the company.
- iii. (a) The Company has not made any investments in, provided any guarantee, security or granted any loans or advances in the nature of 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, paragraph 3(iii) (a), 3(iii) (b) and 3(iii) (c), 3(iii) (d), 3(iii)(e.) and 3(iii)(f) of the Order is not applicable to the Company.



- iv. According to the information and explanation given to us, the company has not made any investments, provided any guarantee, security or granted any loans or advances. Accordingly, paragraph 3 (iv) of the order is not applicable to the company.
- v. According to the information and explanation given to us, the company has not accepted any deposits or amounts which are deemed to be deposits from public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- vi. According to the information and explanation given to us, provision for the maintenance of cost records under sub section (1) of section 148 of the Act for the company is not applicable for the year.
- vii. According to the information and explanations given to us in respect of Statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Goods & Service Tax, Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, and other statutory dues with the appropriate authorities during the year, though there has been slight delay in deposit of these statutory dues in some cases.
According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2022 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Goods & Service Tax, Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, which have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given by the management and based on the procedures carried out during the course of our audit, we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the income tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix) (b) According to the information and explanation given to us and on the basis of our audit procedures, we report that the company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) In our opinion and according to the information and explanation given to us, the company has utilized the money obtained by way of term loans during the year for the purpose for which they were obtained.
- (ix) (d) According to the information and explanation given to us and the procedures performed by us and on an overall examination of the financial statements of the company, we report that no
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funds raised on short term basis have been used for long term purposes by the company.

(ix) (e) According to the information and explanation given to us and on overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(ix) (f) According to the information and explanation given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) According to the information and explanation given to us, the company has not raised any money by way of initial public offer, further public offer (including debt instrument) during the year.

(x) (b) According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares, convertible debentures during the year.

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

(xi) (b) According to the information and explanation given to us, no report under section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 with the Central Government.

(xi) (c) As reported to us by the management, there are no whistle blower complaints received by the company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) (a), (xii) (b) and (xii) (c) of the Order is not applicable.

(xiii) According to the information and explanation and records made available to us by the company and audit procedures performed by us, all transactions with related parties are in compliance with sections 177 and 188 of the companies Act, 2013. The details of transactions during the year have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information given to us, there are no requirement of internal audit system during the year with the size and nature of business of the company. Accordingly, paragraph 3(xiv) (a) and (xiv) (b) of the order is not applicable.

(xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into non- cash transactions with its directors / persons connected with the director and hence provisions of section 192 of the companies Act 2013 are not applicable to the company.

(xvi)(a) In our opinion and according to the information and explanations given to us, the company is not required to obtain the registration under section 45-IA.



(xvi)(b) In our opinion and according to the information and explanations given to us, the company has not conducted any non-banking financial or housing finance activities without a valid certificate of registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.

(xvi)(c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined under the Reserve Bank of India.

(xvi)(d) In our opinion and according to the information and explanation given to us, the company has not any CIC as part of the group.

(xvii) The company has incurred cash losses during the financial year ended on that date and the immediately preceding financial year. The amount of cash loss for financial year is Rs. (253.52) lacs and cash loss for immediately preceding financial year was Rs. (332.20) lacs.

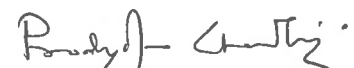
(xviii) There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable.

(xix) According to the information and explanation given to us and on the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the board of directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and they fall due within a period of one year from the balance sheet date. We however state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts to the date of the audit report and we neither give any guarantee nor any assistance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanation given to us, CSR provision under section 135 of the companies Act is not applicable to the company for the year. Therefore transfer of unspent amount to a fund specified in schedule VII to the companies Act, 2013 does not arise.

(xxi) The company has not any subsidiary or associates. Therefore there are no requirement of preparing consolidated audit reports. Accordingly, para 3(xxii) is not applicable.

For SANJAY MODI & CO
Chartered Accountants
FRN.-322295E


CA Prodyat Chaudhuri
(Partner)

Membership No: 065401

UDIN: 22065401ALPAUK5880

Place: Kolkata

Date: 30.05.2022

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Annexure-B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of Artimas Fashions Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

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

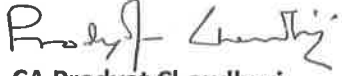
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SANJAY MODI & CO
Chartered Accountants
FRN.-322295E


CA Prodyat Chaudhuri
(Partner)

Membership No: 065401

UDIN: 22065401ALPQUK5880

Place: Kolkata

Date: 30.05.2022

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Artimas Fashions Private Limited
Balance Sheet as at March 31, 2022

(Rs. in Lakhs)

	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
A Non-current assets			
Property, Plant and Equipment	4	256.38	255.02
Other Intangible Assets	4	1.40	2.07
Right of Use Assets	4	232.65	245.71
Financial Assets			
Other Financial Assets	5	19.03	8.02
Total Non-current assets		509.46	510.82
B Current assets			
Inventories	6	2,061.20	1,347.83
Trade Receivables	7	1,177.41	674.45
Cash and Cash Equivalents	8	6.62	40.92
Other Financial Assets	5	-	13.85
Other Current Assets	9	423.16	275.07
Total Current assets		3,668.39	2,352.12
TOTAL ASSETS		4,177.85	2,862.94
EQUITY AND LIABILITIES			
C Equity			
Equity Share Capital	10	20.05	20.05
Other Equity	11	(1,316.14)	(993.92)
Total Equity		(1,296.09)	(973.87)
D Non-current liabilities			
Financial Liabilities			
Borrowings	12	330.98	347.21
Lease Liabilities	13	242.99	226.08
Provisions	14	10.74	13.95
Total Non-current liabilities		584.71	587.24
E Current liabilities			
Financial Liabilities			
Borrowings	12	2,711.82	2,105.94
Lease Liabilities	13	35.53	45.95
Trade Payables			
A) total outstanding dues of micro enterprises and small enterprises; and	15	3.07	0.87
B) total outstanding dues of creditors other than micro enterprises and small enterprises	15	1,353.04	685.02
Other Financial Liabilities	16	699.18	393.17
Provisions	17	0.14	0.11
Other Current Liabilities	18	86.45	18.51
Total current liabilities		4,889.23	3,249.57
TOTAL EQUITY AND LIABILITIES		4,177.85	2,862.94

Summary of significant accounting policies 3

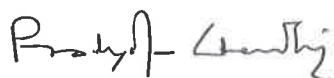
The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

FOR SANJAY MODI & CO.

Chartered Accountants

Firm Reg no.322295E



CA Prodyat Chaudhuri

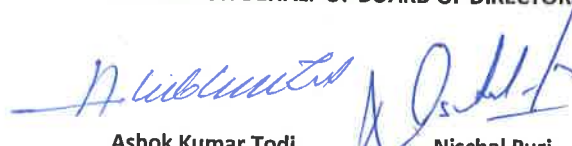
Partner

Membership no. 065401

Place : Kolkata

Date: 30/05/2022

FOR AND ON BEHALF OF BOARD OF DIRECTORS



Ashok Kumar Todi

Director

DIN-00053599

Nischal Puri

Director

DIN-02830389

Place : Kolkata

Date:

Artimas Fashions Private Limited
Statement of Profit and Loss for the period ended March 31, 2022

(Rs. in Lakhs)

	Notes	For the period ended 31 March 2022	For the period ended 31 March 2021
I Revenue From Operations	19	2,597.24	1,617.61
II Other Income	20	5.47	0.64
III Total Income (I+II)		2,602.71	1,618.25
IV Expenses			
Cost of Material Consumed	21	1,466.19	720.56
Purchases of Stock-in-trade	22	9.78	6.55
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	23	(573.05)	(220.50)
Employee Benefit Expense	24	397.76	287.91
Finance Costs	25	211.51	179.67
Depreciation and Amortisation Expense	26	75.67	76.56
Other Expenses	27	1,346.53	975.71
Total expenses (IV)		2,934.39	2,026.46
V Profit/ (loss) before Tax(III-IV)		(331.68)	(408.21)
VI Tax expense			
(i) Current Tax	28	-	-
(ii) Deferred Tax	28	(2.46)	0.55
Income tax expense (i+ii)		(2.46)	0.55
VII Profit / (Loss) for the Period (V-VI)		(329.22)	(408.76)
VIII Other comprehensive income			
A			
(i) Items that will not be reclassified subsequently to profit and loss		9.46	(2.11)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.46)	0.55
Other comprehensive income for the period (net of tax) (i-ii)		7.00	(1.56)
Total comprehensive income for the period, net of income tax (VII + VIII)		(322.22)	(410.32)
Earnings/ (Loss) per equity share [nominal value of share Rs. 10 (March 31, 2021 Rs. 10)]			
Basic in Rs. per share	29	(164.20)	(203.87)
Diluted in Rs. per share	29	(164.20)	(203.87)

Summary of significant accounting policies

3


The accompanying notes are an integral part of the Financial Statements.

As per our report of even date

FOR SANJAY MODI & CO.

Chartered Accountants

Firm Reg no.322295E



CA Prodyat Chaudhuri

Partner

Membership no. 065401

Place : Kolkata

Date: 30/05/2022

FOR AND ON BEHALF OF BOARD OF DIRECTORS



Ashok Kumar Todi

Director

DIN-00053599

Place : Kolkata

Date:

Nischal Puri

Director

DIN-02830389

Artimas Fashions Private Limited
Statement of Cash Flows for the year ended March 31, 2022

(Rs. In Lakhs)

	For the period ended 31 March 2022	For the period ended 31 March 2021
Cash flows from operating activities		
Profit / (Loss) before tax	(331.68)	(408.21)
Adjustment to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation expense	75.67	76.56
Interest on lease liability	27.15	35.32
Finance costs - others	184.36	144.35
Other income	(5.47)	(0.64)
Operating profit before working capital changes	(49.97)	(152.62)
Movements in working capital:		
(Increase) / decrease in trade and other receivables	(502.96)	(310.98)
(Increase) / decrease in inventories	(713.37)	(272.42)
(Increase) / decrease in other assets	(126.76)	(79.89)
Increase / (decrease) in trade and other payables	679.68	149.56
Increase / (decrease) in other liabilities	370.82	230.55
Cash generated from / (used in) operations	(342.56)	(435.81)
Direct taxes paid (Net of refunds)	(3.47)	(1.36)
Net cash flow from / (used in) operating activities	(346.03)	(437.17)
Cash flows from investing activities		
Purchase of property, plant and equipment, intangible assets	(102.90)	(77.42)
Proceeds from Sale/Adjustment/Subsidy of Fixed Assets	39.60	1.83
Decrease/(Increase) in term deposit	(14.87)	-
Other income	5.32	0.48
Net cash flow from / (used in) investing activities	(72.85)	(75.10)
Cash flows from financing activities		
Proceeds/ (repayment) from non current borrowings	(16.23)	135.55
Proceeds/ (repayment) from current borrowings	605.88	420.81
Proceeds from issue of equity shares	-	-
Proceeds from issue of preference shares	-	200.00
Finance costs - others	(184.41)	(143.54)
Payment of lease liability - principal	6.49	(29.39)
Payment of lease liability - interest	(27.15)	(35.32)
Net cash flow from / (used in) financing activities	384.58	548.11
Net increase / (decrease) In cash and cash equivalents	(34.30)	35.84
Cash and cash equivalents at the beginning of the year	40.92	5.09
Cash and cash equivalents at the end of the period	6.62	40.92
Components of Cash and cash equivalents		
Cash on hand (Refer Note - 8)	2.07	1.35
Balances with banks - on current account (Refer Note - 8)	4.55	39.57
Total Cash and cash equivalents	6.62	40.92
Debt Reconciliation Statement as per Ind AS 7		
Current Borrowings		
Opening balance	2,056.96	1,636.16
Proceeds/ (repayment) from current borrowings (Net)	605.88	420.81
Closing Balance	2,662.84	2,056.96
Non-Current Borrowings and certain components of Financial Liabilities		
Opening balance	196.19	60.65
Proceeds/ (repayment) from current borrowings (Net)	(16.23)	135.55
Closing Balance	179.96	196.19

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

As per our report of even date
FOR SANJAY MODI & CO.
 Chartered Accountants
 Firm Reg no.322295E

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Prodyat Chaudhuri

Ashok Kumar Todl *Nischal Puri*

CA Prodyat Chaudhuri
 Partner
 Membership no. 065401
 Place : Kolkata
 Date: 30/05/2022

Ashok Kumar Todl
 Director
 DIN-00053599

Nischal Puri
 Director
 DIN-02830389

Place : Kolkata
 Date:

Artimas Fashions Private Limited
Statement of changes in equity for the year ended March 31, 2022

a. Equity Share Capital	No. of shares	(Rs. in Lakhs) Rs.
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2020	200,500	20.05
Changes in equity share capital during the period	-	-
As at March 31, 2021	<u>200,500</u>	<u>20.05</u>
Changes in equity share capital during the period	-	-
As at March 31, 2022	<u><u>200,500</u></u>	<u><u>20.05</u></u>

b. Other Equity

	Securities premium	Retained earnings	Other Comprehensive Income	Total
Balance at the beginning of April 1, 2020	9.00	(592.68)	0.08	(583.60)
Add: Profit / (loss) for the year	-	(408.76)	-	(408.76)
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	(1.56)	(1.56)
Balance at the end of March 31, 2021	<u>9.00</u>	<u>(1,001.44)</u>	<u>(1.48)</u>	<u>(993.92)</u>
Add: Profit / (loss) for the year	-	(329.22)	-	(329.22)
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	7.00	7.00
Balance at the end of March 31, 2022	<u><u>9.00</u></u>	<u><u>(1,330.66)</u></u>	<u><u>5.52</u></u>	<u><u>(1,316.14)</u></u>

Nature And Purpose Of Reserves:

(A) Securities Premium: This reserve represents premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

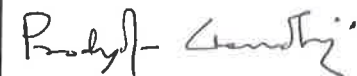
(B) Retained Earnings : This reserve represents undistributed cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013

(C) Other comprehensive Income Reserves : This reserve represents effect remeasurements of defined benefit plans that will not be reclassified to Statement of Profit & Loss.

The accompanying notes are an integral part of the Financial Statements.

As per our report of even date
FOR SANJAY MODI & CO.

Chartered Accountants
Firm Reg no.322295E



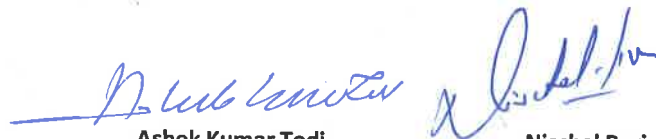
CA Prodyat Chaudhuri
Partner

Membership no. 065401

Place : Kolkata

Date: 30.05.2022

FOR AND ON BEHALF OF BOARD OF DIRECTORS



Ashok Kumar Todi
Director
DIN-00053599

Nischal Puri
Director
DIN-02830389

Place : Kolkata

Date:

ARTIMAS FASHIONS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

1. Reporting Entity

Artimas Fashions Private Limited ('the Company') is a private company domiciled and headquartered in India, having its registered office situated at 39, Kali Krishna Tagore Street, Kolkata. The Company is primarily engaged in the manufacturing and sales of knitwears. The Manufacturing unit of the Company is located in Kolkata (West Bengal).

2. Basis of Preparation of Financial Statement

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('Act').

(a) Statement of Compliance

These Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The Financial Statements are approved for issue by the Board of Directors of the Company at their meeting held on May 30, 2022. The details of the Company's accounting policies are included in Note 3.

(b) Functional and Presentation Currency

These Financial Statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

(c) Basis of measurement

These Financial Statements have been prepared on historical cost convention on the accrual basis, except for the following items:

- (i) Certain financial assets and financial liabilities measured at fair value;
- (ii) Assets held for sale-measured at the lower of its carrying amount and fair value less costs to sell; and
- (iii) Employee's defined benefit plan as per actuarial valuation.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Use of Estimates and Judgments

The preparation of the Company's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these Financial Statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. The changes in the estimates are reflected in the Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Financial Statements.

Critical accounting estimates and key sources of estimation uncertainty: Key assumptions

(i) Useful lives of Property, Plant and Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In

ARTIMAS FASHIONS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets. See note 3(d) and 4 for details.

(ii) Fair value measurement of Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss. See note 3(r) and 34 for details.

(iii) Defined Benefit Plan

The cost of the defined benefit plan includes gratuity and leave encashment. The present value of the obligations are determined using actuarial valuations using Projected unit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 3(g) and 32 for details.

(iv) Recognition of Current Tax and Deferred Tax

Current taxes are recognized at tax rates (and tax laws) enacted or substantively enacted by the reporting date and 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. 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. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. See note 3(k) and 28 for details.

(v) Recognition and Measurement of Provisions and Contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for. See note 3(h) and 30 for details.

(e) Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities. The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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ARTIMAS FASHIONS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 34.

3. Significant Accounting Policies

(a) Current and Non-Current Classification

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realized within 12 months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date. Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (i) it is expected to be settled in the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within 12 months after the reporting date; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

For the purpose of current/ non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

(b) Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

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 are recognized in the Statement of Profit and Loss in the period in which they arise.

(c) Financial Instruments

(i) Recognition and Initial Measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the

ARTIMAS FASHIONS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(ii) Classification and Subsequent Measurement

Financial Assets: Classification, Subsequent measurement and gains and losses

(a) Financial Assets at Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order 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.

(b) Financial Assets at FVOCI

A financial asset is subsequently measured at fair value through other comprehensive income if it 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. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(c) Financial Assets at FVTPL

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities: Classification, Subsequent measurement and gains and losses

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(iii) Derecognition

Financial Assets

The Company derecognizes 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.

Financial Liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes 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 recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and Loss.

(iv) Off-setting

Financial assets and financial liabilities are off set 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.

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ARTIMAS FASHIONS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

(d) Property, Plant and Equipment, Intangible Assets

(i) Recognition and measurement

• **Tangible assets and Capital Work in Progress**

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalized.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Profit and Loss.

Property, plant and equipment under construction and not yet ready for their intended use are disclosed as Capital work in progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other 'Non-Current Assets'.

• **Intangible Assets :**

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the assets is significantly different from previous estimates, the amortization period is changed accordingly. The Intangible Assets include Computer Software. Amortization of Intangible Assets is made based on management's evaluation of duration of life cycle of intangible assets.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation & Amortization

Depreciation and amortization for the year is recognized in the Statement of Profit and Loss. Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method in the manner specified in Part C of Schedule II to the Companies Act, 2013. Depreciation for the assets purchased/ sold during a period is proportionately charged.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively, if appropriate. The estimated useful lives of the assets are as follows:

Class of assets	Useful lives of the assets (Years)
Plant and equipment	10 to 15

ARTIMAS FASHIONS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

Computer and data processing equipment	3
Office equipment	5
Furniture and fixtures	10
Computer Software	2.5
Brand	5

(e) Inventories

Inventories comprise raw materials, work-in progress, finished goods and packing materials and are measured at the lower of cost and net realizable value.

The cost of inventories is based on the weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition and are net of input tax credits. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

Assessment of net realizable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances, the amount of the write-down is reversed.

(f) Impairment

(i) Impairment of Financial Instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 *Financial Instruments* for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

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 subsequent information.

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ARTIMAS FASHIONS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

(ii) Impairment of Non-Financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the Statement of Profit and Loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Profit and Loss.

(g) Employee Benefits

(i) Short-Term Employee Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined Contribution Plans

The Company makes specified monthly contributions to employee provident fund to Government administered provident fund scheme, which is a defined contribution plan. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees.

(iii) Defined Benefit Plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognized immediately in other comprehensive income. The service cost, net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

Past service cost is recognized as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognized, whichever is earlier.

(iv) Other Long Term Employee Benefits

The Company treats accumulated leaves expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The Company presents the leave as current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date. Where the Company has unconditional legal and contractual right to defer the settlement

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ARTIMAS FASHIONS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

for the period beyond 12 months, the same is presented as non-current liability. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred.

(h) Provision, Contingent Liabilities And Contingent Assets

A provision is recognized if, as a result of past event, the Company has a present 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 recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Provisions in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc are recognized when it is probable that a liability has been incurred, and the amount can be estimated reliably.

The company makes provision for doubtful debts and doubtful advances to the extent of 100% of the total amount identified as doubtful debts and advances.

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 are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(i) Revenue from contract with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured at the fair value of the consideration received or receivable, net of returns, discounts, volume rebates, and goods and service tax. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company regardless of when the payment is being made.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Products

Revenue from sale of products is recognized when the Company transfers the control of goods to the customer as per the terms of contract. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing component, non-cash considerations and consideration payable to the customer (if any). In case of domestic sales, the company believes that the control gets transferred to the customer on dispatch of the goods from the factory/ depots and in case of exports, revenue is recognised on passage of control as per the terms of contract / incoterms.

Variable consideration in the form of volume rebates is recognised at the time of sale made to the customers and are offset against the amounts payable by them.

Rendering of Services

Revenue from services is recognized as the service performed based on agreements/ arrangements with the concerned parties.

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ARTIMAS FASHIONS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

Contract balances

Trade Receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Refund Liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Dividend income is recognized in Statement of Profit and Loss on the date on which the Company's right to receive payment is established. Interest income is recognized using the effective interest method.

All other income are recognized on accrual basis.

(j) Government Grants

The Company recognizes government grants only when there is reasonable assurance that the conditions attached to them shall be complied with and the grants will be received. Grants related to assets are deducted from the cost of the asset. Grants related to income are recognized on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate and are deducted from the expense in the Statement of Profit and Loss.

(k) Income Tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognized in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

(i) 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 recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

ARTIMAS FASHIONS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

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 liabilities are offset 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 authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(l) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred 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 part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(m) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

(n) Cash and Cash Equivalents

Cash and cash equivalents include cash and cash-on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(o) Statement of Cash Flows

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

(q) Operating Segment

Based on the synergies, risks and returns associated with business operations and in terms of Ind AS 108, the Company's operating operation comprises of only one primary segment viz. manufacturing and sale of Knitwear's. The Company also believes that even geographically, the product of the Company faces similar risk and returns and there is no separate segment that can be identified for the purpose of reporting under Ind AS 108 on "Segment Reporting".

(r) Fair Value Measurement

The Company measures financial instruments, such as derivatives, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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ARTIMAS FASHIONS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple method etc. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(s) Business Combinations

Business combinations are accounted for using the acquisition method, except for common control business combinations. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date.

(t) Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases in the Balance Sheet.

The Company has adopted Ind AS 116 using the modified retrospective method on the date of initial application. Pursuant to adoption of Ind AS 116, the Company recognised right-of-use assets and lease liabilities for those leases which were previously classified as operating leases, except for short-term leases and leases of low-value assets. The impact of adoption of Ind AS 116 on the financial statements of the Company has been described under Note 37.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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ARTIMAS FASHIONS PRIVATE LIMITED
Notes to Financial Statements for the year ended March 31, 2022

Company as a lessee

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

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & Building 2 to 10 years

Leasehold Land is amortised over the period of lease ranging from 30 to 99 years.

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

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in Interest-bearing loans and borrowings

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

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Artimas Fashions Private Limited
Notes to the financial statements for the period ended March 31, 2022

NOTE: 4
Property, Plant and Equipment, Intangible Assets, Right of Use Assets

Particulars	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2021	Addition for the year	Deduction/ Adjustment for the year	As at Mar 31, 2022	As at April 1, 2021	Addition for the year	Deduction/ Adjustment for the year	As at Mar 31, 2022	As at Mar 31, 2022	As at March 31, 2021
Tangible Assets										
Plant & Equipments	215.75	36.42	14.87	237.30	25.32	18.96	-	44.28	193.02	190.43
Office Equipments	4.76	0.08	-	4.84	0.92	0.91	-	1.83	3.01	3.84
Furniture & Fixture	70.45	6.47	-	76.92	9.70	6.87	-	16.57	60.35	60.75
Total (A)	290.96	42.97	14.87	319.06	35.94	26.74	-	62.68	256.38	255.02
Intangible Assets										
Computer Software	2.54	0.60	-	3.14	1.28	1.08	-	2.36	0.78	1.26
Brand	1.00	-	-	1.00	0.19	0.19	-	0.38	0.62	0.81
Total (B)	3.54	0.60	-	4.14	1.47	1.27	-	2.74	1.40	2.07
Right of use Assets										
Building (Refer note 37)	318.09	59.33	62.38	315.04	72.38	47.66	37.65	82.39	232.65	245.71
Sub Total (C)	318.09	59.33	62.38	315.04	72.38	47.66	37.65	82.39	232.65	245.71
Total (A+B+C)	612.59	102.90	77.25	638.24	109.79	75.67	37.65	147.81	490.43	502.80

Particulars	Gross Block				Depreciation/ Amortization				Net Block	
	As at April 1, 2020	Addition for the year	Deduction/ Adjustment for the year	As at Mar 31, 2021	As at April 1, 2020	Addition for the year	Deduction/ Adjustment for the year	As at Mar 31, 2021	As at Mar 31, 2020	As at March 31, 2020
Tangible Assets										
Plant & Equipments	151.79	63.96	-	215.75	8.70	16.62	-	25.32	190.43	143.10
Office Equipments	3.09	1.67	-	4.76	0.15	0.77	-	0.92	3.84	2.94
Furniture & Fixture	58.84	11.61	-	70.45	3.60	6.10	-	9.70	60.75	55.23
Total (A)	213.72	77.24	-	290.96	12.45	23.49	-	35.94	255.02	201.27
Intangible Assets										
Computer Software	2.37	0.17	-	2.54	0.30	0.98	-	1.28	1.26	2.07
Brand	1.00	-	-	1.00	-	0.19	-	0.19	0.81	1.00
Total (B)	3.37	0.17	-	3.54	0.30	1.17	-	1.47	2.07	3.07
Right of use Assets										
Building (Refer note 37)	319.92	-	1.83	318.09	20.47	51.91	-	72.38	245.71	299.45
Sub Total (C)	319.92	-	1.83	318.09	20.47	51.91	-	72.38	245.71	299.45
Total (A+B+C)	537.01	77.41	1.83	612.59	33.22	76.57	-	109.79	502.80	503.79

Artimas Fashions Private Limited
Notes to the financial statements for the period ended March 31, 2022

NOTE: 5

OTHER FINANCIAL ASSETS

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
<i>(Carried at amortised cost)</i>		
Non-current		
Security deposit	1.16	5.17
Other bank balance		
Bank deposit more than 12 months maturity from Balance Sheet date (Pledged - Rs. 2.59L)	17.46	2.59
Interest accrued on fixed deposit	0.41	0.26
	19.03	8.02
Current		
Other loans and advances	-	13.85
	-	13.85
Total	19.03	21.87

NOTE: 6

INVENTORIES

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
<i>(Valued at lower of cost and net realisable value)</i>		
Raw Materials	0.65	1.53
Work-in-progress	545.05	681.52
Finished goods	1,085.24	374.23
Stock-in-trade	11.93	13.43
Packing materials	418.33	277.12
Total	2,061.20	1,347.83

NOTE: 7

TRADE RECEIVABLES

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
<i>(Carried at amortised cost)</i>		
Unsecured		
- Considered good	1,177.41	674.45
Total	1,177.41	674.45

NOTE: 8

CASH AND CASH EQUIVALENTS

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
Balances with banks		
Current accounts	4.55	39.57
Cash on hand	2.07	1.35
Total	6.62	40.92

NOTE: 9

OTHER CURRENT ASSETS

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances to supplier	4.84	10.74
Others		
Prepaid expenses	2.48	1.24
Balances with government authorities	410.84	261.56
Prepaid Taxes	5.00	1.53
Total	423.16	275.07

Artimas Fashions Private Limited

Notes to the financial statements for the period ended March 31, 2022

NOTE : 10

SHARE CAPITAL

(Rs. in Lakhs)

	As at March, 31, 2022	As at March, 31, 2021
Authorised:		
500,000 Equity shares of Rs. 10/- each	50.00	50.00
200,000 Preference Shares of Rs. 100/-each	200.00	200.00
Total	250.00	250.00

Issued and subscribed and fully paid up equity capital

200,500 Equity shares of Rs. 10/- each	20.05	20.05
Total	20.05	20.05

	Equity share capital	
	No. of shares	Rs. In Lakhs
Reconciliation of number of equity shares outstanding:		
As at April 1, 2020	200,500	20.05
Increase during the period	-	-
As at March 31, 2021	200,500	20.05
Increase during the period	-	-
As at March 31, 2022	200,500	20.05

	Preference share capital	
	No. of shares	Rs. In Lakhs
Reconciliation of number of Preference shares outstanding:		
As at April 1, 2020	-	-
Increase during the year (Date of allotment - December 30, 2020)	200,000	200.00
As at March 31, 2021	200,000	200.00
Increase during the period	-	-
As at March 31, 2022	200,000	200.00

(i) Terms / rights attached to Equity shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share. In the event of liquidation of the company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of Promoter's Shareholding

Promoter's name	No. of shares	% of total shares	Change during the year
1) Lux Industries Limited	102,200	50.97%	Nil
2) Nischal Puri	49,050	24.46%	Nil
3) Divya Puri	49,050	24.46%	Nil
4) Udit Todi	100	0.05%	Nil
5) Saket Todi	100	0.05%	Nil

(iii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March, 31, 2022		As at March, 31, 2021	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Lux Industries Limited	102,200	50.97%	102,200	50.97%
Nischal Puri	49,050	24.46%	49,050	24.46%
Divya Puri	49,050	24.46%	49,050	24.46%

NOTE: 11

OTHER EQUITY

(Rs. in Lakhs)

	As at March, 31, 2022	As at March, 31, 2021
Securities premium	9.00	9.00
Retained earnings	(1,330.66)	(1,001.44)
Other Comprehensive Income Reserves	5.52	(1.48)
Total	(1,316.14)	(993.92)

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Artimas Fashions Private Limited
Notes to the financial statements for the period ended March 31, 2022

NOTE: 12

FINANCIAL LIABILITIES - BORROWINGS

(a) Non-current borrowings

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
<i>(Carried at amortised cost)</i>		
Secured		
i) Term Loans from Banks	198.00	196.19
Less: Current maturity of long term debts	67.02	48.98
	130.98	147.21
ii) Non Convertible Redeemable Preference Shares 200,000 Preference Shares of Rs. 100/- each	200.00	200.00
Total non-current borrowings	330.98	347.21

(i) Repayment terms and nature of securities given for term loan as follows :

Name of the Bank / instru	Rs. in Lakhs		Nature of security	Repayment terms
	`March 31,2022	`March 31,2021		
Secured				
HDFC Bank (P.Y. State Bank of India)	42.25	54.25	Exclusive Hypothecation charge over the machinery/equipments of the company both present and future. It is additionally secured by 2nd charge over stock and book debts of the company and also corporate guarantee of Lux Industries Ltd	Repayable in first 8 equal quarterly instalment of Rs.3.00 lacs each and last 10 installment of Rs. 4.00 lacs commencing from June,2022. Interest @1Y MCLR+0.50 is serviced on monthly basis as and when due.
HDFC Bank (P.Y. State Bank of India)	107.00	107.00	Extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the bank and security created over the assets of the Borrower out of this facility	Repayable in first 25 equal quarterly instalment of Rs.4.28 lacs each commencing from June 2022. Interest @ 1Y MCLR is serviced on monthly basis as and when due.
HDFC Bank (P.Y. State Bank of India)	27.69	34.95	Exclusive Hypothecation charge over the machinery/equipments of the company both present and future. It is additionally secured by 2nd charge over stock and book debts of the company and also corporate guarantee of Lux Industries Ltd	Repayable in 14 quarterly instalment of Rs. 1.81 lacs each & last 5 installment of Rs. 2.18 lacs commencing from June,2022. Interest @1Y MCLR+0.50 is serviced on monthly basis as and when due.
HDFC Bank	9.88	-	Exclusive Hypothecation charge over the machinery/equipments of the company both present and future. It is additionally secured by 2nd charge over stock and book debts of the company and also corporate guarantee of Lux Industries Ltd	Repayable in 18 equal quarterly instalment of Rs.58,111.11 each commencing from March 2022. Interest @ 1Y MCLR is serviced on monthly basis as and when due.
HDFC Bank	10.67	-	Exclusive Hypothecation charge over the machinery/equipments of the company both present and future. It is additionally secured by 2nd charge over stock and book debts of the company and also corporate guarantee of Lux Industries Ltd	Repayable in 18 equal quarterly instalment of Rs.62,765.39 each commencing from March 2022. Interest @ 1Y MCLR is serviced on monthly basis as and when due.
HDFC Bank	0.53	-	Exclusive Hypothecation charge over the machinery/equipments of the company both present and future. It is additionally secured by 2nd charge over stock and book debts of the company and also corporate guarantee of Lux Industries Ltd	Repayable in 18 equal quarterly instalment of Rs.3094.22 each commencing from March 2022. Interest @ 1Y MCLR is serviced on monthly basis as and when due.

(ii) Terms / rights attached to Non convertible Redeemable Preference Shares:

The Company has only one class of Non-convertible Redeemable Preference shares having a face value of Rs. 100/- each. It carries dividend of 5% p.a. and the dividend will be on cumulative basis. It does not carry any voting rights except in accordance with the provisions of Section 47(2) of the Companies Act, 2013. It shall be redeemed at Par within 10 years or earlier from the date of their allotment ,i.e. date of allotment 30.12.2020 as may be decided by the Board of Directors of the Company. Any part redemption will be permissible as may be approved by the Board of Directors of the Company.

(b) Current borrowings

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
<i>(Carried at amortised cost)</i>		
From Banks (Secured) (refer note a)		
i) Loan repayable on demand		
Cash Credit Facilities	618.58	772.00
From Others (Unsecured)		
From related parties (refer note 31)	2,026.22	1,284.96
Current maturities of long-term borrowings (Refer note 12a)	67.02	48.98
Total current borrowings	2,711.82	2,105.94

- a) The loan is secured against exclusive first charge on entire stocks and book debts of the Company and second charge on the movable fixed asset of the company both present and future. It is additionally secured by corporate guarantee of Lux Industries Limited.

NOTE: 13**FINANCIAL LIABILITIES - LEASE****(a) Non Current**

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
Lease obligation	242.99	226.08
Total	242.99	226.08

(b) Current

	As at March, 31, 2022	As at March, 31, 2021
Lease obligation	35.53	45.95
Total	35.53	45.95

NOTE: 14**PROVISIONS**

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
Provision for employee benefits (Refer note 32)	10.74	13.95
Total	10.74	13.95

NOTE: 15**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES**

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
<i>(Carried at amortised cost)</i>		
MSMED [refer note (a) below]	3.07	0.87
Other trade payables	1,353.04	685.02
Total	1,356.11	685.89

- (a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006
- (i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year

Principal amount due to micro and small enterprise	3.07	0.87
Interest due on above	-	-

- (ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;
- (iii) the amount of interest due and payable for the period of delay in
- (iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and
- (v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

NOTE: 16

CURRENT FINANCIAL LIABILITIES - OTHERS

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
<i>(Carried at amortised cost)</i>		
Trade Deposits from Dealers/ agents	590.54	324.04
Interest accrued but not due	1.30	1.35
Other payables *	107.34	67.78
Total	699.18	393.17

* Other Payables includes Salary Payable, Bonus Payable & Other Liabilities, etc

NOTE: 17

PROVISIONS

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
Provision for employee benefits (Refer note 32)	0.14	0.11
Total	0.14	0.11

NOTE: 18

OTHER CURRENT LIABILITIES

	(Rs. in Lakhs)	
	As at March, 31, 2022	As at March, 31, 2021
Statutory dues	42.45	11.12
Advance from customers	44.00	7.39
Total	86.45	18.51

Artimas Fashions Private Limited
Notes to the financial statements for the period ended March 31, 2022

NOTE: 19

REVENUE FROM OPERATIONS

	(Rs. in Lakhs)	
	For the period ended 31 March 2022	For the period ended 31 March 2021
Sale of products	2,597.24	1,597.80
Other Operating Revenue		
Insurance claim on goods damaged	-	19.81
Total Revenue from Operations	<u><u>2,597.24</u></u>	<u><u>1,617.61</u></u>

NOTE: 20

OTHER INCOME

	(Rs. in Lakhs)	
	For the period ended 31 March 2022	For the period ended 31 March 2021
Interest Income on Fixed Deposits	0.17	0.17
Interest Income from Financial Assets at amortized cost	0.12	0.47
(Profit)/Loss on termination of lease obligation	5.18	-
Total	<u><u>5.47</u></u>	<u><u>0.64</u></u>

NOTE: 21

COST OF MATERIAL CONSUMED

	(Rs. in Lakhs)	
	For the period ended 31 March 2022	For the period ended 31 March 2021
Yarn Consumed		
Opening Stock	1.53	9.69
Add : Purchases during the year	-	161.65
	<u>1.53</u>	<u>171.34</u>
Less: Yarn Sale	0.88	-
Less: Closing Stock	<u>0.65</u>	<u>1.53</u>
	0.00	169.81
Packing Materials Consumed		
Opening Stock	277.12	209.29
Add: Purchases during the year	<u>548.51</u>	<u>257.38</u>
	825.63	466.67
Less: Closing Stock	<u>418.33</u>	<u>277.12</u>
	407.30	189.55
Consumption of Fabrics	<u>1,058.89</u>	<u>361.19</u>
Total	<u><u>1,466.19</u></u>	<u><u>720.56</u></u>

NOTE: 22

PURCHASE OF STOCK-IN-TRADE

Purchase of Stock-in-Trade (Knitwear)	9.78	6.55
Total	<u><u>9.78</u></u>	<u><u>6.55</u></u>

NOTE: 23

CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE

Finished Goods

Opening Stock	374.23	214.42
Closing Stock	<u>1,085.24</u>	<u>374.23</u>
	(711.01)	(159.81)

Work-in-progress

Opening Stock	681.51	515.97
Closing Stock	<u>545.05</u>	<u>681.51</u>
	136.46	(165.54)

Stock in trade

Opening Stock	13.43	118.28
Closing Stock	<u>11.93</u>	<u>13.43</u>
	1.50	104.85
Total	<u><u>(573.05)</u></u>	<u><u>(220.50)</u></u>

NOTE: 24**EMPLOYEE BENEFIT EXPENSE**

(Rs. in Lakhs)

	For the period ended 31 March 2022		For the period ended 31 March 2021	
Salaries, Wages & Bonus	378.80		270.84	
Provision for Employment benefit	9.36	388.16	7.69	278.53
Contribution to Provident & Other Funds		7.16		6.12
Staff Welfare Expenses		2.44		3.26
Total		397.76		287.91

NOTE: 25**FINANCE COST**

(Rs. in Lakhs)

	For the period ended 31 March 2022		For the period ended 31 March 2021	
Interest on borrowings		160.60		131.27
Interest on Trade Deposit		23.70		9.71
Interest on lease obligation		27.15		35.32
Bank Charges		0.06		3.37
Total		211.51		179.67

NOTE: 26**DEPRECIATION & AMORTIZATION EXPENSE**

(Rs. in Lakhs)

	For the period ended 31 March 2022		For the period ended 31 March 2021	
Depreciation on Tangible Assets		26.74		23.48
Amortization on Intangible Assets		1.27		1.17
Amortization on Right of Use Assets		47.66		51.91
Total		75.67		76.56

NOTE: 27**OTHER EXPENSES**

(Rs. in Lakhs)

	For the period ended 31 March 2022		For the period ended 31 March 2021	
Consumption of stores & spare parts		4.86		1.36
Power & Fuel		14.99		17.00
Rent		3.93		4.69
Repairs				
Repairs to buildings		-		-
Repairs to Machinery		3.26		2.10
Others		8.51		5.82
Insurance		2.24		1.36
Rates & Taxes		0.21		0.14
Selling Expenses		72.70		73.84
Advertisement & Publicity		493.64		185.20
Commission		57.84		97.29
Freight & Other Handling Charges		149.50		169.38
Processing expense		397.68		285.89
Prior Period Items		-		5.01
Travelling expense		106.03		61.73
Legal and professional fee		7.52		28.77
Miscellaneous Expenses		23.12		35.63
Payment to auditors				
: Statutory Audit Fees		0.40		0.40
: Tax Audit Fees		0.10		0.10
Total		1,346.53		975.71

Artimas Fashions Private Limited
Notes to the financial statements for the period ended March 31, 2022

NOTE: 28

Income Tax

(Rs. in Lakhs)

		For the period ended 31 March 2022	For the period ended 31 March 2021
A. Amount recognized In profit or loss			
Current Tax			
Current year		-	-
Changes in respect of current income tax of previous years		-	-
	(a)	-	-
Deferred Tax			
Attributable to -			
Origination and reversal of temporary differences		(2.46)	0.55
	(b)	(2.46)	0.55
Tax expenses reported In the Statement of Profit and Loss (a+b)		(2.46)	0.55
B. Income tax recognized In Other Comprehensive Income			
Deferred tax relating to items recognized in other comprehensive income during the year			
Income tax expense charged to OCI		(2.46)	0.55
		(2.46)	0.55

C. Reconciliation of tax expense and the accounting profit for March 31, 2022 and March 31, 2021:

		For the period ended 31 March 2022	For the period ended 31 March 2021
Accounting profit before income tax			
Tax at the applicable India tax rate of 26%		(331.68)	(408.21)
Tax impact on amounts that are adjusted in determining taxable profit:			
Difference between depreciation as per IT Act and depreciation as per books		3.11	6.44
Other adjustments		(5.57)	(5.90)
		(2.46)	0.55

D. Reconciliation of applicable tax rate and effective tax rate:

		For the period ended 31 March 2022	For the period ended 31 March 2021
Applicable tax rate			
Tax effect of difference between depreciation as per IT Act and depreciation as per books		0.26	0.26
Tax effect of other adjustments		(0.01)	(0.02)
Effective tax rate		0.02	0.01
		0.27	0.26

E. Recognized deferred tax assets and liabilities:

	Balance as on April 1, 2021	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31 2022
Property, plant and equipment	(16.32)	(3.11)	-	(19.43)
Right of use assets	(63.88)	3.39	-	(60.49)
Other assets	(0.19)	0.25	-	0.06
Provisions	3.66	1.63	(2.46)	2.83
Other liabilities	70.73	1.69	-	72.42
Unused tax losses to the extent of deferred tax liabilities	6.00	(1.39)	-	4.61
Total	0.00	2.46	(2.46)	0.00

	Balance as on April 1, 2020	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31 2021
Property, plant and equipment	(11.51)	(4.81)	-	(16.32)
Right of use assets	(85.64)	21.76	-	(63.88)
Other assets	(0.07)	(0.12)	-	(0.19)
Provisions	1.29	1.82	0.55	3.66
Other liabilities	86.21	(15.48)	-	70.73
Unused tax losses to the extent of deferred tax liabilities	9.72	(3.72)	-	6.00
Total	-	(0.55)	0.55	0.00

F. Deferred tax reflected in the Balance Sheet as follows:

		For the period ended 31 March 2022	For the period ended 31 March 2021
Deferred tax assets			
Deferred tax assets		79.86	80.39
Deferred tax liabilities			
Deferred tax liabilities		(79.86)	(80.39)
Deferred tax assets / (liabilities) (net)		0.00	0.00

Artimas Fashions Private Limited**Notes to the Financial Statements for the year ended March 31, 2022****NOTE: 29****Earnings / (loss) per share (EPS) (Ind AS 33)**

(Rs in Lakhs)

Sl. No	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
1	Profit/(loss) for the year	(329.22)	(408.76)
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS	200,500	200,500
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	200,500	200,500
4	Nominal Value per share (Rs.)	10/-	10/-
5	Earning per shares		
	Basic	(164)	(204)
	Diluted	(164)	(204)

NOTE: 30**Particulars of Contingent Liabilities and Commitments**

- I. Contingent Liabilities – NIL (PY – NIL)
- II. Commitments – NIL (PY – NIL)

NOTE: 31**Related party disclosure (Ind AS 24)****A. Holding Company**

Lux Industries Limited

B. Key Managerial Personnel - Director:

Shri Ashok Kumar Todi
Shri Pradip Kumar Todi
Shri Nischal Puri

C. Relatives of Key management personnel

Shri Saket Todi
Shri Udit Todi
Smt. Divya Puri

D. Entities where the directors and their relatives have significant influence

Rotex Intertrade Private Limited
Chitragupta Sales & Services Private Limited
Horizon Consulting India
Hollyfield Traders Private Limited
Jaytee Exports
Actimaxx Manufacturing and Marketing Private Limited

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Artimas Fashions Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

E. The following transactions were carried out with the related parties in the ordinary course of business:

(Rs. in Lakhs)			
Sr. No.	Name of related party	Year ended March 31, 2022	Year ended March 31, 2021
1.	Sale of goods (excluding GST)		
	Lux Industries Limited	210.53	166.50
	Actimaxx Manufacturing and Marketing Private Limited	-	2.34
	Jaytee Exports	-	0.82
2.	Purchase of goods (excluding GST)		
	Lux Industries Limited	100.41	37.50
	Jaytee Exports	-	4.97
3.	Rent paid		
	Lux Industries Limited	0.05	-
4.	Knitting expense (excluding GST)		
	Lux Industries Limited	-	3.54
5.	Legal and Professional fee		
	Horizon Consulting India	-	19.94
6.	Advertisement Expenses		
	Actimaxx Manufacturing and Marketing Private Limited	-	6.54
7.	Loan Taken		
	Chitragupta Sales & Services Private Limited	-	250.00
	Hollyfield Traders Private Limited	1,450.00	520.00
8.	Interest on loan taken		
	Rotex Intertrade Private Limited	48.00	57.43
	Chitragupta Sales & Services Private Limited	-	18.02
	Hollyfield Traders Private Limited	31.10	12.79
9.	Loan repaid		
	Chitragupta Sales & Services Private Limited	-	650.00
	Rotex Intertrade Private Limited	-	200.00
	Hollyfield Traders Private Limited	650.00	100.00
10	Allotment of Preference Shares		
	Rotex Intertrade Private Limited	-	200.00
11	Director's Remuneration		
	Shri Nischal Puri	48.00	28.00

F. Outstanding balances:

(Rs. in Lakhs)			
Sr. No.	Name of related party	Year ended March 31, 2022	Year ended March 31, 2021
1.	Trade Receivables		
	Lux Industries Limited	93.38	95.84
	Actimaxx Manufacturing and Marketing Private Limited	46.58	46.58
2.	Trade Payables		
	Jaytee Exports	-	4.27
3.	Unsecured Loans		
	Rotex Intertrade Private Limited	803.66	853.12
	Hollyfield Traders Private Limited	1,222.54	431.83
4.	Other Payables		
	Shri Nischal Puri	1.00	1.00

Artimas Fashions Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

NOTE: 32

Employee Benefits

1. Defined Contribution Plan:

a. Provident fund:

In accordance with Indian law, eligible employees of Artimas Fashions Private Limited are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary).

(Rs. in Lakhs)

Sl. No.	Particulars	2021-22	2020-21
1	Contribution to Provident/ Pension funds	4.48	4.01
	TOTAL	4.48	4.01

2. Defined benefits plan:

a. Gratuity and Leave Encashment:

The Company has a defined benefit gratuity plan and a leave encashment plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has not funded the scheme. Also, employees are not entitled to leave encashment.

The following table's summarizes the components of the net benefit expenses recognized in the profit and loss account and amounts recognized in the balance sheet for respective plans.

(Rs. in Lakhs)

Particulars	Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21
Present Value of Obligation at the beginning of the year	13.23	3.56	-	0.95
Current Service Cost	5.36	6.86	-	0.51
Interest Cost	0.91	0.24	-	0.06
Actuarial Losses / (Gain) recognized in other comprehensive income	(9.45)	2.56	-	(0.45)
Benefit Paid	-	-	-	(0.25)
Present Value of Obligation at the end of the year	10.05	13.23	-	0.82

The Provision for Employee benefits is charged to the Statement of Profit and Loss and same is shown in Note No.24 of the Notes to Accounts.

i. Expense recognized in Statement of Profit and Loss:

(Rs. in Lakhs)

Particulars	Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21
Current service cost	5.36	6.86	-	0.51
Interest cost	0.91	0.24	-	0.06
Total	6.27	7.11	-	0.58

ii. Remeasurements recognized in Other Comprehensive Income:

(Rs. in Lakhs)

Particulars	Gratuity		Leave encashment	
	2021-22	2020-21	2021-22	2020-21
Actuarial loss/ (gain) arising on defined benefit obligation	(9.45)	2.56	-	0.45
Total	(9.45)	2.56	-	0.45



Artimas Fashions Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

iii. Principle assumptions used in determining gratuity obligation for the Company are shown below:

(Rs. in Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2021
Discount Rate	7.1%	6.90%
Rate of increase in Salaries	6.00%	6.00%
Expected average remaining working lives of employees (years)	24.66	24.84
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees	

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors.

iv. Sensitivity analysis – Revised defined benefit obligation due to change in assumptions: (Rs. in Lakhs)

Particulars	Gratuity		Leave Encashment	
	2021-22	2020-21	2021-22	2020-21
Under Base scenario	10.05	13.23	-	0.82
Salary Escalation (Up by 1%)	11.41	14.83	-	0.94
Salary Escalation (Down by 1%)	8.90	11.84	-	0.73
Withdrawal Rates (Up by 1%)	9.87	12.93	-	0.83
Withdrawal Rates (Down by 1%)	10.22	13.52	-	0.81
Discount Rates (Up by 1%)	8.96	11.92	-	0.73
Discount Rates (Down by 1%)	11.36	14.77	-	0.93

v. Expected Cash flow for following years

(Rs. in Lakhs)

Expected cash flows over the next (valued on undiscounted basis):	2021-22	2020-21
1 Year	0.14	0.05
2 to 5 Years	3.01	4.49
6 to 10 Years	4.73	16.49

NOTE: 33

Accounting classification and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Balance Sheet as at March 31, 2022 are as follows:

(Rs. in Lakhs)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Trade Receivables	1,177.41	-	1,177.41	1,177.41
Cash and Cash Equivalents	6.62	-	6.62	6.62
Other Financial Assets	19.03	-	19.03	10.03
Financial liabilities:				
Long Term Borrowings	330.98	-	330.98	330.98

Artimas Fashions Private Limited
Notes to the Financial Statements for the year ended March 31, 2022

Other Long Term Financial Liability	242.99	-	242.99	242.99
Short Term Borrowings	2,711.82	-	2,711.82	2,711.82
Trade Payables	1,356.11	-	1,356.11	1,356.11
Other Short Term Financial Liability	734.71	-	734.71	734.71

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Balance Sheet as at March 31, 2021 are as follows:

(Rs. in Lakhs)				
Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Trade Receivables	674.45	-	674.45	674.45
Cash and Cash Equivalents	40.92	-	40.92	40.92
Other Financial Assets	21.87	-	21.87	21.87
Financial liabilities:				
Long Term Borrowings	347.21	-	347.21	347.21
Other Long Term Financial Liability	226.08	-	226.08	226.08
Short Term Borrowings	2,105.94	-	2,105.94	2,105.94
Trade Payables	685.89	-	685.89	685.89
Other Short Term Financial Liability	439.12	-	439.12	439.12

NOTE: 34
Fair Value Measurement

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: No significant observable inputs for the asset or liability. Some observable inputs used in fair value measurement are discounted cash flows, market multiple methods etc.

The investments included in Level 2 of fair value hierarchy have been valued using quotes available for similar assets and liabilities in the active market. The investments included in Level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

The following table summarizes financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosure is required):

As at March 31, 2022	Level 1	Level 2	Level 3
Financial Assets:			
Not Applicable	-	-	-
Total	-	-	-
Financial Liabilities:			
Not Applicable	-	-	-
Total	-	-	-

Artimas Fashions Private Limited**Notes to the Financial Statements for the year ended March 31, 2022**

As at March 31, 2021	Level 1	Level 2	Level 3
Financial Assets:			
Not Applicable	-	-	-
Total	-	-	-
Financial Liabilities:			
Not Applicable	-	-	-
Total	-	-	-

Notes:

- i. The management assesses that carrying amount of trade receivables, cash and cash equivalents, other bank balances, short term borrowings, trade payables, other financial assets and liabilities approximate their fair value largely due to short term maturities of these instruments.
- ii. Certain financial assets are stated at amortized cost which is approximately equal to their fair value.

NOTE: 35**Financial Risk Management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as credit risk, liquidity risk and market risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

1. Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i. Actual or expected significant adverse changes in business,
- ii. Actual or expected significant changes in the operating results of the counterparty,
- iii. Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv. Significant increase in credit risk on other financial instruments of the same counterparty,
- v. Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at Rs. 1177.41L /- (P.Y. – Rs. 674.45L/-).

Artimas Fashions Private Limited**Notes to the Financial Statements for the year ended March 31, 2022****2. Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The management continuously monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

(Rs. in Lakhs)

As at March 31, 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	2,711.82	330.98	-	3,042.80
Trade Payables	1,356.11	-	-	1,356.11
Other Financial Liabilities	734.71	178.20	64.79	977.70

As at March 31, 2021	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	2,105.94	347.21	-	2,453.15
Trade Payables	685.89	-	-	685.89
Other Financial Liabilities	439.12	89.51	136.57	665.20

3. Market Risk

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

a. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates are limited as the borrowings by the Company carry fixed interest rates. However, the Company still constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

b. Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The Company is not having any currency risk as on date.

c. Equity Price Risk

Equity price risk is related to change in market reference price of investments in equity securities held by the Company. The Company is holding investments in unquoted equity Instruments, which may be susceptible to market price risk arising from uncertainties about future values of the securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity instrument decisions.

NOTE: 36**Capital Management**

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity and other long-term/short-term borrowings.

Artimas Fashions Private Limited**Notes to the Financial Statements for the year ended March 31, 2022**

The Company's policy is aimed at combination of short-term and long-term borrowings so as to maintain an optimum capital structure to reduce the cost of capital and maximize shareholders value and provide benefits to other stakeholders.

Particulars	(Rs. in Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Total Debt (Bank and Other Borrowings)	3,042.80	2,453.16
Equity	(1,296.06)	(973.87)

NOTE: 37**Leases****Company as a Lessee**

The company has applied IND AS 116 Leases. The nature and effect of the changes as a result of adoption of this accounting standard is described in the Note 3 (t) of Accounting Policies.

Set out below are the carrying amounts of Right Of Use assets recognised and the movement during the period:

Particulars	(Rs. In Lakhs)	
	As at March 31, 2022	As at March 31, 2021
Opening Balance	245.70	299.44
Addition/(Adjustment) during the year	(3.05)	(1.83)
Amortization Expense	47.66	51.91
Closing Balance	232.65	245.70

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	272.03	301.42
Addition during the year	59.06	-
Accretion of Interest	27.18	35.32
Payments	79.75	(64.70)
Closing Balance	278.52	272.03

Current	35.53	45.95
Non-Current	243.00	226.08

The effective interest rate for lease liabilities is 10.49%.

The following are the amounts recognised in Statement of Profit and Loss:

(Rs. in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Amortization Expense of Right of Use assets	47.66	51.91
Interest expenses on lease liabilities	27.15	35.32
Expense relating to other leases (included in Rent expenses)	0	1.18
Total amount recognised in Statement of Profit and Loss	74.81	88.41

Maturity analysis of lease liabilities are as follows:

Particulars	Amount
1 year	35.52
2-5 years	178.21
5 years and above	64.79

Artimas Fashions Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

NOTE: 38

The Company is incurring losses which have eroded its net worth and as on Balance Sheet date its current liabilities exceeded its current assets. Based on positive outlook of the management towards the growth of the company and its ability to continue as a going concern in the foreseeable future, the financial statement of the company for the year ended March 31, 2022 has been prepared on a going concern basis.

Note: 39

Trade Receivables and Trade Payables are subject to confirmation and reconciliation from the respective parties. However, the management is of the view that there is no material difference arising which is affecting the financial statement for the year.

NOTE: 40

The company has considered the possible effect that may result from COVID-19 in the preparation of these financial statements. Considering the revival of economic activity, improvement in customer order flow and based on the information available, the management has evaluated and considered the possible impact on the business of the company. The management thinks that there is no material uncertainty on the Company's ability to do business as a going concern and there are no impairment indicators for any of the assets of the Company. The Company continues to monitor any material changes to future economic conditions, and they may be different from the estimates made as on the date of approval of the financial statements.

NOTE: 41

DEBTORS AGEING

Ageing for trade receivables – current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for the following periods from due date payment					Total (Rs. in lakhs)
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivable - Considered good	1,075.31	36.17	21.45	44.47	-	1,177.41
ii. Undisputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
iii. Disputed Trade Receivable - Considered good	-	-	-	-	-	-
iv. Disputed Trade Receivable - Considered doubtful	-	-	-	-	-	-

Ageing for trade receivables – current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for the following periods from due date payment					Total (Rs. in lakhs)
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivable - Considered good	579.75	24.06	70.64	-	-	674.45
ii. Undisputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
iii. Disputed Trade Receivable - Considered good	-	-	-	-	-	-
iv. Disputed Trade Receivable - Considered doubtful	-	-	-	-	-	-

Artimas Fashions Private Limited
Notes to the Financial Statements for the year ended March 31, 2022

NOTE 42

CREDITORS AGEING

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for the following periods from due date payment				Total (Rs. In Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	3.07	-	-	-	3.07
ii. Others	1,306.03	20.38	26.61	-	1,353.03
iii. Disputed dues – MSME	-	-	-	-	-
iv. Disputed dues - Others	-	-	-	-	-

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for the following periods from due date payment				Total (Rs. In Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	0.87	-	-	-	0.87
ii. Others	646.93	38.09	0.00	-	685.02
iii. Disputed dues – MSME	-	-	-	-	-
iv. Disputed dues - Others	-	-	-	-	-

NOTE 43

ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III

- I. **Details of Benami Property held**
 No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) & rules made thereunder.
- II. **Borrowings (current) secured against Current Assets**
 The company has borrowings from banks on the basis of security of current assets. The quarterly return or statements of current assets filed by the company with banks are in agreement with books of accounts.
- III. **Willful Defaults**
 The company have not been declared willful defaulter by any bank or government or any government authority.
- IV. **Relationship with Struck off Companies**
 The company has no transactions with the companies struck off under the Companies Act 2013 or Companies Act 1956.
- V. **Compliance with Number of Layers of Companies**
 The company has complied with the number of layers prescribed under the Companies Act 2013.
- VI. **Compliance with Approved Scheme of Arrangements**
 The company has not entered into any scheme of arrangements which has any accounting impact on current or previous financial year.
- VII. **Utilization of Borrowed Funds & Share Premium**
 The company has not advanced or loaned or invested funds to any other person's or entities with the understanding that the intermediary shall:

Artimas Fashions Private Limited**Notes to the Financial Statements for the year ended March 31, 2022**

- a) Directly or indirectly lend or invest in other Person's or entities identified in any manner whatsoever by or on behalf of the group (ultimate beneficiaries) or
- b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

VIII. Undisclosed Income

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

IX. Details of Crypto Currency or Virtual Currency

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

X. Valuation of Property, Plant & Equipment, Intangible Assets

The company has not revalued its Property, Plant & Equipment (including right of use assets) or intangible assets or both during the current or previous year.

XI. Financial Ratios

No.	Ratio	Numerator	Denominator	21-22	20-21
1	Current Ratio (in times)	Current Assets	Current Liabilities	0.75	0.72
2.	Debt-Equity Ratio(in times)	Long Term Debt+ Short Term Debt	Total Shareholders' Equity	(2.35)	(2.52)
3.	Debt Service Coverage Ratio (in times)	PAT + Depreciation + Interest	Interest + Principal Repayment	(0.51)	(1.46)
4.	Return on Equity Ratio (in %)	PAT	Shareholder's Equity	25.40	41.97
5.	Inventory Turnover Ratio	COGS	Average Value of Inventory	0.77	0.67
6.	Trade Receivable Turnover Ratio (in times)	Net Credit Sales	Average Trade Receivables	2.81	3.12
7	Trade Payable Turnover Ratio (in times)	Net Credit Purchases	Average Trade Payables	2.09	2.05
8.	Net Capital Turnover Ratio (in times)	Net Annual Sales	Average Working capital	(2.45)	(1.97)
9.	Net Profit Ratio (in %)	Net Profit	Revenue from Operations	(12.68)	(25.27)
10.	Return on Capital Employed (in %)	EBIT	Capital Employed	0.12	0.37
11.	Return on Investment (in %)	Net Return on Investment	Cost of Investment	NIL	NIL

Reason for change in ratio beyond 25%

- Debt Service Coverage Ratio – Due to improvement in PAT
- Return on Equity Ratio - Due to improvement in PAT
- Net Profit Ratio - Due to improvement in PAT
- Return on Capital Employed - Due to improvement in PAT

XII. Other Regulatory Information**a) Title Deeds of Immovable Properties not held in the Name of the Company**

The company does not hold immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee).

b) Registration of Charges or Satisfaction with the Registrar of Companies

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

c) Utilization of Borrowings Availed form Banks & Financial Institutions

The borrowings obtained by the company from banks have been applied for the purposes for which the loan was taken.

Artimas Fashions Private Limited
Notes to the Financial Statements for the year ended March 31, 2022

NOTE: 44

Reclassification consequent to amendment to Schedule III

(Rs. in Lakhs)

Balance Sheet Items	31 st March 2021	Increase/Decrease	31 st March 2021
Other Financial Liabilities (Current)	488.11	(48.98)	439.12
Current Borrowing	2,056.96	48.98	2,105.94

NOTE: 45

Corporate Social Responsibility Expenditure: N.A.(P.Y.20-21 – N.A.)

NOTE: 46

The lease has been terminated on mutual understanding of both lessor & lessee. Consequently, profit arise on such termination of such lease amounting to Rs. 5.18 L. has been credited under the head Other Income.

NOTE: 47

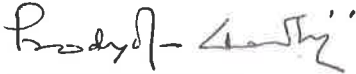
Previous year figures have been recast/ regrouped whenever necessary to conform to the current year's presentation.

The accompanying notes are integral parts of the Financial Statements.

As per our report of even date attached

For Sanjay Modi & CO
Chartered Accountants
ICAI Firm Registration No. 322295E

FOR AND BEHALF OF THE BOARD OF DIRECTORS



CA Prodyat Chaudhuri
Partner
Membership No. 065401



Ashok Kumar Todi
Director
DIN- 00053599



Nischal Puri
Director
DIN- 02830389

Place: Kolkata
Date: 30.05.2022

Place: Kolkata
Date: