APAS & Co.
CHARTERED ACCOUNTANTS

8/14, BASEMENT
KALKAJI EXTENSION
NEW DELHI - 110019
TEL.: 011-26239079
E-MAIL : apas.delhi@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IMA CLOTHING PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

We have audited the accompanying Standalone Ind AS financial statements of **IMA CLOTHING PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss, statement of changes in equity and the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, loss for the year, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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

APAS & Co.
CHARTERED ACCOUNTANTS

8/14, BASEMENT
KALKAJI EXTENSION
NEW DELHI - 110019
TEL.: 011-26239079
E-MAIL : apas.delhi@gmail.com

presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

• 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

APAS & Co.
CHARTERED ACCOUNTANTS

8/14, BASEMENT
KALKAJI EXTENSION
NEW DELHI - 110019
TEL.: 011-26239079
E-MAIL : apas.delhi@gmail.com

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

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

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

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

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

APAS & Co.
CHARTERED ACCOUNTANTS

8/14, BASEMENT
KALKAJI EXTENSION
NEW DELHI - 110019
TEL.: 011-26239079
E-MAIL : apas.delhi@gmail.com

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

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

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) In view of notification of ministry of corporate affairs dated 13th June 2017, read with notification no. GSR 464E) dated 5th June 2015, clause (i) of section 143(3) of the Companies Act in respect of internal financial control is not applicable to the Company during the year.

(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, in our opinion and to the best of our information and according to the explanations given to us:

i. As per the information and explanations provided to us, the company does not have any pending litigations which would impact its financial position.

ii. According to the information and explanations provided to us, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred during the year, to the Investor Education and Protection Fund by the Company.

For APAS & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. 000340C

Rajeev Ranjan.

(RAJEEV RANJAN)
PARTNER
M No. 535395

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

PLACE : DELHI
DATED : 28 JUN 2019

APAS & Co.
CHARTERED ACCOUNTANTS

8/14, BASEMENT
KALKAJI EXTENSION
NEW DELHI - 110019
TEL.: 011-26239079
E-MAIL : apas.delhi@gmail.com

ANNEXURE- I TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i) In respect of its fixed assets:

a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) As explained to us, fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. As in informed to us no material discrepancies were noticed on such physical verification.

c) There are no immovable properties owned by the company.

ii) As explained to us physical verification has been conducted by the management at reasonable intervals in respect of inventories of finished goods, stores, spare parts and raw materials. We have been informed that no material discrepancies have been noticed on physical verification.

iii) As informed to us the company has not granted unsecured loans to companies covered in the register maintained under section 189 of the Companies Act 2013.

iv) According to the information and explanations given to us the company has not given any loans, guarantees or made any investments in terms of Section 185 and 186. We are informed that the company has not provided any security during the year

v) According to the information and explanations given to us the company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act 2013 and the rules framed there under.

vi) In respect of business activities of the company, maintenance of cost records has not been specified by the Central Government under sub-section (l) of section 148 read with rules framed thereunder of the Companies Act 2013.

vii) a) As per information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and any other statutory dues with the appropriate authorities, except for some delays. As informed to us there are no outstanding statutory dues in arrears as at the last day of the financial year concerned for a period of more than six months from the date they became payable.

APAS & CO. NEW DELHI FRN-000340C CHARTERED ACCOUNTANTS

APAS & Co.
CHARTERED ACCOUNTANTS

8/14, BASEMENT
KALKAJI EXTENSION
NEW DELHI - 110019
TEL.: 011-26239079
E-MAIL : apas.delhi@gmail.com

b) We have been informed that no unpaid disputed demands are outstanding in respect of Income Tax, Sales Tax, Service Tax, Goods and services tax, Custom Duty, Excise Duty, VAT or Cess.

viii) Based on our audit procedures and on the basis of information and explanations given to us by the management, we are of the opinion that there is no default in repayment of loans or borrowings to the financial institutions and banks as at the year end. There are no loans from Government and the company has not issued any debentures during current financial year.

ix) The company has not raised any money during the year by way of term loans and initial or further public offer.

x) Based upon the audit procedures performed and information and explanations given by the management, we report that, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit for the year ended 31st March 2019.

xi) The provision of clause (xi) of the Order are not applicable as company is not public company.

xii) The provisions of clause (xii) of the Order are not applicable as the company is not a Nidhi Company as specified in the clause.

xiii) According to information and explanations given to us we are of the opinion that all related party transactions are in compliance with Section 188 of Companies Act 2013. Necessary disclosures has been made in the financial statements as required by the applicable accounting Standards. Further, provisions of Section 177 of the Companies Act 2013 are not applicable to the company as the company doesn't meet the criteria for formation of Audit Committee.

xiv) According to information and explanations given to us the company has not made any preferential allotment or private placement of shares or debentures during the year.

xv) According to information and explanations given to us the Company has not entered into any non-cash transaction with the director or any person connected with him during the year.

APAS & CO. NEW DELHI FRN-000340C CHARTERED ACCOUNTANTS

APAS & Co.
CHARTERED ACCOUNTANTS

8/14, BASEMENT
KALKAJI EXTENSION
NEW DELHI - 110019
TEL.: 011-26239079
E-MAIL : apas.delhi@gmail.com

xvi) In our opinion, in view of its business activities, the company is not required to be registered under section 45IA of Reserve Bank of India Act 1934.

For APAS & CO.
CHARTERED ACCOUNTANTS
Firm Regn No. 000340C

Rajeev Ranjan

(RAJEEV RANJAN)
PARTNER
M No. 535395

Place : DELHI
Dated 28 JUN 2019

IMA Clothing Private Limited
Balance Sheet as at 31 March 2019
(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	4	1.23	56.36
Intangible assets	5	13.17	18.22
Financial assets			
Loans	6	0.75	0.75
		15.15	75.33
Current assets			
Inventories	7	86.39	86.39
Financial assets			
Trade receivables	8	13.39	13.33
Cash and cash equivalents	9	1.02	2.01
Other current assets	10	0.36	4.29
		101.16	106.02
		116.30	181.35
Equity and Liabilities			
Equity			
Equity share capital	11	172.04	172.04
Intsruments entirely equity in nature	12	80.00	80.00
Other equity		(841.69)	(691.83)
		(589.65)	(439.79)
Current liabilities			
Financial liabilities			
Borrowings	13	565.74	400.36
Trade payables	14	94.01	149.85
Other financial liabilities	15	17.01	17.79
Other current liabilities	16	28.90	53.14
Provisions	17	0.30	-
		705.95	621.14
		116.30	181.35
Statement of significant accounting policies	3		

The accompanying notes form an integral part of these financial statements
This is the Standalone Balance Sheet referred to in our report of even date

For **APAS & CO.**
Chartered Accountants
Firm Registration Number: 000340C

Rajeev Ranjan
RAJEEV RANJAN
Partner
M.No. 535395
Place: Delhi
Dated: 28 JUN 2019

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

For and on behalf of the Board of directors of
IMA Clothing Private Limited

For IMA Clothing Private Limited
Director

For IMA Clothing Private Limited
Director

Director

Direc

IMA Clothing Private Limited
Statement of Profit & Loss for the year ended on 31 March 2019
(All amounts in ₹ lakhs unless otherwise stated)

Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
Revenue			
Revenue from operations	18	-	163.25
Other income	19	2.16	26.25
		2.16	**189.50**
Expenses			
Cost of materials consumed	20	10.51	31.45
Purchase of stock in trade		-	0.71
Changes in inventories of finished goods and work in	21	-	54.26
Excise duty on sale of goods		-	0.46
Employee benefits expense	22	-	52.35
Finance cost	23	81.02	48.35
Depreciation and amortisation expenses	24	60.19	20.95
Other expenses	25	0.30	81.45
		152.02	**289.98**
Profit before tax		**(149.86)**	**(100.48)**
Tax expense	26	-	-
- Current tax			-
- Deferred tax			-
Profit after tax		**(149.86)**	**(100.48)**
Other comprehensive income :			
Items that will not be reclassified to profit and loss			
Re-measurement losses on defined benefit plans		-	-
Total comprehensive income for the year		**(149.86)**	**(100.48)**
Earnings per equity share (Par value of Rs.10/- each)			
Basic	27	(5.95)	(3.99)
Diluted	27	(5.95)	(3.99)

Significant Accounting Policies 3
The accompanying notes form an integral part of the financial statements.

This is the Standalone Balance Sheet referred to in our report of even date

For **APAS & CO.**
Chartered Accountants
Firm Registration Number: 000340C

Rajeev Ranjan

RAJEEV RANJAN
Partner
M.No. 535395

Place: Delhi
Dated: 28 JUN 2019

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

For and on behalf of the Board of directors of
IMA Clothing Private Limited

For IMA Clothing Private Ltd
Director

For IMA Clothing Private L
Director

Director

Direct

IMA Clothing Private Limited
Cash Flow Statement for the year ended 31 March 2019
(All amounts in ₹ lakhs unless otherwise stated)

	31 March 2019	31 March 2018
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(149.86)	(100.47)
Adjustments for:		
Depreciation	60.19	20.95
Interest expense	79.82	11.60
Operating profit before working capital changes	**(9.86)**	**(67.92)**
Movement in working capital		
(Increase) /decrease in other financial assets	-	31.45
(Increase)/decrease in inventories	-	69.17
(Increase)/decrease in other assets	3.93	25.90
(Increase)/decrease in trade receivables	(0.06)	2.70
Increase/(decrease) in other financial liabilites	(0.78)	(27.42)
Increase/(decrease) in current and non-current provisions	0.30	(5.16)
Increase/(decrease) in other liabilities	(24.24)	(16.56)
Increase/(decrease) in trade payables	(55.84)	(71.59)
Cash flow from operating activities post working capital changes	**(86.55)**	**(59.42)**
Income tax paid (net)	-	1.16
Net cash flow from operating activities (A)	**(86.55)**	**(58.25)**
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(22.33)
Sale of property, plant and equipment	-	-
Net cash flows from investing activities (B)	**-**	**(22.33)**
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from short term borrowings (net)	165.38	92.79
Finance cost	(79.82)	(11.60)
Net cash used in financing activities (C)	**85.56**	**81.19**
Increase/(decrease) in cash and cash equivalents (A+B+C)	(0.99)	0.62
Cash and cash equivalents at the begining of the year	2.01	1.39
Cash and cash equivalents at the end of the year	**1.02**	**2.01**

Reconciliation of financial liabilities arising from financing activities:

Particulars	**Current borrowings**
Opening balance as at 1 April 2018	400.36
Cash inflows/outflows:	
Add: Loan disbursed	263.61
Less: Loan repaid	(98.23)
Less: Interest paid	(79.82)
Add: Interest expenses	79.82
Closing balance as at 31 March 2019	**565.74**

** Includes current maturity of long term debts and interest accrued*

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

Significant accounting policies 3

The accompanying notes form an integral part of these financial statements

This is the Standalone Balance Sheet referred to in our report of even date
For **APAS & CO.**
Chartered Accountants
Firm Registration Number: 000340C

Rajeev Ranjan
RAJEEV RANJAN
Partner
M.No. 535395

Place: Delhi
Dated: 28 JUN 2019

APAS & CO. NEW DELHI FRN-000340C CHARTERED ACCOUNTANTS

For and on behalf of the Board of directors of
IMA Clothing Private Limited

For IMA Clothing Private Ltd
Director

Director

For IMA Clothing Private Ltd
Director

Director

IMA Clothing Private Limited
Statement of changes in equity at at 31 March 2018
(All amounts in ₹ lakhs unless otherwise stated)

A Equity share capital

Particulars	Balance at 31 March 2018	Change in equity share capital during the year	Balance at 31 March 2019
Equity share capital	172.04	-	172.04

B Other Equity

Particulars	Securities premium reserve	Retained earning	Total
Balance as at 31 March 2018	18.96	(710.79)	(691.83)
Profit for the year	-	(149.86)	(149.86)
Total comprehensive income	-	-	-
Balance as at 31 March 2019	18.96	(860.65)	(841.69)

The accompanying notes are an integral part of these financial statements.
This is the balance sheet referred to in our report of even date.

For **APAS & CO.**
Chartered Accountants
Firm Registration Number: 000340C

Rajeev Ranjan
RAJEEV RANJAN
Partner
M.No. 535395

Place: Delhi
Dated: 28 JUN 2019

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

For and on behalf of the Board of directors of
IMA Clothing Private Limited

For IMA Clothing Private Ltd
Director

For IMA Clothing Private Ltd
Director

Director

Director

IMA Clothing Private Limited
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2019

1. Corporate Information

Nature of Operation

IMA Clothing Private Limited (the company) is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is primarily engaged in the business of manufacturing of garments, providing designing and related consultancy services under the brand name of Manish Arora

General information and statement of compliance with Ind AS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

2. Standards issued but not yet effective

Ind AS 116- Leases: On 30 March 2019, MCA has notified Ind AS 116, *Leases*. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application

Ind AS 116, which is effective for annual periods beginning on or after 01 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is evaluating the

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

requirements of this new standard and it is expected to have a material impact on the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatment: The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The interpretation is effective for annual reporting periods beginning on or after 01 April 2019. The Company is evaluating the impact of this amendment on its financial statements.

Amendments to Ind 23 Borrowing Costs: The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 01 April 2019, with early application permitted. The Company does not expect any effect of this amendment on its financial statements.

3. Summary of significant accounting policies

a) Overall consideration

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

Basis of preparation

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

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

b) 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.

c) Revenue recognition

Revenue of the company arises mainly from the sale of Apparels & 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.

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

d) Property, plant and equipment

Recognition and initial measurement
Properties 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/Data processing equipment	3
Office Equipment	5

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN 000340C

Furniture & Fixtures	10
Plant & Machinery	15
Leasehold Improvements	Amortized over useful life of lease that is 5 years as determined by the management

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.

e. Intangible assets

Recognition and initial measurement
Intangible assets (softwares) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent measurement (amortisation and useful life)
Intangible assets are amortised in profit or loss over the useful life of 3 years as estimated by the management using the straight line method on monthly prorata basis.

f. Inventories

Inventories are valued as follows:

Raw materials are valued at lower of cost and net realizable 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 realizable value. Cost includes direct materials, labour, and all other costs of purchase incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

g. Foreign currency translation

Functional and presentation currency
The 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.

APAS & CO. NEW DELHI FRN-000340C CHARTERED ACCOUNTANTS

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 recognized in the statement of profit and loss in the year in which they arise.

h. **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 recognized are accordingly reversed in the statement of profit and loss.

i. **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.

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

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

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.

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.

j. **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

k. **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 and in the overseas branches/companies as per the respective tax laws. Current income tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or in equity.

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 OCI or in equity.

l. **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

m. **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 with in 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 recognized. However, when inflow of economic benefits is probable, related asset is disclosed.

n. **Earnings per share**

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

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

o. **Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's 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 recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

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.

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

Changes in the carrying amounts of property, plant and equipment for the year ended 31 March 2019 are as follows :

Particulars	Computers and data processing units	Furniture & fixtures	Leasehold improvements	Office equipment	Plant and Machinery	Total
Gross carrying amount						
As at 31 March 2018	7.94	10.11	70.70	12.81	0.26	**101.81**
Additions	-	-	-	-	-	-
Disposals	-	10.11	70.70	12.81	0.26	**93.87**
At 31 March 2019	**7.94**	-	-	-	-	**7.94**
Accumulated Depreciation						
As at 31 March 2018	6.72	2.58	31.63	4.33	0.19	**45.45**
Depreciation charge for the year	-	7.53	39.07	8.46	0.07	**55.13**
Disposals	-	10.11	70.70	12.81	0.26	**93.87**
At 31 March 2019	**6.72**	**(0.00)**	**(0.00)**	**(0.00)**	**0.00**	**6.71**
Net carrying amount						
At 31 March 2019	**1.22**	**0.00**	**0.00**	**0.00**	**(0.00)**	**1.23**
At 31 March 2018	**1.22**	**7.53**	**39.07**	8.47	**0.07**	**56.36**

(i) Contractual obligations

Refer note 26 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Capitalised borrowing cost

The company has not capitalised any borrowing costs during the year ended 31 March 2019 and 31 March 2018

IMA Clothing Private Limited
Summary of significant accounting policies and other explanatory information to the financial statements for the year ended 31 March 2019
(All amounts in ₹ lakhs unless otherwise stated)

5 Intangible assets

Changes in the carrying amounts of intangible assets for the year ended 31 March 2019 are as follows :

Particulars	Brand	Software	Total
Gross carrying amount			
As at 31 March 2018	22.82	16.37	**39.19**
Additions	-	-	-
Disposals	-	-	-
At 31 March 2019	**22.82**	**16.37**	**39.19**
Accumulated amortisation			
As at 31 March 2018	8.56	12.42	**20.97**
Amortisation charge for the year	2.85	2.21	**5.06**
Disposals	-	-	-
At 31 March 2019	**11.41**	**14.62**	**26.03**
Net carrying amount			
At 31 March 2019	**11.41**	**1.75**	**13.17**
At 31 March 2018	**14.27**	**3.95**	**18.22**

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN 000340C

(All amounts in ₹ lakhs unless otherwise stated)

6 Loans

		31 March 2019	31 March 2018
(Unsecured considered good)			
Security deposits	**Non Current Financial Assets- Loans**	0.75	0.75
		0.75	**0.75**

7 Inventories

		31 March 2019	31 March 2018
Raw material	**Inventories - Raw Material**	29.63	29.63
Work-in-progress	**Inventories - WIP**	32.98	32.98
Finished goods	**Inventories - FG**	23.78	23.78
		86.39	**86.39**

Inventories include material in transit.

8 Trade receivables

		31 March 2019	31 March 2018
Unsecured, considered good			
Others			
Considered good	**Financial Assets - Unsecured - considered good**	13.39	13.33
Doubtful		22.08	22.08
Lees: Provision for loss allowance	**Provision for bad and doubtful debts**	(22.08)	(22.08)
		13.39	**13.33**

9 Cash & cash equivalents

		31 March 2019	31 March 2018
Balance with scheduled banks:			
- with scheduled banks in current accounts	**Current Financial assets - Balance with Bank**	1.02	2.01
		1.02	**2.01**

10 Other current assets

		31 March 2019	31 March 2018
Prepaid expenses	**Other current assets - Prepaid expenses**	-	0.06
Balance with goveernment authorities	**Other current assets - Service tax credit**	-	4.23
Advances to suppliers	**Other current assets - Advance to supplier**	0.36	-
		0.36	**4.29**

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

11 Equity share capital	31 March 2019	31 March 2018
Authorized share capital		
Equity		
Class-A		
2,15,000 (31 March 2018: 2,15,000) Equity shares of '10 each	21.50	21.50
Class -B		
27,95,000 (31 March 2018: 27,95,000) Equity shares of '10 each	279.50	279.50
	301.00	**301.00**
Issued, subscribed & paid up:		
Equity		
Class-A **Equity Share Capital- Class A**		
20,408 (31 March 2018: 20,408) Equity shares of '10 each	2.04	2.04
Class -B **Equity Share Capital- Class B**		
17,00,000 (31 March 2018: 17,00,000) Equity shares of '10 each	170.00	170.00
	172.04	**172.04**

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

	31-Mar-19	
	No of shares	(in Rs.)
Equity shares at the beginning of the year	17.20	172.04
Add : Shares issued during the year	-	-
Equity shares at the end of the year	**17.20**	**172.04**

	31-Mar-18	
	No of shares	(in Rs.)
Equity shares at the beginning of the year	17.20	172.04
Add : Shares issued during the year	-	-
Equity shares at the end of the year	**17.20**	**172.04**

b) Share holders holding more then 5% of the shares

Equity

	31-Mar-19	31-Mar-18
Class A Shares	**No. of Shares & %Holding**	**No. of Shares & %Holding**
BIBA Apparels pvt Ltd	10408, (51.51%)	10408, (51.51%)
Mr Manish Arora	4898, (24.24%)	4898, (24.24%)
Mr Deepak Bhagwani	4898, (24.24%)	4898, (24.24%)

Class B Shares

Class A Shares	**No. of Shares & %Holding**	**No. of Shares & %Holding**
BIBA Apparels pvt Ltd	17,00,000 (100%)	17,00,000 (100%)

c) Terms and rights attached to equity shares

a. The company has two class of Equity shares having a par value of Rs 10 each. Class A 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. Class B shares do not carry any voting or dividend rights.

b. The company has neither issued any bonus shares nor has there been buy back of shares in the 'current year.

12 Intsruments entirely equity in nature	31 March 2019	31 March 2018
Authorised preference share capital		
8,00,000 (previous year 8,00,000) 0% non cumulative compulsorily convertible	80.00	80.00
Issued, subscribed and fully paid up		
8,00,000 (previous year 8,00,000) 0% non cumulative compulsorily convertible	80.00	80.00
	80.00	**80.00**

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

11 Equity share capital		31 March 2019	31 March 2018
b) Reconciliation of numbers of shares outstanding at the beginning and at the end of the reporting year			
Preference shares			
Number of shares outstanding as at the		8.00	8.00
Shares held by holding/ultimate holding company			
Preference shares			
BIBA Apparels Private Limited			
8,00,000 (previous year 8,00,000) 0% non cumulative compulsorily convertible		8.00	8.00
		8.00	8.00
c) Details of shareholders holding more than 5% shares in the Company			
Preference shares			
8,00,000 (previous year 8,00,000) 0% non cumulative compulsorily convertible			
BIBA Apparels Private Limited		100%	100%

d) Terms and rights attached to equity shares

The Company has one class of preference shares i.e. Non Cumulative Compulsorily Convertible 'Preference Shares (NCCCPS) of Rs.10 per share. No Dividend has to be paid against such shares. 'NCCCPS will be converted into equity share as accordance with the Joint Venture and Shareholding 'agreement or any supplementary agreement thereof, so far as there will be no dilution of the existing 'equity shares after conversion. The conversion of NCCCPS will be based on the face value.

13 Borrowings		31 March 2019	31 March 2018
Secured			
Working capital facilities (secured):			
From banks	**Current Financial Assets- Borrowings**	-	98.23
Short term loan (unsecured)			
From related party	**Other Current Liabilities - Loan from Related Party**	565.74	302.12
		565.74	**400.36**

Working capital facilities from banks are secured by first charge on movable current assets and second charge on all immovable assets of the company. These working capital loans are further guaranteed by two of the Directors & Shareholders the company.

14 Trade payables		31 March 2019	31 March 2018
Payables for goods & services	**Current Financial Liabilities- Trade Payables**	94.01	149.85
		94.01	**149.85**

The Company has during the year not received any information from any vendor regarding their status being registered under Micro, Small and Medium Enterprises Development Act, 2006. Based on the above disclosures, if any, relating to amounts unpaid as at the period end along with interest paid / payable have not been given.

APAS & CO. NEW DELHI FRN-000340C CHARTERED ACCOUNTANTS

11 Equity share capital		31 March 2019	31 March 2018

15 Other financial liabilities		31 March 2019	31 March 2018
Deposit received from franchise	Non Current Financial Liabilities- Loans	17.01	17.01
Other expenses	Other Current Liabilities - Provision for expenses	-	0.78
		17.01	**17.79**

16 Other current liabilities		31 March 2019	31 March 2018
Statutory dues	Other Current Liabilities - Statutory Dues payable	6.77	30.62
Advances from customers and others	Other Current Liabilities - Advance from Customer/ others	22.14	22.52
		28.90	**53.14**

17 Provisions (current)		31 March 2019	31 March 2018
Provisions for Audit Fee	Short term Provisions	0.30	-
		0.30	**-**

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

18 Revenue from operations

	31 March 2019	31 March 2018
Sale of products		
Apparels & accessories		
- Export	-	4.48
- Domestic	-	133.77
	-	**138.25**
Other operating income		
Design fee	-	25.00
	-	**163.25**

19 Other income

	31 March 2019	31 March 2018
Excess Provision / balances written back	-	21.16
Interest on financial asset measured at amortised cost	-	3.28
Gain on pre settlement of financial asset measured at amortised cost	-	1.28
Miscellaneous income	2.16	0.53
	2.16	**26.25**

20 Cost of materials consumed

	31 March 2019	31 March 2018
Raw materials		
(including consumables and processing of materials) :		
Opening stock	29.63	44.54
Add : Purchases	-	4.76
Add : Processing of materials	10.51	11.78
	40.14	**61.08**
Less: Closing stock	29.63	29.63
	10.51	**31.45**

Details of Raw material and other consumables consumed		
Fabric	-	19.66
Others	10.51	11.78
Total	**10.51**	**31.45**

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

(All amounts in ₹ lakhs unless otherwise stated)

21 Changes in inventories of finished goods and work in progress	31 March 2019	31 March 2018
Opening stock:		
Work-in-progress	32.98	25.35
Finished goods (including stock in transit)	23.78	85.67
Total A	**56.76**	**111.02**
Closing stock:		
Work-in-progress	32.98	32.98
Finished goods (including stock in transit)	23.78	23.78
Total B	**56.76**	**56.76**
Add/(Less):- Variation in excise duty on closing stock of finished goods (C)	-	-
Increase / Decrease in stocks (A-B-C)	-	**54.26**

Details of finished goods and work-in-progress

Finished goods		
Apparels & accessories	23.78	23.78
Total	**23.78**	**23.78**
Work - in - progress		
Apparels & accessories	32.98	32.98
Total	**32.98**	**32.98**

22 Employee benefits expense	31 March 2019	31 March 2018
Salaries and allowances	-	50.89
Contribution to provident fund and other funds	-	0.28
Staff welfare	-	1.18
	-	**52.35**

23 Finance cost	31 March 2019	31 March 2018
Term loan from banks	-	11.60
Others	79.82	35.78
Bank charges and commission	1.21	0.97
	81.02	**48.35**

24 Depreciation and amortisation	31 March 2019	31 March 2018
Depreciation on		
Property, Plan & Equipment	55.13	13.62
Amortisation on		
Intangible assets	5.06	7.33
	60.19	**20.95**

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-008340C

(All amounts in ₹ lakhs unless otherwise stated)

25 Other expenses	31 March 2019	31 March 2018
Rent & mall maintenance charges	-	57.79
Rates and taxes	-	2.86
Repairs and maintenance:	-	-
- Computers	-	0.18
- Others	-	0.10
Electricity & water charges	-	1.17
Insurance charges	-	0.36
Legal and professional fees	-	2.25
Auditor's remuneration	-	-
- As audit fees	0.30	1.34
Communication expenses	-	0.69
Conveyance and travelling	-	2.74
Printing and stationery	-	0.42
Miscellaneous expenses	-	1.49
Franchise/sales commission	-	7.80
Advertisement	-	0.14
Freight, octroi, forwarding charges and entry tax	-	0.66
Business promotion, meeting & conferences	-	1.23
Store expenses	-	0.14
Software maintenance expenses	-	0.10
	0.30	**81.45**

26 Income Tax		
(a) Income tax expense	-	-
Total	-	-

(b) Reconciliation of tax expense and the accounting profit

Particulars	For year ended 31 March 2019	For year ended 31 March 2018
Profit before income tax expense	(149.86)	(100.48)
Statutory income tax rate	0.31	0.31
Amount of tax at statutory income tax rate	-	-
Adjustments:		
Tax impact of expenses which will never be allowed	-	-
Brought forward losses adjusted	-	-
Unrecognised defrred tax asset	-	-
Total	-	-
Amount of tax at statutory income tax rate post adjustments	-	-

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

(All amounts in ₹ lakhs unless otherwise stated)

27 Earning per share	31 March 2018	31 March 2018
Net profit attributable to equity shareholders		
Profit after tax	(149.86)	(100.48)
Nominal value of equity share (`)	10.00	10.00
Weighted average number of equity shares (nos.) (B)	25.20	25.20
Total number of equity shares outstanding at the beginning of the year	25.20	25.20
Total number of equity shares outstanding at the end of the year	25.20	25.20
Basic / diluted earnings per share (Rs)	**(5.95)**	**(3.99)**

28 Related Party Disclosure

In accordance with the Accounting Standards (IND AS -24) on Related Party Disclosures, where control exists and where key management personnel are able to exercise significant influence and, where transactions have taken place during the year, along with description of relationship as identified, are given below:-

I. Relationships

a. Holding Company

BIBA Apparels Pvt Ltd.

b. Key Management Personnel

Name	Designation
Mr. Deepak Bhagwani	Director
Mr. Manish Arora	Director
Mr. Rajesh Jain	Director

c. Enterprises owned or significantly influenced by key management personnel or their relatives

i. Three Clothing Pvt Ltd.

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

Nature of Transactions	Related Parties					
	Referred in I (a) above		Referred in I (b) above		Referred in I (c) above	
	FY 2018-19	FY 2017-18	**FY 2018-19**	FY 2017-18	**FY 2018-19**	FY 2017-18
Sale of Goods/ services/inputs						
BIBA Apparels Pvt Ltd.	-	28.75	-	-	-	-
Purchase of raw material/services/ finished goods						
BIBA Apparels Pvt Ltd.	-	-	-	-	-	
Three Clothing Pvt Ltd.	-	-	-	-	-	0.03
Reimbursement of Expenses						
BIBA Apparels Pvt Ltd.	-	10.14	-	-	-	-
Manish Arora	-	-	-	5.67	-	-
Payments made on our behalf						
BIBA Apparels Pvt Ltd.	161.61	-	-	-	-	-
Loan Taken						
BIBA Apparels Pvt Ltd.	102.00	88.17	-	-	-	-

APAS & CO. NEW DELHI FRN-000340C CHARTERED ACCOUNTANTS

Loan Repaid						
BIBA Apparels Pvt Ltd.	-	19.00	-	-	-	-
Interest Paid						
BIBA Apparels Pvt Ltd.	67.67	35.78	-	-	-	-
Outstanding balances Debit / (Credit)						
Trade Payables						
BIBA Apparels Pvt Ltd.	-	(3.16)	-	-	-	-
Manish Arora	-	-	(9.71)	(9.71)	-	-
Three Clothing Pvt Ltd.	-	-	-	-	(30.83)	(30.83)
Short Term Borrowings						
BIBA Apparels Pvt Ltd.	(565.74)	(302.12)	-	-	-	-

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

29 **Fair value hierarchy**

Particulars	Level	31 March 2019		31 March 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Loans	Level 3	0.75	0.75	0.75	25.64
Total financial assets		**0.75**	**0.75**	**0.75**	**25.64**

For cash and cash equivalents, trade receivables, other receivables, short ter borrowng, trade payables and other current financial liabilities the management assessed that their far value is approximate their carrying amounts largely due to the short-term maturities of these instruments.
The fair values of the Company's long-term interest free security deposits are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the borrowing rate as at the end of the reporting period. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

30 **Financial risk management**

(i) **Financial instruments by category**

Particulars	31 March 2019		31 March 2018	
	FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets				
Trade receivables	-	13.39	-	13.33
Cash and cash equivalents	-	1.02	-	2.01
Security deposits	-	0.75	-	0.75
Total financial assets	**-**	**15.16**	**-**	**16.09**
Financial liabilities				
Trade payables	-	94.01	-	149.85
Borrowings	-	565.74	-	400.36
Other financial liabilities	-	17.01	-	17.79
Total financial liabilities	**-**	**676.76**	**-**	**568.00**

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. The board of directors provides written principles for overall risk management, as well as policies covering

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000[illegible]C

A) Credit risk

'Credit risk is the risk that a counterparty 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.

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 fi	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Loans and other financial assets	12 month expected credit loss/life time expected credit loss
High credit risk	Trade receivables	Life time expected credit loss fully provided for

Assets under credit risk –

Credit rating	Particulars	31 March 2019	31 March 2018
A: Low credit risk	Cash and cash equivalents	1.02	2.01
	Security deposits	0.75	0.75
	Trade receivable	13.39	13.33
B: High credit risk	Trade receivable	22.08	22.08

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 debtors 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 amortized cost includes security deposits . 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 trade 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 2019	31 March 2018
Retail	-	-
Wholesale	1,339,000	1,332,951
Total	**1,339,000**	**1,332,951**

b) **Credit risk exposure**

Trade receivables

In respect of trade receivables, the Company considers provision for lifetime expected credit loss. Given the nature of business operations, the Company's trade receivables has low credit risk as there is a promt collection from debtors within a period ranging from three to six months. The history of trade receivables shows a negligible allowance for bad and doubtful debts.

Other financial assets measured at amortised cost

Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the company can draws to apply consistently to entire population For such financial assets, the Company's policy is to provides 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

Reconciliation of loss allowance	**Trade receivables**
Loss allowance on 31 March 2018	(22.08)
Impairment loss recognised/reversed during the year	-
Loss allowance on 31 March 2019	(22.08)

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.
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.

Maturities of financial liabilities

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

31 March 2019	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**Total**
Non-derivatives				
Borrowings	565.74	-	-	565.74
Trade payable	94.01	-	-	94.01
Other financial liabilities	17.01	-	-	17.01
Total	**676.76**	-	-	**676.76**

31 March 2018	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**Total**
Non-derivatives				
Borrowings	400.36	-	-	400.36
Trade payable	149.85	-	-	149.85
Other financial liabilities	17.79	-	-	17.79
Total	**568.00**	-	-	**568.00**

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

C **Market Risk**

a) **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 2018, 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 2019	31 March 2018
Variable rate borrowing	-	98.23
Fixed rate borrowing	565.74	302.12
Total borrowings	**565.74**	**400.36**
Amount disclosed under other current financial liabilites	-	-
Amount dislosed under borrowings	**565.74**	**400.36**

Sensitivity

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

Particulars	31 March 2019	31 March 2018
Interest sensitivity*		
Interest rates – increase by 50 bps basis points	-	0.49
Interest rates – decrease by 50 bps basis points	-	(0.49)

** Holding all other variables constant*

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

31 **Capital management**

Risk managemnet

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 2019	31 March 2018
Total borrowings	565.74	400.36
Less cash and cash equivalent	1.02	2.01
Net debt	**564.72**	**398.35**
Total equity	(589.65)	(439.79)
Net debt to equity ratio	(0.96)	(0.91)

APAS & CO. CHARTERED ACCOUNTANTS NEW DELHI FRN-000340C

32 CONTINGENT LIABILITIES

31 March 2019	31 March 2018
NIL	NIL

33 COMMITMENTS

	31 March 2019	31 March 2018
Estimated amounts of contracts remaining to be executed on Capital Account and not provided for (Net of advances)	NIL	Nil

34 Balances of debtors, creditors and loans & advances are subject to confirmation.

35 In the opinion of the Management current assets, loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated except where indicated otherwise.

36 Segmental Reporting:
The business activity of the company falls within one broad segment viz garments manufacturing. Hence the disclosure requirement of IND AS 108 is not considered applicable.

37 The company has reclassified previous year figures to conform to this year's classification.

For **APAS & CO.**
Chartered Accountants
Firm Registration Number: 000340C

RAJEEV RANJAN
Partner
M.No. 535395

Place: Delhi
Dated: 28 JUN 2019

APAS & CO. NEW DELHI FRN-000340C CHARTERED ACCOUNTANTS

For and on behalf of the Board of directors of
IMA Clothing Private Limited

For IMA Clothing Private Ltd
Director

For IMA Clothing Private Ltd
Director

Director

Director