



**BIBA**

**BIBA APPARELS PRIVATE  
LIMITED**

**STANDALONE FINANCIAL  
STATEMENTS**

**FINANCIAL YEAR 2020-21**

# Walker ChandioK & Co LLP

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## Independent Auditor's Report

To the Members of BIBA Apparels Private Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

1. We have audited the accompanying standalone financial statements of BIBA Apparels Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 ethical requirements that are relevant to our audit of the financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') and the relevant provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter- Uncertainties and the impact of COVID 19 on financial statements

4. We draw attention to note 55 of the accompanying standalone financial statements, which describes the effects of uncertainties relating to COVID-19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying standalone financial statements of the Company as at the balance sheet date, the extent of which is significantly dependent on future developments. Our opinion is not modified in respect of this matter.

#### Information other than the Financial Statements and Auditor's Report thereon

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

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Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker ChandioK & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



# Walker ChandioK & Co LLP

## **Independent Auditor's Report to the members of BIBA Apparels Private Limited on the standalone financial statements for the year ended 31 March 2021 (contd.)**

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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



# Walker ChandioK & Co LLP

## Independent Auditor's Report to the members of BIBA Apparels Private Limited on the standalone financial statements for the year ended 31 March 2021 (contd.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to the Company since the Company is not a public company as defined under section 2(71) of the Act. Accordingly, reporting under section 197(16) is not applicable.
13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;
  - 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 standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

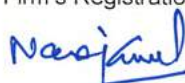


# Walker ChandioK & Co LLP

## Independent Auditor's Report to the members of BIBA Apparels Private Limited on the standalone financial statements for the year ended 31 March 2021 (contd.)

- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 November 2021 as per Annexure II expressed modified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in note 49 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker ChandioK & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Neeraj Goel**  
Partner  
Membership No.: 099514  
**UDIN:** 21099514AAAAHF6774



**Place:** Gurugram  
**Date:** 29 November 2021

# Walker ChandioK & Co LLP

Annexure I to the Independent Auditor's Report of even date to the Members of BIBA Apparels Private Limited on the standalone financial statements for the year ended 31 March 2021

## Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment ('PPE').
  - (b) The PPE have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The Company does not hold any immovable property (in the nature of 'PPE'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has granted unsecured loans to one company covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) In our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
  - (b) the schedule of repayment of principal and interest has been stipulated wherein the principal and interest are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal and interest amount are regular;
  - (c) there is no overdue amount in respect of loans granted to such company.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans and investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 186 of the Act in respect of guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.



**Annexure I to the Independent Auditor's Report of even date to the members of BIBA Apparels Private Limited, on the standalone financial statements for the year ended 31 March 2021**

- (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

**Statement of Disputed Dues**

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Penalty u/s 201(1)	11.76	3.58	AY 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Penalty u/s 201(1)	14.30	Nil	AY 2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Penalty u/s 201(1)	40.58	Nil	AY 2013-14	Commissioner of Income-tax (appeals)
Income Tax Act, 1961	Penalty u/s 201(1)	32.35	Nil	AY 2014-15	Commissioner of Income-tax (appeals)
Income Tax Act, 1961	Income Tax	238.05	Nil	AY 2018-19	Assessing officer Income tax
The Bihar Value added Tax Act, 2005	Value added tax	12.46	6.47	FY 2016-17	Joint Commissioner
Delhi Value added Tax Act, 2004	Value added tax	8.88	Nil	FY 2014-15	Commissioner of Delhi Value added Tax Act
Delhi Value added Tax Act, 2004	Value added tax	35.58	Nil	FY 2015-16	Commissioner of Delhi Value added Tax Act
Delhi Value added Tax Act, 2004	Value added tax	7427.41	Nil	FY 2016-17	Commissioner of Delhi Value added Tax Act
Uttar Pradesh Value added Tax Act, 2008	Value added tax	17.05	17.05	2016-17	Commissioner of Uttar Pradesh Value added Tax Act

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any loan or borrowings payable to the government and further, did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No Fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year, except for one case of embezzlement of funds amounting to Rs. 302.11 by a former employee of the Company over a period of four years from FY 2017-18 to FY 2020-21, as further explained in note 54 to the accompanying financial statements. The

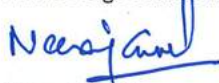


**Annexure I to the Independent Auditor's Report of even date to the members of BIBA Apparels Private Limited, on the standalone financial statements for the year ended 31 March 2021**

Company has recorded necessary adjustments for the amount identified in the accompanying financial statements based on the reconciliations performed with vendors and preliminary report of forensic expert, and in view of the management, any further adjustment relating to aforesaid matter on completion of the investigation is not expected to be material. The Company has also filed a first information report ('FIR') against the former employee and taking necessary steps to ensure recovery of such amounts.

- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Neeraj Goel**  
Partner  
Membership No.: 099514



**UDIN:** 21099514AAAAHF6774

**Place:** Gurugram  
**Date:** 29 November 2021



# Walker Chandiook & Co LLP

## Annexure II

### **Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of BIBA Apparels Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### **Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ("the Guidance Note") 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include



# Walker ChandioK & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of BIBA Apparels Private Limited, on the standalone financial statements for the year ended 31 March 2021 (cont'd)

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

## **Qualified opinion**

8. According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31 March 2021:

The Company did not have an appropriate internal control system over processing of payments towards rental and other expenses pertaining to leased premises, which has resulted in misappropriation of funds through fraudulent payments, and could lead to potential material misstatements in the value of trade and other payables, and its consequential impact on the Statement of Profit and Loss, as explained in Note 54 to the accompanying financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual financial statements will not be prevented or detected on a timely basis.
10. In our opinion, the Company has, in all material aspects, adequate internal financial controls with reference to financial statements as at 31 March 2021 based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls with reference to financial statements were operating effectively as at 31 March 2021.

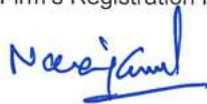


# Walker ChandioK &Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of BIBA Apparels Private Limited, on the standalone financial statements for the year ended 31 March 2021 (cont'd)

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company and the material weakness reported above does not affect our opinion on the financial statements of the Company.

For **Walker ChandioK & Co LLP**  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013



**Neeraj Goel**  
Partner  
Membership No.: 099514  
**UDIN:** 21099514AAAAHF6774



**Place:** Gurugram  
**Date :** 29 November 2021

**BIBA Apparels Private Limited**  
**Standalone balance sheet as at 31 March 2021**  
*(All amounts in ₹ lakhs unless otherwise stated)*

Particulars	Notes	As at 31 March 2021	As at 31 March 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	4,962.98	6,057.11
Right-of-use assets	47	27,269.85	33,541.96
Other intangible assets	5	382.15	451.55
<b>Financial assets</b>			
(i) Investments	6	773.73	938.76
(ii) Loans	7	227.00	644.07
(iii) Other financial assets	8	9.28	14.77
Non-current tax asset (net)	9	360.21	824.97
Deferred tax assets (net)	10	2,417.65	1,934.15
Other non-current assets	11	305.64	269.62
<b>Total non-current assets</b>		<b>36,708.49</b>	<b>44,676.96</b>
<b>Current assets</b>			
Inventories	12	32,012.89	37,804.38
<b>Financial assets</b>			
(i) Trade receivables	13	6,772.88	3,317.49
(ii) Cash and cash equivalents	14	394.58	221.99
(iii) Bank balances other than (ii) above	15	134.44	12.59
(iv) Loans	16	4,379.88	3,795.78
(v) Other financial assets	17	93.12	19.34
Other current assets	18	2,776.09	3,471.55
<b>Total current assets</b>		<b>46,563.88</b>	<b>48,643.12</b>
<b>Total assets</b>		<b>83,272.37</b>	<b>93,320.08</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	19	12,506.28	11,972.95
Other equity	20	18,740.42	16,609.93
<b>Total equity</b>		<b>31,246.70</b>	<b>28,582.88</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	21	2,335.71	-
(ii) Lease liabilities	47	28,274.60	33,880.17
Provisions	22	252.89	219.61
<b>Total non-current liabilities</b>		<b>30,863.20</b>	<b>34,099.78</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Borrowings	23	8,189.51	14,390.89
(ii) Trade payables	24		
(a) Total outstanding dues of micro enterprises and small enterprises; and		1,366.94	867.04
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,055.67	6,248.64
(iii) Lease liabilities	47	5,807.36	5,303.80
(iv) Other financial liabilities	25	4,067.41	3,081.47
Other current liabilities	26	557.30	642.02
Provisions	27	118.28	103.56
<b>Total current liabilities</b>		<b>21,162.47</b>	<b>30,637.42</b>
<b>Total equity and liabilities</b>		<b>83,272.37</b>	<b>93,320.08</b>

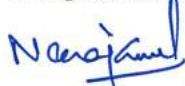
The accompanying notes form an integral part of these standalone financial statements.

This is the standalone balance sheet referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration Number: 001076N/N500013



Neeraj Goel

Partner

Membership No: 099514

Place: Gurugram

Date: 29 November 2021



For and on behalf of the Board of Directors of  
**BIBA Apparels Private Limited**



Meena Bindra

Director

(DIN : 01627149)

Siddharath Bindra

Managing Director

(DIN : 01680498)



Sachin Agrawal

Company Secretary

(Membership No. - A-17348)



Vikram Nagpal

Chief Financial Officer

Place: Gurugram

Date: 29 November 2021

**BIBA Apparels Private Limited**  
**Standalone statement of profit and loss for the year ended 31 March 2021**  
*(All amounts in ₹ lakhs unless otherwise stated)*

Particulars	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>Income</b>			
Revenue from operations	28	52,582.01	75,720.92
Other income	29	4,335.90	745.41
<b>Total income</b>		<b>56,917.91</b>	<b>76,466.33</b>
<b>Expenses</b>			
Cost of materials consumed	30	9,657.34	22,190.97
Purchase of stock-in-trade		98.02	203.38
Job work charges	31	6,655.14	12,139.05
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	5,754.02	(9,686.66)
Employee benefits expense	33	7,134.27	11,143.33
Finance costs	34	4,304.83	4,498.02
Depreciation and amortisation expenses	35	8,339.55	8,088.14
Other expenses	36	17,027.22	26,002.01
<b>Total expenses</b>		<b>58,970.39</b>	<b>74,578.24</b>
<b>(Loss)/profit before tax and exceptional items</b>		<b>(2,052.48)</b>	<b>1,888.09</b>
Exceptional items	37	173.28	1,105.20
<b>(Loss)/profit before tax</b>		<b>(2,225.76)</b>	<b>782.89</b>
<b>Tax expense</b>	38		
Current tax		-	575.28
Tax pertaining to earlier years		(408.07)	-
Deferred tax		(481.01)	(47.83)
<b>(Loss)/profit for the year</b>		<b>(1,336.68)</b>	<b>255.44</b>
<b>Other comprehensive income :</b>			
<i>Items that will not be reclassified to profit and loss</i>			
Re-measurement loss on defined benefit obligations		(9.87)	(41.77)
Income tax relating to above items		2.49	10.51
<b>Total other comprehensive income</b>		<b>(7.38)</b>	<b>(31.26)</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(1,344.06)</b>	<b>224.18</b>
<b>(Loss)/earnings per equity share (face value of ₹ 10 per share)</b>	39		
Basic (loss)/earnings per share (in ₹)		(1.08)	0.21
Diluted (loss)/earnings per share (in ₹)		(1.08)	0.21

The accompanying notes form an integral part of these standalone financial statements.

This is the standalone statement of profit and loss referred to in our report of even date.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration Number: 001076N/N500013

*Neeraj Goel*

Neeraj Goel  
Partner  
Membership No: 099514



Place: Gurugram  
Date: 29 November 2021

For and on behalf of the Board of directors of  
**BIBA Apparels Private Limited**

*Meena Bindra*

Meena Bindra  
Director  
(DIN : 01627149)

*Siddharath Bindra*

Siddharath Bindra  
Managing Director  
(DIN : 01680498)

*Sachin Agrawal*  
Sachin Agrawal  
Company Secretary  
(Membership No. - A-17348)

*Vikram Nagpal*  
Vikram Nagpal  
Chief Financial Officer

Place: Gurugram  
Date: 29 November 2021



**BIBA Apparels Private Limited**  
**Standalone cash flow statement for the year ended 31 March 2021**  
*(All amounts in ₹ lakhs unless otherwise stated)*

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>A) Cash flow from operating activities :</b>		
Net (Loss)/profit before tax (after exceptional items)	(2,225.76)	782.89
<b>Adjustments for :</b>		
Depreciation and amortisation	8,339.55	8,088.14
Gain on disposal of property, plant and equipment	(0.39)	(10.30)
Interest income	(15.04)	(20.64)
Employee stock option expense	7.88	-
Interest income on financial asset at amortised cost	(101.37)	(91.83)
Exceptional items	173.28	1,105.20
Rent concession on lease rentals	(3,505.81)	-
Gain on termination of right-of-use assets	(562.94)	(251.64)
Unrealised loss/(gain) on foreign exchange fluctuation	2.49	(3.99)
Finance charges	4,304.83	4,498.02
Miscellaneous balances written off	754.73	-
Provision for doubtful debts	141.69	46.95
<b>Operating profit before working capital changes</b>	<b>7,313.14</b>	<b>14,142.80</b>
<b>Adjustments for:</b>		
Decrease/(increase) in inventories	5,791.49	(9,746.63)
(Increase) in trade receivables	(3,569.23)	(75.20)
(Increase)/ decrease in loans, financial assets and other current assets	(277.85)	466.83
(Decrease)/increase in trade payables	(4,693.08)	3,193.12
Increase in other liabilities and provisions	647.09	268.86
<b>Cash generated from operating activities</b>	<b>5,211.56</b>	<b>8,249.78</b>
Income taxes refund/(paid) (net)	872.82	(744.73)
<b>Net cash flow generated from operating activities</b>	<b>6,084.38</b>	<b>7,505.05</b>
<b>B) Cash flow from investing activities :</b>		
Purchase of property, plant and equipment (including intangible assets and capital advances)	(1,005.38)	(3,056.88)
Proceeds from sale of property, plant and equipment	7.73	42.12
Interest received	10.07	112.46
Investment in fixed deposits	(117.60)	(2.72)
<b>Net cash flow (used in) investing activities</b>	<b>(1,105.18)</b>	<b>(2,905.02)</b>
<b>C) Cash flow from financing activities :</b>		
Repayment of long term borrowings	(196.57)	(677.78)
Proceeds from long term borrowings	2,960.00	-
Repayment/proceeds of short term borrowings (net)	(6,201.38)	4,792.73
Finance charges paid	(994.59)	(1,190.42)
Payment of lease liabilities	(4,374.07)	(7,821.00)
Dividend paid (including dividend tax)	-	(158.77)
Proceeds from shares issued during the year	4,000.00	-
<b>Net cash flow (used in) financing activities</b>	<b>(4,806.61)</b>	<b>(5,055.24)</b>
<b>D) Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>172.59</b>	<b>(455.21)</b>
<b>E) Cash and cash equivalents as at the beginning of the year</b>	<b>221.99</b>	<b>677.20</b>
<b>F) Cash and cash equivalents as at the end of the year</b>	<b>394.58</b>	<b>221.99</b>
<b>Components of cash and cash equivalents (refer note 14):</b>		
Balance with banks		
- with scheduled banks in current accounts	85.39	169.54
- with scheduled banks in cash credit account	73.86	27.42
Cash on hand	235.33	25.03
<b>Total cash and cash equivalents</b>	<b>394.58</b>	<b>221.99</b>



**BIBA Apparels Private Limited**  
**Standalone cash flow statement for the year ended 31 March 2021**  
*(All amounts in ₹ lakhs unless otherwise stated)*

**Reconciliation of financial liabilities arising from financing activities:**

Particulars	Interest accrued	Non-current borrowings *	Current borrowings	Lease liabilities
<b>Opening balance as at 01 April 2019</b>	26.75	702.92	9,598.16	-
Add: lease liabilities created under Ind AS 116	-	-	-	36,027.24
Add: interest expense	1,163.67	-	-	3,326.47
<b>Cash inflows/outflows:</b>				
Add: loan disbursed	-	-	4,792.73	-
Add: lease liabilities created on new leases entered during the year	-	-	-	8,849.09
Less: payment of lease liabilities	-	-	-	(7,821.00)
Less: termination of leases	-	-	-	(1,197.83)
Less: loan repaid	-	(677.78)	-	-
Less: interest repaid	(1,190.42)	-	-	-
<b>Closing balance as at 31 March 2020</b>	-	<b>25.14</b>	<b>14,390.89</b>	<b>39,183.97</b>
Add: interest expense	1,044.24	-	-	3,260.60
Less: rent concession on lease rentals	-	-	-	(3,505.81)
<b>Cash inflows/outflows:</b>				
Add: lease liabilities created on new leases entered during the year	-	-	-	2,407.76
Add: loan disbursed	-	2,960.00	3,201.04	-
Less: loan repaid	-	(196.57)	(9,402.42)	-
Less: payment of lease liabilities	-	-	-	(4,374.07)
Less: termination of leases	-	-	-	(2,890.49)
Less: interest paid	(994.59)	-	-	-
<b>Closing balance as at 31 March 2021</b>	<b>49.65</b>	<b>2,788.57</b>	<b>8,189.51</b>	<b>34,081.96</b>

\* Includes current maturity of long term debt.

The accompanying notes form an integral part of these standalone financial statements.

This is the standalone cash flow statement referred to in our report of even date.

For Walker Chandio & Co LLP  
Chartered Accountants  
Firm Registration Number: 001076N/N500013

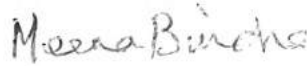


**Neeraj Goel**  
Partner  
Membership No: 099514



**Place:** Gurugram  
**Date:** 29 November 2021

For and on behalf of the Board of directors of  
**BIBA Apparels Private Limited**

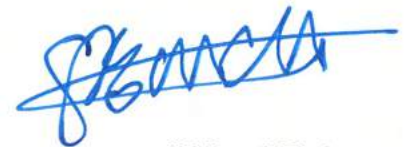


**Meena Bindra**  
Director  
(DIN : 01627149)

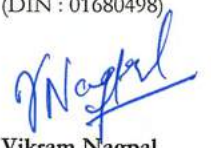


**Sachin Agrawal**  
Company Secretary  
(Membership No. - A-17348)

**Place:** Gurugram  
**Date:** 29 November 2021



**Siddharath Bindra**  
Managing Director  
(DIN : 01680498)



**Vikram Nagpal**  
Chief Financial Officer



BIBA Apparels Private Limited  
 Standalone statement of changes in equity for the period ended 31 March 2021  
 (All amounts in ₹ lakhs unless otherwise stated)

A Equity share capital

Particulars	Balance as at 01 April 2019	Change in equity share capital during the year	Balance as at 31 March 2020	Change in equity share capital during the year	Balance as at 31 March 2021
Equity share capital	11,972.95	-	11,972.95	533.33	12,506.28

B Other equity

Particulars	Securities premium	Employee Stock option reserve	Reserve and surplus	Total
			Retained earnings	
<b>Balance as at 01 April 2019</b>	92.75	-	19,915.66	20,008.41
Ind AS 116 transition adjustments (net of adjustment of deferred tax)	-	-	(3,463.89)	(3,463.89)
Profit for the year	-	-	255.44	255.44
Other comprehensive income for the year (net of income tax)	-	-	(31.26)	(31.26)
<b>Total comprehensive income for the year</b>	92.75	-	16,675.95	16,768.70
Transactions with owners in their capacity as owners:				
Dividend (including dividend distribution tax)	-	-	(158.77)	(158.77)
<b>Balance as at 01 April 2020</b>	92.75	-	16,517.18	16,609.93
Loss for the year	-	-	(1,336.68)	(1,336.68)
Other comprehensive income for the year (net of income tax)	-	-	(7.38)	(7.38)
Share option expense for the year	-	7.88	-	7.88
<b>Total comprehensive income for the year</b>	92.75	7.88	15,173.12	15,273.75
Premium on shares issued during the year	3,466.67	-	-	3,466.67
<b>Balance as at 31 March 2021</b>	3,559.42	7.88	15,173.12	18,740.42

The accompanying notes form an integral part of these standalone financial statements.

This is the standalone statement of changes in equity referred to in our report of even date.

For Walker Chandio & Co LLP  
 Chartered Accountants  
 Firm Registration Number: 001076N/N500013

*Neeraj*

Neeraj Goel  
 Partner  
 Membership No: 099514



Place: Gurugram  
 Date: 29 November 2021

For and on behalf of the Board of directors of  
 BIBA Apparels Private Limited

*Meena Bindra*

Meena Bindra  
 Director  
 (DIN : 01627149)

*Sachin Agrawal*

Sachin Agrawal  
 Company Secretary  
 (Membership No. - A-17348)

Siddharath Bindra  
 Managing Director  
 (DIN : 01680498)

*Vikram Nagpal*

Vikram Nagpal  
 Chief Financial Officer

Place: Gurugram  
 Date: 29 November 2021





## BIBA Apparels Private Limited

### Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

#### 1. Corporate Information

##### Nature of operations

BIBA Apparels Private Limited ('the Company') is primarily engaged in business of manufacturing and retail of ethnic wear. The registered office of the Company is located in Gurugram.

##### General information and statement of compliance with Ind AS

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')).

The standalone financial statements for the year ended 31 March 2021 were authorised and approved for issue by the Board of Directors on 29 November 2021.

#### 2. Recent accounting pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. Key amendments relating to Division II which relate to Companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

##### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

##### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

#### 3. Summary of significant accounting policies

##### a) Overall consideration

The standalone financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the standalone financial statements.

##### b) Basis of preparation

The standalone financial statements have been prepared on going concern basis under the historical cost basis except for certain financial assets which are measured at fair value.



## BIBA Apparels Private Limited

### Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

#### c) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

#### d) Revenue recognition

Revenue of the Company arises mainly from the sale of Apparels and accessories.

To determine whether to recognise revenue, the Company follows a 5-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax (GST).

Revenue from sale of goods is recognised when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position (see note 26). Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises a receivable in its statement of financial position.

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

#### e) Property, plant and equipment

##### *Recognition and initial measurement*

Property plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, and any cost attributable to bringing the assets to its working condition and intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. Capital expenditure incurred on rented properties is classified as 'Leasehold improvements' under fixed assets.

##### *Subsequent measurement (depreciation and useful lives)*

Depreciation on property, plant and equipment is provided on the written down value method except leasehold improvement on which depreciation is provided on straight line method computed on the basis of useful lives (as set out below) prescribed in Schedule II to the Companies Act, 2013:

Asset category	Estimated useful life (in years)
Computers	3 years
Furniture and fixtures	10 years
Leasehold improvement	5 years
Vehicles	8 years
Plant and machinery	15 years
Office equipment	5 years



## BIBA Apparels Private Limited

### Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### *De-recognition*

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

#### **f) Intangible**

##### *Recognition and initial measurement*

Intangible assets comprise brand, software's and non-compete fees which are stated at their cost of acquisition. The cost comprises purchase price, and any cost attributable to bringing the assets to its working condition and intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. These are recognised as assets if it is probable that future economic benefits attributable to such assets will flow to the Company and the cost of the assets can be measured reliably.

##### *Subsequent measurement (amortisation)*

All intangible assets are amortised on straight line basis at the rate set out below except software which is amortised on Written down value Basis.

Asset category	Depreciation rate
Brand	10 years
Software	2.5 years
Non-compete fee	3 years

#### **g) Inventories**

Inventories are valued as follows:

Raw materials are valued at lower of cost and net realisable value. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Cost is determined based on first in first out method.

Work-in-progress and finished goods (including consignment stock) are valued at lower of cost and net realisable value. Cost includes direct materials, labour, and all other costs of purchase incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

#### **h) Leases**

##### **The Company as a lessee**

The Company's lease asset classes primarily consist of property leases. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.



## BIBA Apparels Private Limited

### Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

#### i) Foreign currency translation

##### *Functional and presentation currency*

The standalone financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Company.

##### *Transactions and balances*

Foreign currency transactions are recorded in the functional currency, by applying to the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transactions.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the statement of profit and loss in the year in which they arise.

#### j) Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal/external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

#### k) Financial instruments

##### **Financial assets**

##### *Initial recognition and measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

##### *Subsequent measurement*

**Financial instruments at amortised cost** – the financial instrument is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.



## BIBA Apparels Private Limited

### Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

#### *De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

#### **Financial liabilities**

##### *Initial recognition and measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted. These liabilities are classified as amortised cost.

##### *Subsequent measurement*

These liabilities include are borrowings. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

##### *De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

##### *Swap contracts*

A forward contract is recognised as an asset or a liability on the commitment date. Outstanding forward contracts as at reporting date are restated using the mark to market information and resultant gain/(loss) is accounted in statement of profit and loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **l) Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

##### *Trade receivables*

The Company applies approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of receivables.

##### *Other financial assets*

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

#### **m) Income taxes**

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity.



## **BIBA Apparels Private Limited**

### **Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021**

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised either in Other comprehensive income or in equity.

#### **n) Employee benefits**

##### **(i) Defined contribution plans**

The Company contributes on a defined contribution basis to Employee's Provident Fund and Employee's State Insurance Fund towards post-employment benefits, all of which are administered by the respective Government authorities. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as they accrue.

##### **(ii) Defined benefit plans**

The Company has a defined benefit plan namely gratuity for all its employees. The liability for the defined benefit plan of Gratuity is determined on the basis of an actuarial valuation by an independent actuary at the year end, which is calculated using projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

##### **(iii) Other short-term benefits**

Expense in respect of other short term benefits including performance bonus is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

#### **o) Contingent liabilities, provisions and contingent assets**

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- present obligation, where a reliable estimate cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

#### **p) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.



## **BIBA Apparels Private Limited**

### **Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021**

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 dilutive potential equity shares.

#### **q) Investment**

Investments are classified into non-current investments and current investments based on intent of the management at the time of making the investment. Investments intended to be held for more than one year are classified as non-current investments. Current investments are valued at lower of cost and fair value. The diminution in current investments is charged to the statement of profit and loss and appreciation, if any, is recognised at the time of sale. Non-current investments are stated at cost of acquisition unless there is diminution, other than temporary, in their value. Diminution is considered other than temporary based on criteria that include the extent to which cost exceeds the market value, the duration of the market value decline and the financial health and specific prospects of the issuer.

#### **r) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

#### **s) Share based payments**

The fair value of options granted under Employee Stock Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to equity.

#### **t) Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown in borrowings under financial liabilities in the balance sheet.

#### **u) Fair value measurement of financial instruments**

The Company measures financial instruments 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:

- 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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.



## BIBA Apparels Private Limited

### Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (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 nature, characteristics and risks of the asset and liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

- Disclosure regarding significant estimates and assumptions- Note 3, paragraph w.
- Quantitative disclosures of fair value measurement hierarchy- Note 3, paragraph u.
- Financial instruments (including those carried at amortised cost)- Note 3, paragraph k.

#### v) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

#### w) Significant management judgement in applying accounting policies and estimation uncertainty

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

#### Significant management judgements

**Recognition of deferred tax assets** – The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

**Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Recoverability of advances/receivables** – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

**Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Fair value measurements** – Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.





**BIBA Apparels Private Limited**

**Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021**

**Provisions** – At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding warranties and guarantees. However, the actual future outcome may be different from this judgement.

**Useful lives of depreciable/amortisable assets** – Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets.



## 4 Property, plant and equipment

Particulars	Office equipments	Computers	Furniture and fixtures	Leasehold improvements	Vehicles	Plant and machinery	Total
<b>Gross carrying amount</b>							
As at 01 April 2019	1,528.22	321.96	4,565.42	4,675.81	189.30	421.83	11,702.54
Additions	343.63	80.03	1,106.70	1,295.97	57.56	30.11	2,914.00
Disposals	45.26	1.52	102.54	59.89	-	3.83	213.04
<b>At 31 March 2020</b>	<b>1,826.59</b>	<b>400.47</b>	<b>5,569.58</b>	<b>5,911.89</b>	<b>246.86</b>	<b>448.11</b>	<b>14,403.50</b>
Additions	148.33	10.72	310.41	307.50	1.47	47.65	826.08
Disposals	-	0.48	5.73	461.73	-	11.57	479.51
<b>At 31 March 2021</b>	<b>1,974.92</b>	<b>410.71</b>	<b>5,874.26</b>	<b>5,757.66</b>	<b>248.33</b>	<b>484.19</b>	<b>14,750.07</b>
<b>Accumulated depreciation</b>							
As at 01 April 2019	881.57	190.41	2,149.56	2,991.31	111.22	156.19	6,480.26
Depreciation charge for the year	351.33	106.21	787.13	687.63	37.89	53.60	2,023.79
Disposals	41.49	1.25	76.28	37.06	-	1.58	157.66
<b>At 31 March 2020</b>	<b>1,191.41</b>	<b>295.37</b>	<b>2,860.41</b>	<b>3,641.88</b>	<b>149.11</b>	<b>208.21</b>	<b>8,346.39</b>
Depreciation charge for the year	324.68	56.32	747.19	713.29	30.08	41.30	1,912.86
Disposals	-	0.47	3.70	461.73	-	6.26	472.16
<b>At 31 March 2021</b>	<b>1,516.09</b>	<b>351.22</b>	<b>3,603.90</b>	<b>3,893.44</b>	<b>179.19</b>	<b>243.25</b>	<b>9,787.09</b>
<b>Net carrying amount</b>							
At 31 March 2021	458.83	59.49	2,270.36	1,864.22	69.14	240.94	4,962.98
At 31 March 2020	635.18	105.10	2,709.17	2,270.01	97.75	239.90	6,057.11

## (i) Contractual obligations

Refer note 50 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Property, plant and equipment have been pledged as security for liabilities, for details refer note 44.



BIBA Apparels Private Limited  
 Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021  
 (All amounts in ₹ lakhs unless otherwise stated)

5 Intangible assets

Particulars	Biba brand	Software	Non compete fee	Total
<b>Gross carrying amount</b>				
As at 01 April 2019	345.08	430.41	11.11	786.60
Additions	93.44	13.56	-	107.00
<b>At 31 March 2020</b>	<b>438.52</b>	<b>443.97</b>	<b>11.11</b>	<b>893.60</b>
Additions	-	4.97	-	4.97
<b>At 31 March 2021</b>	<b>438.52</b>	<b>448.94</b>	<b>11.11</b>	<b>898.57</b>
<b>Accumulated amortisation</b>				
As at 01 April 2019	40.79	292.12	11.11	344.02
Amortisation charge for the year	40.23	57.80	-	98.03
<b>At 31 March 2020</b>	<b>81.02</b>	<b>349.92</b>	<b>11.11</b>	<b>442.05</b>
Amortisation charge for the year	36.38	37.99	-	74.37
<b>At 31 March 2021</b>	<b>117.40</b>	<b>387.91</b>	<b>11.11</b>	<b>516.42</b>
<b>Net carrying amount</b>				
At 31 March 2021	321.12	61.03	-	382.15
At 31 March 2020	357.50	94.05	-	451.55

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**BIBA Apparels Private Limited**  
**Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021**  
*(All amounts in ₹ lakhs unless otherwise stated)*

Particulars	As at 31 March 2021	As at 31 March 2020
<b>6 Investments</b>		
<b>Investments carried at amortised cost</b>		
<b>In equity instruments (fully paid)</b>		
<b>In subsidiary (unquoted)</b>		
- IMA Clothing Private Limited		
1,700,000 (previous year: 1,700,000) class B equity shares of ₹ 10 each	170.00	170.00
- IMA Clothing Private Limited		
10,408 (previous year: 10,408) class A equity shares of ₹ 10 each	20.00	20.00
<b>In associate (unquoted)</b>		
- Anjuman Brand Designs Private Limited		
854,926 (previous year: 854,926) equity shares of ₹ 10 each	615.06	615.06
<b>In preference shares (fully paid up)</b>		
<b>In subsidiary (unquoted)</b>		
- IMA Clothing Private Limited		
800,000 (previous year: 800,000) preference shares of ₹ 10 each	80.00	80.00
<b>Tax free bonds (quoted)</b>		
<b>In Government entities</b>		
- Housing and Urban Development Corporation Limited		
4,517 (previous year: 4,517) tax free bonds of ₹ 1,000 each	46.14	46.14
- National Bank for Agriculture and Rural Development		
10,020 (previous year: 10,020) tax free bonds of ₹ 1,000 each	112.53	107.56
<b>Less: provision for impairment of investment</b>	(270.00)	(100.00)
	<u>773.73</u>	<u>938.76</u>
<b>Aggregate amount of unquoted investments</b>	885.06	885.06
<b>Aggregate amount of impairment in value of unquoted investment</b>	(270.00)	(100.00)
<b>Aggregate amount of quoted investments</b>	158.67	153.70
<b>Market value of quoted investments</b>	176.58	167.25
<b>7 Loans -Non-current</b>		
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Security deposits	227.00	644.07
Loan to a related party - credit impaired*	500.30	500.30
Less: loss allowance	(500.30)	(500.30)
	<u>227.00</u>	<u>644.07</u>
*includes unsecured demand loan given to IMA Clothing Private Limited carrying a interest rate of 15% p.a. However, no interest income has been recorded in the current year, considering the uncertainty in the recovery of loan amount.		
<b>8 Other non-current financial assets</b>		
Fixed deposits with banks with maturity period of more than 12	9.28	14.77
	<u>9.28</u>	<u>14.77</u>
*includes fixed deposits pledged with government authorities amounting to ₹ 7.70 lakhs (previous year: ₹ 7.50 lakhs)		
<b>9 Non-current tax asset (net)</b>		
Advance income tax (net of provision)	360.21	824.97
	<u>360.21</u>	<u>824.97</u>
<b>10 Deferred tax assets</b>		
<b>Deferred tax assets on account of:</b>		
Property, plant and equipment	394.54	332.02
Provision for employee benefits	93.42	81.33
Impact of Ind AS 116	1,572.09	1,472.09
Financial assets at amortised cost	77.73	23.11
Fair valuation of investment	-	1.24
Amount disallowed under 40a(ia)	35.01	12.54
Provision for doubtful debts	17.22	11.82
Provision for doubtful advance	7.63	-
Brought forward losses	220.01	-
	<u>2,417.65</u>	<u>1,934.15</u>



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**Movement in deferred tax assets during year ended 31 March 2021**

Particulars	As at 31 March 2020	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at 31 March 2021
<b>Deferred tax assets</b>				
Property, plant and equipment	332.02	-	62.52	394.54
Financial assets at amortised cost	23.11	-	54.62	77.73
Fair valuation of investment	1.24	-	(1.24)	-
Amount disallowed under 40a(ia)	12.54	-	22.47	35.01
Provision for doubtful debts	11.82	-	5.40	17.22
Provision for doubtful advance	-	-	7.63	7.63
Provision for employee benefits	81.33	2.49	9.60	93.42
Impact of Ind AS 116	1,472.09	-	100.00	1,572.09
Brought forward losses	-	-	220.01	220.01
<b>Total</b>	<b>1,934.15</b>	<b>2.49</b>	<b>481.02</b>	<b>2,417.65</b>

**Movement in deferred tax assets during year ended 31 March 2020**

Particulars	As at 31 March 2019	Recognised in other comprehensive income	Recognised in statement of profit and loss	Recognised directly in equity	As at 31 March 2020
<b>Deferred tax assets</b>					
Property, plant and equipment	527.55	-	(195.53)	-	332.02
Financial assets at amortised cost	3.52	-	19.59	-	23.11
Provision for doubtful debts	-	-	11.82	-	11.82
Fair valuation of investment	1.15	-	0.09	-	1.24
Amount disallowed under 40a(ia)	-	-	12.54	-	12.54
Provision for employee benefits	79.11	10.51	(8.29)	-	81.33
Deferred lease rent	99.81	-	(99.81)	-	-
Impact of Ind AS 116	-	-	307.09	1,165.00	1,472.09
Borrowing	(0.33)	-	0.33	-	-
<b>Total</b>	<b>710.81</b>	<b>10.51</b>	<b>47.83</b>	<b>1,165.00</b>	<b>1,934.15</b>

Particulars	As at 31 March 2021	As at 31 March 2020
<b>11 Other non-current asset</b>		
Capital advances	239.62	252.42
Balances with government authorities	66.02	17.20
	<b>305.64</b>	<b>269.62</b>
<b>12 Inventories*^</b>		
Raw material	683.88	721.35
Work-in-progress**	724.14	5,260.64
Finished goods (including stock-in-trade of ₹ 134.05 lakhs (previous year: ₹ 108.96 lakhs))	29,552.93	30,970.46
Stock-in-transit	1,051.94	851.93
	<b>32,012.89</b>	<b>37,804.38</b>

\*Inventories have been pledged as security for borrowings, for details refer note 44.

\*\* Represent inventories with the vendors sent for job work ₹ 724.14 lakhs (previous year: ₹ 5,260.64 lakhs)

^The Company has recorded few class of finished goods at the net realisable value (NRV), as their realisable value is lower than the cost of production. The total NRV adjustments made in the value of such goods is ₹ 62.20 lakhs (previous year ₹ 93.71 lakhs). This was recognised as an expense during the year and included in 'changes in inventories of finished goods' in the statement of profit and loss.

**13 Trade receivables**

Trade receivables considered good-secured	6,772.88	3,317.49
Trade receivables - credit impaired	68.43	55.02
	6,841.31	3,372.51
Less: loss allowance	68.43	55.02
	<b>6,772.88</b>	<b>3,317.49</b>

(i) Trade receivables have been pledged as security for borrowings, for details refer note 44.

(ii) Refer note 42 - Financial risk management for assessment of expected credit loss.

(iii) The carrying amounts of financial assets are considered to be a reasonable approximation of their fair values.

**14 Cash and cash equivalents**

Balance with banks		
- with scheduled banks in current accounts	85.39	169.54
- with scheduled banks in cash credit account	73.86	27.42
Cash on hand	235.33	25.03
	<b>394.58</b>	<b>221.99</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.

**15 Bank balances other than cash and cash equivalents (unsecured, considered good)**

Deposits with maturity of more than 3 months but less than 12 months*	134.44	11.35
Unpaid dividend account	-	1.24
	<b>134.44</b>	<b>12.59</b>

\*includes fixed deposits pledged with government authorities amounting to ₹ 24.85 lakhs (previous year: ₹ 11.35 lakhs)

The carrying amounts of financial assets are considered to be a reasonable approximation of their fair values.



**BIBA Apparels Private Limited****Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021***(All amounts in ₹ lakhs unless otherwise stated)*

Particulars	As at	As at
	31 March 2021	31 March 2020
<b>16 Loans-Current</b>		
<i>(unsecured, considered good)</i>		
Security deposits	4,379.88	3,795.78
Loan to a related party-credit impaired*	80.10	77.59
Less: loss allowance	(80.10)	(77.59)
	<b>4,379.88</b>	<b>3,795.78</b>
*includes unsecured demand loan given to IMA Clothing Private Limited carrying a interest rate of 15% p.a. However, no interest income has been recorded in the current year, considering the uncertainty in the recovery of loan amount.		
<b>17 Other current financial assets</b>		
<i>(unsecured, considered good)</i>		
Credit card receivable	74.23	-
Staff advances	18.89	19.34
	<b>93.12</b>	<b>19.34</b>
The carrying amounts of financial assets are considered to be a reasonable approximation of their fair values.		
<b>18 Other current assets</b>		
<i>(unsecured considered good, unless otherwise stated)</i>		
Advances to suppliers- Considered good	851.52	470.15
Advances to suppliers- Considered doubtful	30.33	-
Less: provision for doubtful advances	(30.33)	-
Prepaid expenses	76.68	77.91
Balances with government authorities	619.87	1,386.11
Other advances	1,228.02	1,537.38
	<b>2,776.09</b>	<b>3,471.55</b>

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**19 Equity share capital**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares (in lakhs)	Amount	Number of shares (in lakhs)	Amount
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each (previous year: ₹ 10 each)	1,350.00	13,500.00	1,200.00	12,000.00
	<b>1,350.00</b>	<b>13,500.00</b>	<b>1,200.00</b>	<b>12,000.00</b>
<b>Issued, subscribed and paid up share capital</b>				
Equity shares of ₹ 10 each (previous year: ₹ 10 each)	1,250.63	12,506.28	1,197.30	11,972.95
	<b>1,250.63</b>	<b>12,506.28</b>	<b>1,197.30</b>	<b>11,972.95</b>

**a) Reconciliation of number of shares outstanding at the beginning and end of the year**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares (in lakhs)	Amount	Number of shares (in lakhs)	Amount
Balance at the beginning of the year	1,197.30	11,972.95	1,197.30	11,972.95
Add: shares issued during the year	53.33	533.33	-	-
Balance at the end of the year	<b>1,250.63</b>	<b>12,506.28</b>	<b>1,197.30</b>	<b>11,972.95</b>

**b) Details of shareholders holding more than 5% of the shares of the Company\***

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares (in lakhs)	% holding	Number of shares (in lakhs)	% holding
Mrs. Meena Bindra	126.62	10.12%	117.29	9.80%
Mr. Siddharath Bindra	500.50	40.02%	496.50	41.47%
Dhanvan Impex Private Limited	100.00	8.00%	100.00	8.35%
Highdell Investment Limited	368.48	29.46%	328.48	27.43%

\*As per the records of the Company, including its register of shareholder/members and other declarations, if any, received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**c) Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 each (previous year: ₹ 10 each). Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, holders of equity shares will be entitled to receive any of 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 share holders.

**d) During the year ended 31 March 2017, pursuant to the shareholders approvals under Section 63 and other applicable provisions of the Companies Act, 2013, the Company had issued bonus shares in the ratio of 24:1 (i.e. twenty four bonus equity share of ₹ 10 each for every one fully paid up equity share of ₹ 10 each) to the shareholders on record date of 3 February 2017, by capitalising securities premium account, general reserve and retained earnings by sum of ₹ 1,863.89 lakhs, ₹ 3,483.35 lakhs and ₹ 6,140.08 lakhs respectively.**

The Company has not issued any shares pursuant to contract without payment being received in cash, or allotted as fully paid up by way of bonus shares or bought back any shares during the period of immediately preceding five years except bonus shares issued during the year ended 31 March 2017 as mentioned above.

**20 Other equity**

	As at 31 March 2021	As at 31 March 2020
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	16,517.18	19,915.66
Add: (Loss)/profit for the year	(1,336.68)	255.44
Add: other comprehensive income (net of tax)	(7.38)	(31.26)
Less: Ind-AS 116 transition adjustments (net of adjustment of deferred tax)	-	(3,463.89)
Less: dividend (including dividend distribution tax)	-	(158.77)
<b>Balance at the end of the year</b>	<b>15,173.12</b>	<b>16,517.18</b>
<b>Employee Stock option reserve</b>		
Balance at the beginning of the year	-	-
Add: Recognised during the year	7.88	-
	<b>7.88</b>	-
<b>Securities premium<sup>^</sup></b>		
Balance at the beginning of the year	92.75	92.75
Add: shares issued during the year	3,466.67	-
	<b>3,559.42</b>	<b>92.75</b>
<b>Total</b>	<b>18,740.42</b>	<b>16,609.93</b>

<sup>^</sup>Securities premium is used to record the premium on issue of shares. The premium will be utilised in accordance with provisions of the Companies Act 2013.



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**BIBA Apparels Private Limited**  
**Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021**  
*(All amounts in ₹ lakhs unless otherwise stated)*

Particulars	As at	As at
	31 March 2021	31 March 2020
<b>21 Non-current financial liabilities</b>		
<b>Borrowings</b>		
<b>Term loans - Secured</b>		
<b>Indian rupee loans</b>		
- from banks	2,788.57	19.29
- from others	-	5.85
<b>Total borrowings</b>	<b>2,788.57</b>	<b>25.14</b>
Less: current maturities of long term debt (refer note 25)	452.86	25.14
	<b>2,335.71</b>	<b>-</b>

(i) Details of security, repayment terms and interest rate on the borrowings is provided below-

Particulars	Rate of Interest (%)	Terms of Repayment	Security Details	As at	As at
				31 March 2021	31 March 2020
ICICI Bank	1 Year MCLR + 0.50%	Quarterly	First pari passu charge by way of hypothecation of entire current assets and movable fixed assets of the Company, both present and future (excluding vehicles exclusively charged to lenders).	1,028.57	-
Axis Bank- Emergency Credit line guarantee scheme	1 Year MCLR + 0.25%	Monthly	First pari passu charge by way of hypothecation of entire current assets and movable fixed assets of the Company, both present and future (excluding vehicles exclusively charged to lenders).	1,760.00	-
HDFC Bank Vehicle Loan	7.38%	Monthly	Hypothecation of vehicle acquired under respective loans	-	19.29
Daimler Financial Services India Private Limited - Vehicle Loan	Nil	Monthly	Hypothecation of vehicle acquired under respective loans	-	5.85
<b>Total</b>				<b>2,788.57</b>	<b>25.14</b>

**22 Non-current provisions**

Provision for gratuity (refer note 45)

252.89	219.61
<b>252.89</b>	<b>219.61</b>

**23 Current financial liabilities-borrowings**

**Cash credit facilities (secured)**

Indian rupee loans repayable on demand (from banks)

Loan from a director (unsecured)^

8,189.51	13,932.35
-	458.54
<b>8,189.51</b>	<b>14,390.89</b>

(i) Details of security and interest rate on the borrowings is provided below-

Particulars	Rate of Interest (%)	Security Details	As at	As at
			31 March 2021	31 March 2020
<b>Indian rupee loans repayable on demand (secured)</b>				
Axis Bank	12M MCLR+ 1%	First pari passu charge by way of hypothecation of entire current assets and movable fixed assets of the Company, both present and future (excluding vehicles exclusively charged to lenders).	687.18	-
HDFC Bank	1 Year MCLR	First pari passu charge by way of hypothecation of entire current assets and movable fixed assets of the Company, both present and future (excluding vehicles exclusively charged to lenders).	2.33	-
Kotak Mahindra Bank	6M MCLR + 0.85%	First pari passu charge by way of hypothecation of entire current assets and movable fixed assets of the Company, both present and future (excluding vehicles exclusively charged to lenders).	-	4,482.86
<b>Working capital demand loan from banks (secured)</b>				
HDFC Bank	3M MCLR	First pari passu charge by way of hypothecation of entire current assets and movable fixed assets of the Company, both present and future (excluding vehicles exclusively charged to lenders).	1,000.00	-
Axis Bank	1 year MCLR+0.60%	First pari passu charge by way of hypothecation of entire current assets and movable fixed assets of the Company, both present and future (excluding vehicles exclusively charged to lenders).	2,500.00	3,961.02
Kotak Mahindra Bank	Ranging between 7.50% to 8.40%	First pari passu charge by way of hypothecation of entire current assets and movable fixed assets of the Company, both present and future (excluding vehicles exclusively charged to lenders).	2,000.00	488.47
Citi Bank	Ranging between 6.50% to 8.75%	First pari passu charge on present and future stocks and book debts of the Borrower including card receivables along with present and future movable fixed assets of the Borrower excluding vehicles specifically charged to other lenders.	2,000.00	5,000.00
<b>Total</b>			<b>8,189.51</b>	<b>13,932.35</b>

^includes loan from Mrs. Meena Bindra for business purpose carrying interest @ 8.75% per annum amounting to ₹ nil (previous year: ₹ 458.54 lakhs).



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**BIBA Apparels Private Limited**  
**Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021**  
*(All amounts in ₹ lakhs unless otherwise stated)*

Particulars	As at 31 March 2021	As at 31 March 2020
<b>24 Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (refer note 51)	1,366.94	867.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,055.67	6,248.64
	<b>2,422.61</b>	<b>7,115.68</b>
<b>25 Other current financial liabilities</b>		
Current maturities of long term debt (refer note 21)	452.86	25.14
Interest accrued but not due on borrowings	49.65	-
Deposit from vendors	70.83	69.22
Deposit from franchise stores	671.43	462.67
Deposit from others	8.00	8.00
Employees related payables	527.49	45.87
Creditors for capital goods	146.91	334.04
Unclaimed dividend*	-	1.24
Other payables^	2,140.24	2,135.29
	<b>4,067.41</b>	<b>3,081.47</b>
*The same was not due for deposit to Investor Education and Protection Fund in the previous year. ^Includes creditors for expenses and commission expenses payables.		
<b>26 Other current liabilities</b>		
Statutory dues payable	340.42	329.47
Advance from customers	216.88	312.55
	<b>557.30</b>	<b>642.02</b>
<b>27 Current provisions</b>		
Provision for gratuity (refer note 45)	118.28	103.56
	<b>118.28</b>	<b>103.56</b>

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**BIBA Apparels Private Limited**

**Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021**

(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>28 Revenue from operations</b>		
<b>Sales</b>		
- Export	1,230.74	1,537.55
- Domestic	51,343.06	74,154.52
	<u>52,573.80</u>	<u>75,692.07</u>
<b>Other operating revenue</b>		
- Export incentives	0.74	2.92
- Scrap sale	7.47	25.93
	<u>8.21</u>	<u>28.85</u>
	<u><u>52,582.01</u></u>	<u><u>75,720.92</u></u>
<b>29 Other income</b>		
Interest income:		
-on fixed deposits	3.35	9.92
-on investment	11.69	10.71
-on financial asset at amortised cost	101.37	91.83
-on income tax refund	96.31	138.52
Foreign exchange fluctuation gain (net)	-	3.99
Insurance claim received	10.44	33.45
Gain on disposal of property, plant and equipment	0.39	10.30
Gain on termination of right-of-use assets	562.94	251.64
Rent concession on lease rentals	3,505.81	-
Miscellaneous income	43.60	195.05
	<u>4,335.90</u>	<u>745.41</u>
<b>30 Cost of materials consumed</b>		
Opening stock	721.35	661.37
<b>Add: purchases</b>	9,619.87	22,250.95
	10,341.22	22,912.32
<b>Less: closing stock</b>	683.88	721.35
	<u>9,657.34</u>	<u>22,190.97</u>
Fabric	9,255.61	20,445.64
Accessories	401.73	1,745.33
<b>Total</b>	<u>9,657.34</u>	<u>22,190.97</u>
<b>31 Job work charges</b>		
Dying and printing charges	985.08	2,648.77
Stitching charges	5,670.06	9,490.28
	<u>6,655.14</u>	<u>12,139.05</u>
<b>32 Changes in inventories of finished goods and work-in-progress</b>		
<b>Opening stock:</b>		
Work-in-progress	5,260.64	3,505.82
Finished goods (including stock-in-trade and stock-in-transit)	31,822.39	23,890.55
	<u>37,083.03</u>	<u>27,396.37</u>
<b>Closing stock:</b>		
Work-in-progress	724.14	5,260.64
Finished goods (including stock-in-trade and stock-in-transit)	30,604.87	31,822.39
	<u>31,329.01</u>	<u>37,083.03</u>
<b>Decrease/(increase) in inventories</b>	<u>5,754.02</u>	<u>(9,686.66)</u>
<b>33 Employee benefits expense</b>		
Salaries and wages	6,502.73	10,074.84
Employee stock option expense	7.88	-
Contribution to provident and other funds (refer note 45)	446.28	608.32
Staff welfare expenses	177.38	460.17
	<u>7,134.27</u>	<u>11,143.33</u>
<b>34 Finance cost</b>		
Interest expenses on:		
-term loans and cash credit	1,021.11	1,163.67
-Others	23.13	7.88
Interest on lease liabilities	3,260.60	3,326.47
	<u>4,304.83</u>	<u>4,498.02</u>
<b>35 Depreciation and amortisation expenses</b>		
Depreciation on property, plant and equipment	1,912.86	2,023.79
Amortisation of right-of-use assets	6,352.32	5,966.32
Amortisation of intangible assets	74.37	98.03
	<u>8,339.55</u>	<u>8,088.14</u>



**BIBA Apparels Private Limited**
**Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021**
*(All amounts in ₹ lakhs unless otherwise stated)*

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>36 Other expenses</b>		
Franchise/sales commission	7,553.23	14,810.99
Bank charges and commission	292.71	182.98
Advertisement	2,202.08	2,948.43
Rent and mall maintenance	1,185.33	1,618.52
Electricity expenses	940.04	1,151.89
Rates and taxes	76.81	223.81
Repairs and maintenance - Others	602.80	752.56
Insurance	68.11	50.54
Legal and professional	560.03	718.16
Payment to auditors {refer note (i) below}	36.27	35.09
Communication	74.80	95.49
Travelling and conveyance	131.97	467.76
Membership and subscription	6.86	40.13
Printing and stationery	36.58	93.33
Corporate social responsibility expenses (refer note 52)	155.41	25.88
Merchant commission	125.16	271.94
Store expenses	91.87	204.06
Security expenses	37.68	55.14
Outsource salary	521.04	877.71
Business promotion	55.63	74.37
Packing materials	116.47	194.90
Freight, octroi, forwarding charges and entry tax	1,245.32	1,048.06
Provision for bad and doubtful debts	111.36	46.95
Provision for doubtful advances	30.33	-
Miscellaneous balances written off	496.28	-
GST input written off	258.44	-
Foreign exchange fluctuation loss (net)	2.49	-
Miscellaneous expenses	12.12	13.32
	<b>17,027.22</b>	<b>26,002.01</b>
<b>(i) Payments to the auditors:</b>		
(a) For statutory audit	35.00	32.50
(b) For other services	0.35	-
(c) For reimbursement of expenses	0.92	2.59
	<b>36.27</b>	<b>35.09</b>
<b>37 Exceptional items</b>		
Provision for diminution in value of non-current investments	170.00	100.00
Provision for doubtful advances given to subsidiary company	2.51	577.89
Advances and other receivables written off	0.77	427.31
	<b>173.28</b>	<b>1,105.20</b>
<b>38 Income tax</b>		
<b>(a) Income tax expense</b>		
- Current tax	-	575.28
- Tax pertaining to earlier years	(408.07)	-
- Deferred tax	(481.01)	(47.83)
<b>Income tax expense</b>	<b>(889.08)</b>	<b>527.45</b>

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (previous year: 25.17%) and the reported tax expense in profit or loss are as follows:

**(b) Reconciliation of tax expense and the accounting profit**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
(Loss)/profit before income tax expense (before exceptional items)	(2,052.48)	1,888.09
Statutory income tax rate	25.17%	25.17%
Amount of tax at statutory income tax rate	(516.57)	475.19
<b>Adjustments:</b>		
Effect of non-deductible expense	110.72	22.07
Tax impact of deduction u/s 80JJAA	-	(108.04)
Income exempt from tax	(2.94)	(2.70)
Tax pertaining to earlier years	(408.07)	-
Tax impact on account of change in income tax rate	-	150.46
Others	(72.22)	(9.53)
<b>Total</b>	<b>(372.51)</b>	<b>52.26</b>
<b>Amount of tax at statutory income tax rate post adjustments</b>	<b>(889.08)</b>	<b>527.45</b>



**BIBA Apparels Private Limited**

**Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021**

*(All amounts in ₹ lakhs unless otherwise stated)*

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>39 Earnings per share</b>		
<b>Net profit attributable to equity shareholders</b>		
(Loss)/profit after tax	(1,336.68)	255.44
Nominal value of equity share (₹)	10	10.00
Total number of equity shares outstanding as the beginning of the year (in lakhs)	1,197.30	1,197.30
Add. shares issued during the year (in lakhs)	53.33	-
Total number of equity shares outstanding as the end of the year (in lakhs)	1,250.63	1,197.30
Weighted average number of equity shares (in lakhs)	1,233.09	1,197.30
<b>Basic and diluted earnings per share (in ₹)</b>	<b>(1.08)</b>	<b>0.21</b>

**40 Related party transactions:**

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures' the names of the related party where control/ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the management are given below:

**Relationship:**

**A. Subsidiary Company:**

IMA Clothing Private Limited

**B. Associate Company:**

Anjuman Brand Designs Private Limited

**C. Key managerial personnel:**

- a) Mrs. Meena Bindra  
b) Mr. Siddharath Bindra

**D. Relatives of key managerial personnel (with whom there were transactions during the year):**

Mrs. Shradha Bindra (wife of Mr. Siddharath Bindra)

**E. Enterprises over which key managerial personnel of the Company and their relatives have significant influence:**

Meena Agritech Private Limited

**F. Enterprises that exercise significant influence:**

Highdell Investment Limited

**i) The following transaction were carried out with related parties in the ordinary course of business**

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
<b>A) Key managerial personnel</b>		
<b>Mrs. Meena Bindra</b>		
Remuneration (refer note (a))	47.75	66.63
Loan taken	130.00	1,070.00
Interest given on loan	15.75	21.46
Loan repaid	580.00	620.00
Dividend paid	-	12.90
Receipt against issue of shares	700.00	-
<b>Mr. Siddharath Bindra</b>		
Remuneration (refer note (a))	110.76	269.50
Rent Paid	5.00	-
Loan taken	-	50.00
Interest given on loan	-	1.15
Loan repaid	-	50.00
Dividend paid	-	54.61
Receipt against issue of shares	300.00	-
<b>B) Relatives of key managerial personnel</b>		
<b>Mrs. Shradha Bindra</b>		
Remuneration	51.82	34.68
Dividend paid	-	4.13
<b>C) Subsidiary Company</b>		
<b>IMA Clothing Private Limited</b>		
Loan given	2.51	12.16
<b>D) Associate Company</b>		
<b>Anjuman Brand Designs Private Limited</b>		
Consultancy fee received	-	10.00
Purchase of sample/expenses	-	12.02
Design fee	-	2.47
<b>E) Enterprises over which Key managerial personnel of the Company and their relatives have significant influence</b>		
<b>Meena Agritech Private Limited</b>		
Rent paid	-	32.00
<b>F) Enterprises that exercise significant influence:</b>		
<b>Highdell Investment Limited</b>		
Receipt against issue of shares	3,000.00	-



**BIBA APPARELS PRIVATE LIMITED**

Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021

*(All amounts in ₹ lakhs unless otherwise stated)***ii) Balances at the year end**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Note (a)</b>		
<b>Breakup for Key management personnel's compensation in the following categories:-</b>		
Short-term employee benefits	150.64	326.17
Post-employment benefits *#	7.87	9.96
	<b>158.51</b>	<b>336.13</b>
* excludes provision for future liability in respect of gratuity which is based on actuarial valuation done for the Company as a whole.		
# includes provident fund		
<b>A) Subsidiary Company</b>		
<b>IMA Clothing Private Limited*</b>		
Investment in equity shares	-	90.00
Investment in preference shares	-	80.00
<b>B) Associate Company</b>		
<b>Anjuman Brand Designs Private Limited</b>		
Investment in equity shares	615.06	615.06
Advance given	11.80	11.80
<b>C) Key managerial personnel</b>		
<b>Mrs. Meena Bindra</b>		
Salary payable	3.69	-
Loan payable (including interest)	-	458.54
<b>Mr. Siddharath Bindra</b>		
Salary payable	0.01	-
<b>D) Relatives of key managerial personnel</b>		
<b>Mrs. Shradha Bindra</b>		
Salary payable	4.26	-

\*The Company has recorded provision for doubtful advances amounting to ₹ 2.51 lakhs (previous year: ₹ 577.89 lakhs) and provision for diminution in value of investment amounting to ₹ 170 lakhs (previous year: ₹ 100 lakhs) made in subsidiary Company.

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**41 Financial instruments by category**

**(i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between level 1 and level 2, and no transfers into and out of level 3 fair value measurements.

**(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements**

There were no assets and liabilities carried at fair value as at 31 March 2021 and 31 March 2020

**(iii) Valuation technique used to determine fair value**

Fair value of swap contracts is determined using forward rate at balance sheet date, based on dealer or counterparty quotes for similar instruments.

**(vi) Fair value of instruments measured at amortised cost**

Particulars	Level	31 March 2021		31 March 2020	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Investment	Level 3	158.67	176.58	153.70	167.25
Loans	Level 3	4,606.88	4,606.88	4,439.85	4,455.04
<b>Total financial assets</b>		<b>4,765.55</b>	<b>4,783.46</b>	<b>4,593.55</b>	<b>4,622.29</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	2,788.57	2,788.57	25.14	25.14
<b>Total financial liabilities</b>		<b>2,788.57</b>	<b>2,788.57</b>	<b>25.14</b>	<b>25.14</b>

For cash and cash equivalents, trade receivables, fixed deposits, other receivables, trade payables and other current financial liabilities, the management assessed that their fair value is approximate their carrying amounts, largely due to the short-term maturities of these instruments.

**42 Financial risk management**

**i) Financial instruments by category**

Particulars	31 March 2021		31 March 2020	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investment in tax free bonds	-	158.67	-	153.70
Trade receivables	-	6,772.88	-	3,317.49
Cash and cash equivalents	-	394.58	-	221.99
Other bank balances	-	134.44	-	12.59
Loans	-	4,606.88	-	4,439.85
Other financial assets	-	102.40	-	34.11
<b>Total</b>	<b>-</b>	<b>12,169.85</b>	<b>-</b>	<b>8,179.73</b>
<b>Financial liabilities</b>				
Borrowings (including interest accrued)	-	11,027.73	-	14,416.03
Trade payables	-	2,422.61	-	7,115.68
Security deposits received	-	750.26	-	539.89
Other financial liabilities	-	2,814.65	-	2,516.44
Lease liabilities	-	34,081.96	-	39,183.97
<b>Total</b>	<b>-</b>	<b>51,097.20</b>	<b>-</b>	<b>63,772.01</b>

**Note:** Investment in equity instrument of subsidiary and associate are measured at cost as per Ind AS 27, "Separate financial statements" and hence, not presented here.

**ii) Risk Management**

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements. The Company's risk management is carried out as per the policies approved by the board of directors.

**A) Credit risk**

Credit risk is the risk that a customer or counterparty to a financial instrument fails to discharge an obligation to the Company. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- Cash and cash equivalents
- Trade receivables
- Loans carried at amortised cost, and
- Other bank balances

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**BIBA Apparels Private Limited**  
**Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021**  
*(All amounts in ₹ lakhs unless otherwise stated)*

**a) Credit risk management**

*(i) Credit risk rating*

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- A: Low credit risk  
 B: Moderate credit risk  
 C: High credit risk

The Company provides for expected credit loss based on the following:

Asset group	Categorisation of items	Provision for expenses credit loss
Low credit risk	Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets	12 month expected credit loss/life time expected credit loss
High credit risk	Investments Loans (excluding security deposits) Trade receivables	Life time expected credit loss fully provided for

**Assets under credit risk –**

Credit rating	Particulars	31 March 2021	31 March 2020
A: Low credit risk	Cash and cash equivalents	394.58	221.99
	Investments	773.73	938.76
	Loans	4,606.88	4,439.85
	Trade receivables	6,772.88	3,317.49
	Other bank balances	134.44	12.59
	Other financial assets	102.40	34.11
B: High credit risk	Investments	270.00	100.00
	Loans (excluding security deposits)	580.40	577.89
	Trade receivables	68.43	55.02

*Cash & cash equivalents and bank deposits*

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

*Trade receivables*

To mitigate the credit risk related to trade receivables, the Company closely monitors the credit-worthiness of the trade receivables through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due by 1 year.

*Other financial assets measured at amortised cost*

Other financial assets measured at amortised cost includes security deposits, loans given etc. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

*(ii) Concentration of receivables*

The Company's exposure to credit risk for trade receivables is presented as below. Loans and other financial assets majorly represents loans given and deposits given for business purposes.

Particulars	31 March 2021	31 March 2020
Franchise stores	37.54	85.40
Multi brand outlets	1,486.91	746.81
Wholesale customers	5,130.76	2,282.05
Others	117.67	203.23
<b>Total</b>	<b>6,772.88</b>	<b>3,317.49</b>

**b) Credit risk exposure**

*Trade receivables*

In respect of trade receivables, the Company considers provision for lifetime loss allowance. Given the nature of business operations, the Company's trade receivables has low credit risk as there is a prompt collection from debtors within a period ranging from three to six months.

*Other financial assets measured at amortised cost*

Company provides for loss allowance on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any loss allowance. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance as on 31 March 2019</b>	<b>8.07</b>
Impairment loss recognised/(reversed) during the year	46.95
<b>Loss allowance as on 31 March 2020</b>	<b>55.02</b>
Impairment loss recognised during the year	111.36
Impairment loss reversed during the year	(97.95)
<b>Loss allowance as on 31 March 2021</b>	<b>68.43</b>

**B) Liquidity risk**

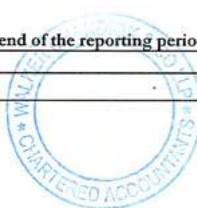
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**a) Financing arrangements**

The Company has access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31 March 2021	31 March 2020
- Expiring within one year (cash credit and other facilities)	9,210.49	67.65



## b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

31 March 2021	Less than 1 year	1-2 year	More than 2 year	Total
<b>Non-derivatives</b>				
Borrowings (including interest)	8,855.29	944.16	1,707.88	11,507.33
Trade payables	2,422.61	-	-	2,422.61
Security deposits received	750.26	-	-	750.26
Other financial liabilities	2,814.65	-	-	2,814.65
Lease liabilities	8,577.56	7,077.44	30,881.20	46,536.20
<b>Total</b>	<b>23,420.37</b>	<b>8,021.60</b>	<b>32,589.08</b>	<b>64,031.05</b>

31 March 2020	Less than 1 year	1-2 year	More than 2 year	Total
<b>Non-derivatives</b>				
Borrowings (including interest)	14,416.79	-	-	14,416.79
Trade payables	7,115.68	-	-	7,115.68
Security deposits received	539.89	-	-	539.89
Other financial liabilities	2,516.43	-	-	2,516.43
Lease liabilities	5,303.80	5,356.04	28,524.13	39,183.97
<b>Total</b>	<b>29,892.59</b>	<b>5,356.04</b>	<b>28,524.13</b>	<b>63,772.76</b>

## C) Market risk

## a) Foreign currency risk

## i) Foreign currency risk exposure:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Particulars	31 March 2021	31 March 2020
<b>Exposure in USD</b>		
<b>Financial Assets</b>		
Trade receivables (in ₹ lakhs)	0.05	123.75
Trade receivables (in USD)	0.00	1.64
<b>Exposure in CAD</b>		
<b>Financial Assets</b>		
Trade receivables (in ₹ lakhs)	18.38	-
Trade receivables (in CAD)	0.32	-

## ii) Sensitivity

The sensitivity of profit or loss and equity to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

Particulars	31 March 2021		31 March 2020	
	Exchange rate increase by 1%	Exchange rate decrease by 1%	Exchange rate increase by 1%	Exchange rate decrease by 1%
<b>USD sensitivity*</b>				
Trade receivables (in ₹ lakhs)	0.00	(0.00)	1.24	(1.24)
<b>CAD sensitivity*</b>				
Trade receivables (in ₹ lakhs)	0.18	(0.18)	-	-

\* Holding all other variables constant

## b) Interest rate risk

## i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31 March 2021, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates.

## Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	31 March 2021	31 March 2020
Variable rate borrowing	10,978.08	14,390.89
Fixed rate borrowing*	-	25.14
<b>Total borrowings</b>	<b>10,978.08</b>	<b>14,416.03</b>
<b>Amount disclosed under other current financial liabilities</b>	<b>452.86</b>	<b>25.14</b>
<b>Amount disclosed under borrowings</b>	<b>10,525.22</b>	<b>14,390.89</b>

\*For fixed rate borrowing, the management has assessed that their fair value is almost equivalent to their carrying amounts, largely due to the rate of interest of these instruments, which is approximately equal to market rate of interest for the Company and being entire loan taken from third party.

## Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	31 March 2021	31 March 2020
<b>Interest sensitivity*</b>		
Interest rates – increase by 50 basis points	54.89	71.95
Interest rates – decrease by 50 basis points	(54.89)	(71.95)

\* Holding all other variables constant





**BIBA Apparels Private Limited****Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021***(All amounts in ₹ lakhs unless otherwise stated)***ii) Assets**

The Company's fixed deposits are carried at fixed rate. Therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**c) Price risk**

The Company's exposure to price risk arises from investments held and classified as FVTPL.

**43 Capital management****Risk management**

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Particulars	31 March 2021	31 March 2020
<b>Total borrowings (excluding interest accrued)</b>	10,978.08	14,416.03
Less: cash and cash equivalent	394.58	221.99
<b>Net debt</b>	<b>10,583.50</b>	<b>14,194.04</b>
<b>Total equity</b>	<b>31,246.70</b>	<b>28,582.88</b>
<b>Net debt to equity ratio</b>	<b>33.87%</b>	<b>49.66%</b>

**44 Assets pledged as security**

Particulars	As at 31 March 2021	As at 31 March 2020
<b>Current</b>		
Inventories	32,012.89	37,804.38
Trade receivables	6,772.88	3,317.49
Cash and cash equivalents and other bank balances	529.02	234.58
Loans, other financial assets and other current assets	7,249.09	7,286.67
<b>Total current assets pledged as security</b>	<b>46,563.88</b>	<b>48,643.12</b>
<b>Non-current</b>		
Property, plant and equipment (excluding vehicles)	3,029.62	3,689.35
<b>Total assets pledged as security</b>	<b>49,593.50</b>	<b>52,332.47</b>

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45 Employee benefit obligations

(A) Defined benefit plan:

Particulars	31 March 2021		31 March 2020	
	Current	Non-current	Current	Non-current
Gratuity	118.28	252.89	103.56	219.61
<b>Total</b>	<b>118.28</b>	<b>252.89</b>	<b>103.56</b>	<b>219.61</b>

(i) Amount recognised in the statement of profit and loss is as under:

Description	31 March 2021	31 March 2020
Current service cost	65.99	62.54
Interest cost	16.16	12.45
<b>Net impact on profit (before tax)</b>	<b>82.15</b>	<b>74.99</b>
Actuarial loss recognised during the year	9.87	41.77
<b>Amount recognised in total comprehensive income</b>	<b>92.02</b>	<b>116.76</b>

(ii) Change in the present value of obligation:

Description	31 March 2021	31 March 2020
<b>Present value of defined benefit obligation as at the beginning of the year</b>	<b>323.17</b>	<b>226.40</b>
Current service cost	65.99	62.54
Interest cost	16.16	12.45
Benefits paid	(44.02)	(19.99)
Actuarial loss/(gain)	9.87	41.77
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>371.17</b>	<b>323.17</b>

(iii) Breakup of actuarial (gain)/loss:

Description	31 March 2021	31 March 2020
Actuarial (gain)/loss from change in financial assumption	4.84	13.99
Actuarial (gain)/loss from experience adjustment	5.03	27.78
<b>Total actuarial (gain)/loss</b>	<b>9.87</b>	<b>41.77</b>

(iv) Actuarial assumptions

Description	31 March 2021	31 March 2020
Discount rate	5.00%	5.50%
Rate of increase in compensation levels	7.00%	7.00%
Retirement age	55 years	55 years

Notes:

- The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- The best estimated expense for the next year is ₹ 149.25 lakhs (previous year: ₹144.60 lakhs).

(v) Sensitivity analysis for gratuity liability

Description	31 March 2021	31 March 2020
<b>Impact of change in discount rate</b>		
Present value of obligation at the end of the year	371.17	323.17
- Impact due to increase of 1 %	(7.90)	(6.73)
- Impact due to decrease of 1 %	8.30	7.06
<b>Impact of change in salary increase</b>		
Present value of obligation at the end of the year	371.17	323.17
- Impact due to increase of 1 %	7.20	6.00
- Impact due to decrease of 1 %	(6.89)	(5.72)

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year

(vi) Maturity profile of defined benefit obligation (undiscounted)

Description	31 March 2021	31 March 2020
Within next 12 months	118.28	103.56
Between 1-5 years	86.62	72.27
Beyond 5 years	166.27	147.34

(vii) The average duration of the defined benefit plan obligation at the end of the reporting period is 17 years (previous year: 17 years).

(B) Defined contribution plan:

Particulars	As at	As at
	31 March 2021	31 March 2020
a) Provident fund	292.36	398.64
b) Employees state insurance corporation	71.77	134.70
	<b>364.13</b>	<b>533.34</b>

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**46 Ind AS 115 - Revenue from Contracts with Customers**

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5 step approach:

- Identify the contract(s) with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when a performance obligation is satisfied.

In case of certain contracts with customers, the Company sell the goods to certain multi brand outlets (MBO's), E-com distributors and other distributors with a right to return the unsold goods to the Company. In such cases, the Company acts as an principal and these MBO's and distributors acts as agents in selling these goods to retail customers. Hence, revenue from such sales are grossed up with the commission paid to these MBO's and distributors and commission paid are presented in other expenses.

**(a) Disaggregation of revenue**

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

**For the year ended 31 March 2021**

Revenue from operations	Goods	Other operating revenue	Total
<b>Revenue by geography</b>			
Domestic	51,343.06	7.47	51,350.53
Export	1,230.74	0.74	1,231.48
<b>Total</b>	<b>52,573.80</b>	<b>8.21</b>	<b>52,582.01</b>
<b>Revenue by time</b>			
Revenue recognised at point in time			52,582.01
Revenue recognised over time			-
<b>Total</b>			<b>52,582.01</b>

**For the year ended 31 March 2020**

Revenue from operations	Goods	Other operating revenue	Total
<b>Revenue by geography</b>			
Domestic	74,154.52	25.93	74,180.45
Export	1,537.55	2.92	1,540.47
<b>Total</b>	<b>75,692.07</b>	<b>28.85</b>	<b>75,720.92</b>
<b>Revenue by time</b>			
Revenue recognised at point in time			75,720.92
Revenue recognised over time			-
<b>Total</b>			<b>75,720.92</b>

**(b) Revenue recognised in relation to contract liabilities**

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	Year ended 31 March 2021	Year ended 31 March 2020
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	312.55	32.70
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-

**(c) Assets and liabilities related to contracts with customers**

Description	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Contract liabilities related to sale of goods				
Advance from customers	-	216.88	-	312.55

**(d) Reconciliation of revenue recognised in statement of profit and loss with contract price**

Description	Year ended 31 March 2021	Year ended 31 March 2020
Contract price	78,024.85	93,246.21
Less: discount, rebates, credits etc.	25,442.84	17,525.29
<b>Revenue from operations as per statement of profit and loss</b>	<b>52,582.01</b>	<b>75,720.92</b>

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## 47 Leases

- (a) The Company has leases for the office premises, warehouse and retail outlets. With the exception of short-term leases and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The lease terms for office premises, warehouse and store sites are for an period of one year to seventeen years and having a lock-in period ranging from one to five years. The lease are further renewable on expiry of total lease term subject to mutual consent of both the parties.

## (b) Right to use assets

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	33,541.96	31,232.55
Add: additions on account of new leases entered during the year	2,407.76	9,229.89
Less: terminations	(2,327.55)	(954.16)
Balance at the end of the year	33,622.17	39,508.28
Less: amortisation expense charged on the right-of-use assets	6,352.32	5,966.32
Balance at the end of the year	27,269.85	33,541.96

## (c) Lease liabilities are presented in the statement of financial position as follow:

Particulars	As at 31 March 2021	As at 31 March 2020
Current	5,807.36	5,303.80
Non-current	28,274.60	33,880.17
Total	34,081.96	39,183.97

## d) The table below describe the nature of leasing activities by type of right of use asset recognised on balance sheet

Right of use asset	No of right of use assets leased	Range of remaining term	Average remaining lease term
Retail outlets, office premises and warehouse - 31 March 2021	334	1-17 years	4.85
Retail outlets, office premises and warehouse - 31 March 2020	340	1-18 years	5.52

## e) The lease liabilities are secured by the related underlying asset. Future minimum lease payment at 31 March 2021 were as follow

Particulars	Within 1 year	1-2 year	2-3 year	3-4 year	4-5 year	after 5 year	Total
As on 31 March 2021							
Lease payment	8,577.56	7,077.44	6,303.96	5,715.98	4,706.56	14,154.70	46,536.20
Finance charges	2,770.20	2,440.50	1,917.14	1,534.96	1,179.76	2,611.68	12,454.24
Net present values	5,807.36	4,636.94	4,386.82	4,181.02	3,526.80	11,543.02	34,081.96

## The lease liabilities are secured by the related underlying asset. Future minimum lease payment at 31 March 2020 were as follow

Particulars	Within 1 year	1-2 year	2-3 year	3-4 year	4-5 year	after 5 year	Total
As on 31 March 2020							
Lease payment	8,508.82	8,087.26	7,293.93	6,475.17	5,770.87	18,174.36	54,310.41
Finance charges	3,205.02	2,731.22	2,275.80	1,856.67	1,461.09	3,596.64	15,126.44
Net present values	5,303.80	5,356.04	5,018.13	4,618.50	4,309.78	14,577.72	39,183.97

## f) Lease payments not recognised as a liability

Particulars	31 March 2021	31 March 2020
Expenses relating to short term leases	15.64	93.51
Expenses relating to variable lease payments	94.69	566.22
Total	110.33	659.73

- g) The total cash outflow for leases for the year ended 31 March 2021 was ₹ 4,374.07 lakhs (previous year: ₹ 7,821.00 lakhs)

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48 Share based payments  
 Employee stock options (ESOP)

The Company provides share-based payment scheme to its employees. During the year ended 31 March 2018, an Employee Stock Option Plan was introduced. In the Board meeting held on 04 April 2018, the Board of Directors ("Board") has approved the BIBA Employees Stock Option Plan 2018 ("ESOP 2018") and grant of options to the eligible employees of the company under the Scheme are made in the current year. The Details of the scheme are explained in the table below:

During the year ended 31 March 2021, the Company has granted 1,65,000 (31 March 2020: nil) employee stock options ("ESOP") as per scheme approved by Board of Directors, at an exercise price of ₹ 167.64 per option. Further, no options has been forfeited or exercised in the current year. Total ESOP outstanding as at 31 March 2021 are 1,65,000 (previous year: nil). The vesting period of the ESOP is ranging from 1.37 years to 5 years. The granted options can be exercised after vesting at any time before the expiry of 5 years from vesting date. An amount of ₹ 7.88 lakhs (31 March 2020: nil) has been recorded for the year ended 31 March 2021 as employee benefits expense, as the proportionate cost of ESOP granted.

a) Employee stock option scheme

As at 31 March 2021 the Company had the following outstanding share based payment arrangements:

Particulars	Category-1	Category-2	Category-3	Category-4
No. of Options	85,000	30,000	25,000	25,000
Method of Accounting	Fair Value	Fair Value	Fair Value	Fair Value
Vesting Date	2022-23 to 2024-25	2023-24 to 2025-26	2022-23 to 2024-25	2023-24 to 2025-26
Exercise Period On initiation of exercise period	2027-28 to 2029-30	2028-29 to 2030-31	2027-28 to 2029-30	2028-29 to 2030-31
Grant Date	18 November 2020	04 January 2021	04 January 2021	04 January 2021
Exercise price per share (₹)	167.64	167.64	167.64	167.64
Market price on the date of granting of option (₹)	39.57	39.57	39.57	39.57
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares

b) Movement of option granted

Particulars	31 March 2021		31 March 2020	
	Number of options	Weighted average price	Number of options	Weighted average price
Options Outstanding at the beginning of the year	-	-	-	-
Granted during the year (net of lapsed)	1,65,000	39.57	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Options outstanding during the year	1,65,000	39.57	-	-
Options unvested at the end of the year	1,65,000	39.57	-	-
Option exercisable at the end of the year	-	-	-	-

c) Fair Valuation:

The fair valuation of the options used to compute proforma net profit and earnings per share have been done by an independent valuer on the date of grant using Black-Scholes Merton Formula. The key assumption and fair value are as under:

Particulars	Category-1	Category-2	Category-3	Category-4
Risk free Interest Rate (%)	8.00%	8.00%	8.00%	8.00%
Life (Years)	9 years	9 years	9 years	9 years
Expected Volatility (%)	50.00%	50.00%	50.00%	50.00%
Expected Dividend Yield (%)	0.00%	0.00%	0.00%	0.00%
Weighted average Fair Value Per Option (₹)	39.57	39.57	39.57	39.57

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**49 Contingent liabilities**

Particulars	31 March 2021	31 March 2020
<b>Claims against the Company not acknowledged debts in respect of:</b>		
Pending before Commissioner of Income tax Act, 1961 (amount paid under protest ₹ 3.58 lakhs (previous year: ₹ 3.58 lakhs))	98.99	26.06
Pending before assessing officer of Income tax Act, 1961	238.05	-
Pending before Commissioner of West Bengal Value added Tax Act, 2003	-	109.67
Pending before Commissioner of Bihar Value added Tax Act, 2005 (amount paid under protest ₹ 6.47 lakhs (previous year: ₹ 6.47 lakhs))	12.46	12.46
Pending before Commissioner of Delhi Value added Tax Act, 2004	44.46	8.20
Pending before Commissioner of Uttar Pradesh Value added Tax Act, 2008 (amount paid under protest ₹ 17.05 lakhs (previous year: ₹ 17.05 lakhs))	17.05	17.05

Interest and claims by customers may be payable as and when the outcome of the related matters are finally determined. Management based on the legal advice and historic trends, believes that no material liability will develop on the Company in respect of these matters.

**50 Capital and other commitments**

Particulars	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of capital advances)	31.06	356.99
Estimated amount of contracts remaining to be executed on account of other purchase commitments	2,174.27	1,300.63

**51 Information in terms of section 22 of The Micro, Small And Medium Enterprises Development Act, 2006\***

Particulars	31 March 2021	31 March 2020
(a) The principal amount remaining unpaid to any supplier at the end of the year	1,339.13	859.60
(b) Interest due remaining unpaid to any supplier at the end of the year	27.81	7.44
(c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year;	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	27.81	7.44
(f) 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 enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	27.81	7.44

\*The Company is in discussion with certain MSME vendors owing to some reconciliation issues. Based on the management assessment, the interest payable to MSME parties as provided in books is adequate and no further provision is required to be made in financial statements for such vendors.

**52 Corporate social responsibility (CSR)**

(i) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Companies Act 2013 is ₹ 80.35 lakhs (previous year: ₹ 96.50 lakhs). Management has spent ₹ 155.41 lakhs including unspent amount of ₹ 70.62 lakhs related to previous year.

(ii) Contribution for CSR	31 March 2021	31 March 2020
In cash	155.41	25.88
Yet to be paid	-	70.62
<b>Total</b>	<b>155.41</b>	<b>96.50</b>

(iii) Details of CSR expenses incurred towards:

Particulars	31 March 2021	31 March 2020
Education expense	126.37	25.88
Healthcare and Hygiene	26.04	-
Sports Promotion	3.00	-
<b>Total</b>	<b>155.41</b>	<b>25.88</b>

(iv) The Company has not contributed in nature of CSR expenditure to related party covered under Ind AS 24, Related party disclosures.

(v) The Company does not have any ongoing projects as at 31 March 2021.

(vi) As per general circular no. 14/2021 of Ministry Corporate Affairs, company has carried forward the excess amount spent i.e. ₹ 4.44 lakhs which will be available for set off in the succeeding three financial years.

**53 Segment reporting**

In accordance with Ind AS 108, the Board of Directors being the Chief operating decision maker of the Company has determined its only business segment as manufacturing and retail of ethnic wear.

Since the Company's business is from manufacturing and retail of ethnic wear and there are no other identifiable reportable segments, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial statement.

The Company's operations are such that all majority activities are confined only to India. There are no customers accounting for more than 10% of its revenue.

54 During the current year, the management noticed that one of the ex- employees in the finance team of the Company had embezzled funds amounting to ₹ 302.11 lakhs over a period of four years from FY 2017-18 to FY 2020-21. The suspected employee was primarily responsible for verifying and processing the payments relating to store expenses, which includes store lease, electricity, common area maintenance and other miscellaneous expenses.

The Company has completed the reconciliations with 97% store lease vendors and as part of internal investigation involved an independent forensic expert. The Company has recorded the adjustments for the amount identified based on the reconciliation and preliminary report of forensic expert in the financial statements for the year ended 31 March 2021. The Company has filed a first information report (FIR) against the employee and taking necessary steps to ensure recovery of such amounts.

Based on the independent forensic expert's preliminary report, vendor reconciliations and related procedures performed by the management, the Company does not expect any further material adjustments on account of this embezzlement in the books.

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**BIBA Apparels Private Limited**

**Summary of significant accounting policies and other explanatory information to the standalone financial statements for the year ended 31 March 2021**

*(All amounts in ₹ lakhs unless otherwise stated)*

- 55 The outbreak of Coronavirus Disease 2019 (COVID-19), declared as a pandemic by the World Health Organization, severely impacted the businesses and economic activities around the world including India. During the year ended 31 March 2021, both Central and State Governments of India had imposed lockdown and other emergency restrictions which had led to the disruption of all regular business operations. Eruption of second wave of COVID-19 cases subsequent to the year end again resulted in partial lockdown/ restrictions in various states. Since then, the operations of the Company have seen gradual recovery. The Company continues to closely monitor the impact of the aforementioned pandemic and has made a detailed assessment and considered possible effects, if any, on its liquidity position, including recoverability of its assets as at the balance sheet date and currently believes that there will not be any adverse impact on the long term operations, financial position and performance of the Company.
- 56 The Indian Parliament has approved the Code on Social Security 2020, which would impact Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the Payment of Gratuity Act, 1972, etc. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The impact of the changes, will be assessed and recognised post notification of the relevant provision and related rules are published.

For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm Registration Number: 001076N/N500013



Neeraj Goel  
Partner  
Membership No: 099514




Place: Gurugram  
Date: 29 November 2021

For and on behalf of the Board of director of  
**BIBA Apparels Private Limited**




Meena Bindra  
Director  
(DIN 01627149)



Sachin Agarwal  
Company Secretary  
(Membership No. - A-17348)

Place: Gurugram  
Date: 29 November 2021

Siddharath Bindra  
Managing Director  
(DIN 01680498)



Vikram Nagpal  
Chief Financial Officer

