

**Independent Auditor's Report**

**TO THE MEMBERS OF ARTIMAS FASHIONS PRIVATE LIMITED**

**Report on the Audit of Ind AS Financial Statements**

**Opinion**

We have audited the financial statements of **Artimas Fashions Private Limited** ("the Company"), which comprise the Balance Sheet as at 31' March 2023, and the statement of profit and loss including Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date (herein after referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and Loss (including other comprehensive income) changes in equity and its cash flows for the year ended on that date.

**Material Uncertainty Relating to Going Concern**

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

**Basis for Opinion**

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



## **Emphasis of Matter**

We draw attention to the Note No.39 that the effect of adjustments that may arise from the ongoing reconciliation of Trade receivables and trade payables, inter branch and inter company balances, the consequential impact thereof on the accounts is not ascertainable.

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31st March 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that gives a true and fair view of the financial position, financial performance, Changes in Equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that gives a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company



or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (l)



planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 and according to the information and explanations given to us and also on the basis of such checks as we considered appropriate, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- II. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statements of Cash Flows dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of section 164(2) of the Act;



- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g. With respect to other matters to be included in the Auditors Report in accordance with section 197 (16) of the Act, as amended, in our opinion and to the best of our information and explanation given to us, the provision of section 197 is not applicable to the company as this is a private limited company.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigations having an impact on its financial position in its financial statement.
  - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that , to the best of its knowledge and belief , no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities including foreign entities (" Intermediaries").  
  
(b) The management has represented that to the best of its knowledge and belief, no funds have been received by the company from any persons or entities including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall:
    - i) Directly or indirectly send or invest in other persons or entities identified in any manner whatsoever ("Ultimate beneficiaries') by or on behalf of the funding party or
    - ii) Provide any guarantee , security or the like from or on behalf of the ultimate beneficiaries and



- iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (iv)(a) & iv(b) contain any material misstatements.
- iv) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of the Companies (Audit and Auditors) rules, 2014 is not applicable for the financial year ended March 31, 2023.

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



**CA Prodyat Chaudhuri**  
**(Partner)**

**Membership No: 065401**

**UDIN:230655401BGYOYS6892**

**Place: Kolkata**

**Date :30.05.2023**



**Annexure-A to the Independent Auditors' Report**

**The Annexure referred to in our Independent Auditor's Report to the members of Artimas Fashions Private Limited (the Company') on the Ind AS financial statements for the year ended on March 31, 2023.**

**We report that:**

- i. (A) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.  
  
(B) (a) The Company has maintained proper records showing full particulars of intangible assets.  
  
(b) The Company has a regular programme of physical verification of its property, plant & equipment by which property, plant & equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant & equipment were verified during the year and no material discrepancies were noticed on such verification.  
  
(c) According to information and explanation given to us, as the company owns no immovable properties, therefore the requirement on reporting whether title deeds of immovable properties held in the name of the company is not applicable.  
  
(d) According to information and explanation given to us, the company has not revalued any of its property, plant and equipment (including right of use assets) or intangible assets or both during the year.  
  
(e) According to information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The inventories have been physically verified during the year by the management at reasonable intervals. According to the information and explanations given to us, discrepancies noticed were less than 10% of each class of inventories.  
  
(b) The company has working capital limits in excess of five crore rupees from banks on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks are in agreement with the books of account of the company.
- iii. (a) The Company has not made any investments in, provided any guarantee, security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms,



Limited Liability Partnerships or other parties. covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) (a), 3(iii) (b) and 3(iii) (c), 3(iii) (d), 3(iii)(e.) and 3(iii)(f) of the Order is not applicable to the Company.

- iv. According to the information and explanation given to us, the company has not made any investments, provided any guarantee, security or granted any loans or advances. Accordingly, paragraph 3 (iv) of the order is not applicable to the company.
- v. According to the information and explanation given to us, the company has not accepted any deposits or amounts which are deemed to be deposits from public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- vi. According to the information and explanation given to us, provision for the maintenance of cost records under sub section (1) of section 148 of the Act for the company is not applicable for the year.
- vii. According to the information and explanations given to us in respect of Statutory dues:

- (a) The Company has been regular in depositing undisputed statutory dues, including Goods & Service Tax, Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, and other statutory dues with the appropriate authorities during the year, though there has been slight delay in deposit of these statutory dues in some cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Goods & Service Tax, Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, which have not been deposited with the appropriate authorities on account of any dispute.

- viii. According to the information and explanations given by the management and based on the procedures carried out during the course of our audit, we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the income tax Act, 1961.

(ix) (a) In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(ix) (b) According to the information and explanation given to us and on the basis of our audit procedures, we report that the company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) In our opinion and according to the information and explanation given to us, the company has utilized the money obtained by way of term loans during the year for the purpose for which





they were obtained.

(ix) (d) According to the information and explanation given to us and the procedures performed by us and on an overall examination of the financial statements of the company, we report that no funds raised on short term basis have been used for long term purposes by the company.

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

(xvii) The company has incurred cash losses during the financial year ended on that date and the immediately preceding financial year. The amount of cash loss for financial year is Rs. (861.40) lacs and cash loss for immediately preceding financial year was Rs. (253.52) lacs.

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

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

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

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

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



**CA Prodyat Chaudhuri**  
**(Partner)**

**Membership No: 065401**

**UDIN: 230655401BGYOYS6892**

**Place: Kolkata**  
**Date : 30.05.2023**



## **Annexure-B to the Independent Auditors' Report**

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

We have audited the internal financial controls over financial reporting of Artimas Fashions Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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



### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

*Prodyat Chaudhuri*

**CA Prodyat Chaudhuri  
(Partner)**

**Membership No: 065401  
UDIN: 230655401BGYOYS6892**

**Place: Kolkata  
Date: 30.05.2023**




ARTIMAS FASHIONS PRIVATE LIMITED  
Balance Sheet as at March 31, 2023

(Rs. In Lakhs)

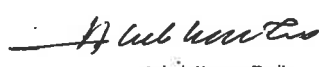
	Notes	As at 31-March-2023	As at 31-March-2022
<b>ASSETS</b>			
<b>A Non-current assets</b>			
Property, plant and equipment	4	236.89	256.38
Other intangible assets	4	0.77	1.40
Right of use assets	4	191.41	232.65
Financial assets:			
Other financial assets	5	19.29	19.03
Other non-current assets	6	0.04	-
<b>Total Non-current assets</b>		<b>448.40</b>	<b>509.46</b>
<b>B Current assets</b>			
Inventories	7	1,819.50	2,061.20
Financial assets			
Trade receivables	8	1,112.40	1,177.41
Cash and cash equivalents	9	4.94	6.62
Other current assets	10	447.58	423.16
<b>Total Current assets</b>		<b>3,384.42</b>	<b>3,668.39</b>
<b>TOTAL ASSETS</b>		<b>3,832.82</b>	<b>4,177.85</b>
<b>EQUITY AND LIABILITIES</b>			
<b>C Equity</b>			
Equity share capital	11	20.05	20.05
Other equity	12	(2,241.10)	(1,316.14)
<b>Total Equity</b>		<b>(2,221.05)</b>	<b>(1,296.09)</b>
<b>D Non-current liabilities</b>			
Financial liabilities			
Borrowings	13	1,929.70	2,357.21
Lease liabilities	14	202.09	242.99
Provisions	15	8.16	10.74
<b>Total Non-current liabilities</b>		<b>2,139.95</b>	<b>2,610.94</b>
<b>E Current liabilities</b>			
Financial liabilities			
Borrowings	13	1,539.91	685.59
Lease liabilities	14	40.91	35.53
Trade payables			
A) total outstanding dues of micro enterprises and small enterprises; and	16	4.18	3.07
B) total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,272.17	1,353.04
Other financial liabilities	17	964.50	699.18
Provisions	15	0.02	0.14
Other current liabilities	18	92.23	86.45
<b>Total current liabilities</b>		<b>3,913.92</b>	<b>2,863.00</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,832.82</b>	<b>4,177.85</b>
Summary of significant accounting policies	3		


The accompanying notes are integral part of the financial statements.

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

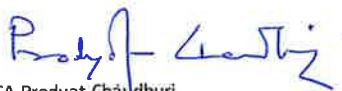
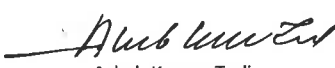

  
CA Prodyat Chaudhuri  
Partner  
Membership no. 065401  
Place : Kolkata  
Date: 30.05.2023

FOR AND ON BEHALF OF BOARD OF DIRECTORS

  
Ashok Kumar Todi  
Director  
DIN-00053599  
Place : Kolkata  
Date: 30.05.2023

  
Nischal Puri  
Director  
DIN-02830389



ARTIMAS FASHIONS PRIVATE LIMITED		(Rs. in Lakhs)	
Statement of Profit and Loss for ended March 31, 2023			
	Notes	For the period 31-Mar-2023	For the period 31-Mar-2022
I	Revenue from operations	2,472.30	2,597.24
II	Other Income	18.54	5.47
III	<b>Total income (I+II)</b>	<b>2,490.84</b>	<b>2,602.71</b>
IV	<b>Expenses</b>		
	Cost of materials consumed	708.46	1,466.19
	Purchases of stock-in-trade	683.91	9.78
	Changes in inventories of finished goods, work-in-progress & traded goods	77.94	(573.05)
	Employee benefit expense	436.26	397.76
	Finance costs	270.28	211.51
	Depreciation and amortisation expense	68.62	75.67
	Other expenses	1,177.20	1,346.53
	<b>Total expenses (IV)</b>	<b>3,422.67</b>	<b>2,934.39</b>
V	<b>Profit/ (loss) Before Tax</b>	<b>(931.83)</b>	<b>(331.68)</b>
VI	<b>Tax expense</b>		
	(i) Current tax	-	-
	(ii) Deferred tax	(1.79)	(2.46)
	<b>Income tax expense (i+ii)</b>	<b>(1.79)</b>	<b>(2.46)</b>
VII	<b>Profit/ (loss) for the Year (V-VI)</b>	<b>(930.04)</b>	<b>(329.22)</b>
VIII	<b>Other comprehensive income</b>		
A	(i) Items that will not be reclassified subsequently to profit and loss		
	(a) Remeasurements of the defined benefit liabilities / (asset)	6.87	9.46
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.79)	(2.46)
	<b>Other comprehensive income for the year (net of tax) (i-ii)</b>	<b>5.08</b>	<b>7.00</b>
	<b>Total comprehensive income for the period, net of income tax (VII + VIII)</b>	<b>(924.96)</b>	<b>(322.22)</b>
	<b>Earnings/ (loss) per equity share [nominal value of share Rs. 10 (March 31, 2023 Rs. 10)]</b>		
	Basic in Rs. per share	(463.86)	(164.20)
	Diluted in Rs. per share	(463.86)	(164.20)
	<b>Summary of significant accounting policies</b>	3	
<b>The accompanying notes are integral part of the financial statements.</b>			
As per our report of even date <b>FOR SANJAY MODI &amp; CO.</b> Chartered Accountants Firm Reg no.322295E		<b>FOR AND ON BEHALF OF BOARD OF DIRECTORS</b>	
			
CA Prodyat Chaudhuri Partner Membership no. 065401 Place : Kolkata Date: 30.05.2023		Ashok Kumar Todi Director DIN-00053599 Place : Kolkata Date: 30.05.2023	
			
		Nischal Puri Director DIN-02830389	



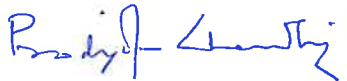
Artimas Fashions Private Limited  
Statement of Cash Flows for the year ended March 31, 2023

(Rs. in Lakhs)

	For the period ended 31 March 2023	For the period ended 31 March 2022
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	(931.83)	(331.68)
Adjustment to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation expense	68.62	75.67
Interest on lease liability	27.56	27.15
Finance costs - others	242.72	184.36
Other income	0.25	(5.47)
<b>Operating profit before working capital changes</b>	<b>(592.68)</b>	<b>(49.97)</b>
Movements in working capital:		
(Increase) / decrease in trade and other receivables	65.00	(502.96)
(Increase) / decrease in inventories	241.70	(713.37)
(Increase) / decrease in other assets	(22.76)	(126.76)
Increase / (decrease) in trade and other payables	(72.89)	679.68
Increase / (decrease) in other liabilities	268.81	370.82
<b>Cash generated from / (used in) operations</b>	<b>(112.82)</b>	<b>(342.56)</b>
Direct taxes paid (Net of refunds)	(1.79)	(3.47)
<b>Net cash flow from / (used in) operating activities</b>	<b>(114.61)</b>	<b>(346.03)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment, intangible assets	(7.25)	(102.90)
Proceeds from Sale/Adjustment/Subsidy of Fixed Assets	-	39.60
Decrease/(Increase) in term deposit	-	(14.87)
Other income	(0.42)	5.32
<b>Net cash flow from / (used in) investing activities</b>	<b>(7.67)</b>	<b>(72.85)</b>
<b>Cash flows from financing activities</b>		
Proceeds/ (repayment) from non current borrowings	(427.51)	(16.23)
Proceeds/ (repayment) from current borrowings	854.32	605.88
Proceeds from issue of equity shares	-	-
Proceeds from issue of preference shares	-	-
Finance costs - others	(243.11)	(184.41)
Payment of lease liability - principal	(35.52)	6.49
Payment of lease liability - interest	(27.56)	(27.15)
<b>Net cash flow from / (used in) in financing activities</b>	<b>120.62</b>	<b>384.58</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1.68)</b>	<b>(34.30)</b>
Cash and cash equivalents at the beginning of the year	6.62	40.92
<b>Cash and cash equivalents at the end of the period</b>	<b>4.94</b>	<b>6.62</b>
<b>Components of Cash and cash equivalents</b>		
Cash on hand (Refer Note - 8)	0.29	2.07
Balances with banks - on current account (Refer Note - 8)	4.65	4.52
<b>Total Cash and cash equivalents</b>	<b>4.94</b>	<b>6.59</b>

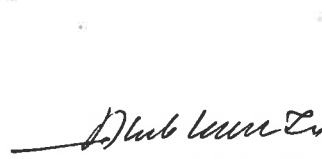

The accompanying notes are integral part of the financial statements.

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



**CA Prodyat Chaudhuri**  
Partner  
Membership no. 065401  
Place : Kolkata  
Date: 30.05.2023

FOR AND ON BEHALF OF BOARD OF DIRECTORS

**Ashok Kumar Todi**  
Director  
DIN-00053599

**Nischal Puri**  
Director  
DIN-02830389

Place : Kolkata  
Date: 30.05.2023



**ARTIMAS FASHIONS PRIVATE LIMITED**

**Statement of changes in equity for the year ended March 31, 2023**

	No. of shares	Rs. In Lakhs Rs.
<b>a. Equity share capital</b>		
<b>Equity shares of Rs. 10 each issued, subscribed and fully paid</b>		
As at April 1, 2021	2,00,500	20.05
Changes in equity share capital during the period		-
As at March 31, 2022	2,00,500	20.05
Changes in equity share capital during the period		-
As at March 31, 2023	2,00,500	20.05

**b. Other Equity**

	Securities premium	Retained earnings	Other Comprehensive Income Reserves	Total
<b>Balance as at April 1, 2021</b>	9.00	(1,001.44)	(1.48)	(993.92)
Add: Profit for the year	-	(329.22)	-	(329.22)
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	7.00	7.00
<b>Balance as at March 31, 2022</b>	9.00	(1,330.66)	5.52	(1,316.14)
Add: Profit for the Year	-	(930.04)	-	(930.04)
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	5.08	5.08
<b>Balance as at March 31, 2023</b>	9.00	(2,260.70)	10.60	(2,241.10)

**Nature And Purpose Of Reserves:**

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

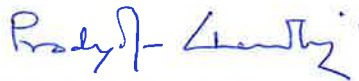
(B) Retained Earnings : This reserve represents undistributed cumulative profits of the Company and can be utilized in accordance with the provisions of the Companies Act, 2013

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

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


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

Chartered Accountants  
Firm Reg no.322295E



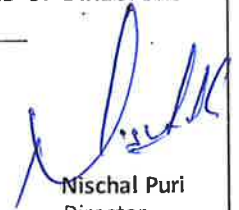
**CA Prodyat Chaudhuri**  
Partner  
Membership no. 065401  
Place : Kolkata  
Date: 30.05.2023

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**



**Ashok Kumar Todi**  
Director  
DIN-00053599

Place : Kolkata  
Date: 30.05.2023



**Nischal Puri**  
Director  
DIN-02830389





**ARTIMAS FASHIONS PRIVATE LIMITED**

Notes to the standalone financial statements for the period ended March 31, 2023

**NOTE: 5****OTHER FINANCIAL ASSETS**

	(Rs. In Lakhs)	
	As at	As at
	31-Mar-2023	31-Mar-2022
<i>(Carried at amortised cost)</i>		
<b>Non-current</b>		
Other bank balance		
Bank deposit more than 12 months maturity from Balance Sheet date (pledged - Rs 2.59 lacs)	17.46	17.46
Interest accrued on fixed deposit	0.58	0.41
Security deposit	1.25	1.16
<b>Total</b>	<b>19.29</b>	<b>19.03</b>

**NOTE: 6****OTHER NON-CURRENT ASSETS**

	(Rs. In Lakhs)	
	As at	As at
	31-Mar-2023	31-Mar-2022
<i>(Unsecured, considered good unless otherwise stated)</i>		
Capital advances		
Others		
Prepaid expenses	0.04	-
<b>Total</b>	<b>0.04</b>	<b>-</b>

**NOTE : 7****INVENTORIES**

	(Rs. In Lakhs)	
	As at	As at
	31-Mar-2023	31-Mar-2022
<i>(Valued at lower of cost and net realisable value )</i>		
Raw materials	-	0.65
Work-in-progress	130.91	545.05
Finished goods	1,414.28	1,085.24
Stock-in-trade	19.10	11.93
Packing materials	255.21	418.33
<b>Total</b>	<b>1,819.50</b>	<b>2,061.20</b>



**ARTIMAS FASHIONS PRIVATE LIMITED**

Notes to the standalone financial statements for the period ended March 31, 2023

**NOTE: 8****TRADE RECEIVABLES**

	(Rs. In Lakhs)	
	As at 31-Mar-2023	As at 31-Mar-2022
<i>(Carried at amortised cost)</i>		
Unsecured		
- Considered good	1,112.40	1,177.41
- Considered doubtful	44.97	-
Less: Loss for allowances		
- Provision for doubtful debt	(44.97)	-
	1,112.40	1,177.41
<b>Total</b>	<b>1,112.40</b>	<b>1,177.41</b>



**ARTIMAS FASHIONS PRIVATE LIMITED**

Notes to the standalone financial statements for the period ended March 31, 2023

**NOTE: 9****CASH AND CASH EQUIVALENTS**

	(Rs. In Lakhs)	
	As at 31-Mar-2023	As at 31-Mar-2022
Balances with banks		
Current/Cash Credit accounts	4.65	4.55
Cash on hand	0.29	2.07
<b>Total</b>	<b>4.94</b>	<b>6.62</b>

**NOTE: 10****OTHER CURRENT ASSETS**

	(Rs. In Lakhs)	
	As at 31-Mar-2023	As at 31-Mar-2022
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances to supplier		
- Unsecured, considered good	24.98	4.84
Others		
Prepaid expenses	2.45	2.48
Balance with government authorities	413.36	410.84
Prepaid Taxes	6.79	5.00
<b>Total</b>	<b>447.58</b>	<b>423.16</b>



**ARTIMAS FASHIONS PRIVATE LIMITED**  
Notes to the standalone financial statements for the period ended March 31, 2023

**NOTE : 11**

**EQUITY SHARE CAPITAL**

	(Rs. In Lakhs)	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Authorised:</b>		
5,00,000 Equity shares of Rs. 10/- each	50.00	50.00
2,00,000 Preference Shares of Rs. 100/-each	200.00	200.00
<b>Issued and subscribed equity share capital</b>		
2,00,500 Equity shares of Rs. 10/- each	20.05	20.05
<b>Paid up equity share capital</b>		
2,00,500 Equity shares of Rs. 10/- each	20.05	20.05
<b>Total</b>	<b>20.05</b>	<b>20.05</b>

	Equity share capital	
	No. of shares	Rs. In Lakhs
<b>Reconciliation of number of equity shares outstanding:</b>		
As at April 1, 2021	2,00,500	20.05
Increase during the year	-	-
As at March 31, 2022	2,00,500	20.05
Increase during the year	-	-
As at March 31, 2023	2,00,500	20.05

	Preference share capital	
	No. of shares	Rs. In Lakhs
<b>Reconciliation of number of Preference shares outstanding:</b>		
As at April 1, 2021	2,00,000	200.00
Increase during the year	-	-
As at March 31, 2022	2,00,000	200.00
Increase during the year	-	-
As at March 31, 2023	2,00,000	200.00

**(i) Terms / rights attached to Equity shares:**

The Company has only one class of equity shares with a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

**(ii) Details of Promoter's Shareholding:**

Promoter's Name	No. of Shares	% of Total Shares	Changes during the year
1) Lux Industries Limited	1,02,200	50.97%	Nil
2) Nischal Puri	49,050	24.46%	Nil
3) Divya Puri	49,050	24.46%	Nil
4) Saket Todi	100	0.05%	Nil
5) Udit Todi	100	0.05%	Nil

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

Name of shareholder	As at Mar, 31, 2023			As at Mar, 31, 2022	
	No. of shares held	% holding in that class of shares	% holding in that class of shares	No. of shares held	% holding in that class of shares
Lux Industries Limited	1,02,200	50.97%	50.97%	1,02,200	50.97%
Nischal Puri	49,050	24.46%	24.46%	49,050	24.46%
Divya Puri	49,050	24.46%	24.46%	49,050	24.46%

**NOTE: 12**

**OTHER EQUITY**

	(Rs. In Lakhs)	
	As at 31-Mar-2023	As at 31-Mar-2022
Securities premium	9.00	9.00
Retained earnings	(2,260.70)	(1,330.66)
Other Comprehensive Income Reserves	10.60	5.52
<b>Total</b>	<b>(2,241.10)</b>	<b>(1,316.14)</b>



## NOTE: 13

## FINANCIAL LIABILITIES - BORROWINGS

## (a) Non-current borrowings

(Rs. In Lakhs)

	As at 31-Mar-2023	As at 31-Mar-2022
<i>(Carried at amortised cost)</i>		
<b>Secured</b>		
(i) Term Loans from Banks	129.12	198.00
Less: Current maturity of long term debts (Refer Note b)	79.58	67.02
	49.54	130.98
(ii) Non Convertible Redeemable Preference Shares 200,000 Preference Shares of Rs. 100/- each	200.00	200.00
<b>From Others (Unsecured)</b>		
(iii) From related parties (Refer Note 33)	1,680.16	2,026.23
<b>Total non-current borrowings</b>	<b>1,929.70</b>	<b>2,357.21</b>

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

(Rs. In Lakhs)

Name of the Bank / instrument	March, 31, 2023	March, 31, 2022	Nature of security	Repayment terms
<b>Secured</b>				
HDFC Bank	28.46	42.25	Exclusive Hypothecation charge over the machinery/equipments of the company both present and future. It is additionally secured by 2nd charge over stock and book debts of the company and also corporate guarantee of Lux Industries Ltd	Repayable in first 8 equal quarterly instalment of Rs.3.00 lacs each and last 10 installment of Rs. 4.00 lacs commencing from June,2022. Interest @1Y MCLR+0.50 is serviced on monthly basis as and when due.
HDFC Bank	64.70	107.00	Extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the bank and security created over the assets of the Borrower out of this facility	Repayable in first 25 equal quarterly instalment of Rs.4.28 lacs each commencing from June 2022. Interest @ 1Y MCLR is serviced on monthly basis as and when due.
HDFC Bank	20.58	27.69	Exclusive Hypothecation charge over the machinery/equipments of the company both present and future. It is additionally secured by 2nd charge over stock and book debts of the company and also corporate guarantee of Lux Industries Ltd	Repayable in 14 quarterly instalment of Rs. 1.81 lacs each & last 5 installment of Rs. 2.18 lacs commencing from June,2022. Interest @1Y MCLR+0.50 is serviced on monthly basis as and when due.



HDFC Bank	7.62	9.88	Exclusive Hypothecation charge over the machinery/equipments of the company both present and future. It is additionally secured by 2nd charge over stock and book debts of the company and also corporate guarantee of Lux Industries Ltd	Repayable in 18 equal quarterly instalment of Rs.58,111.11 each commencing from March 2022. Interest @ 1Y MCLR is serviced on monthly basis as and when due.
HDFC Bank	8.23	10.67	Exclusive Hypothecation charge over the machinery/equipments of the company both present and future. It is additionally secured by 2nd charge over stock and book debts of the company and also corporate guarantee of Lux Industries Ltd	Repayable in 18 equal quarterly instalment of Rs.62,765.39 each commencing from March 2022. Interest @ 1Y MCLR is serviced on monthly basis as and when due.
HDFC Bank	0.41	0.53	Exclusive Hypothecation charge over the machinery/equipments of the company both present and future. It is additionally secured by 2nd charge over stock and book debts of the company and also corporate guarantee of Lux Industries Ltd	Repayable in 18 equal quarterly instalment of Rs.3094.22 each commencing from March 2022. Interest @ 1Y MCLR is serviced on monthly basis as and when due.

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

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

## (b) Current borrowings

	(Rs. In Lakhs)	
	As at 31-Mar-2023	As at 31-Mar-2022
<i>(Carried at amortised cost)</i>		
From Banks (Secured) (refer note a)		
i) Loan repayable on demand		
Cash Credit Facilities	110.33	618.57
Secured		
Current maturities of long-term borrowings	79.58	67.02
From Others (Unsecured)		
From related parties (Refer Note 29)	1,350.00	
<b>Total current borrowings</b>	<b>1,539.91</b>	<b>685.59</b>

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



**ARTIMAS FASHIONS PRIVATE LIMITED**
**Notes to the standalone financial statements for the period ended March 31, 2023**
**NOTE: 14**
**LEASE OBLIGATION**

	(Rs. In Lakhs)	
	As at 31-Mar-2023	As at 31-Mar-2022
a) Non-Current	202.09	242.99
b) Current	40.91	35.53
<b>Total</b>	<b>243.00</b>	<b>278.52</b>

**NOTE: 15**
**PROVISIONS**

	(Rs. In Lakhs)	
	As at 31-Mar-2023	As at 31-Mar-2022
<b>Provision for employee benefits (Refer note 36)</b>		
a) Non-Current	8.16	10.74
b) Current	0.02	0.14
<b>Total</b>	<b>8.18</b>	<b>10.88</b>

**NOTE: 16**
**TRADE PAYABLES**

	(Rs. In Lakhs)	
	As at 31-Mar-2023	As at 31-Mar-2022
<i>(Carried at amortised cost)</i>		
MSMED [refer note (a) below]	4.18	3.07
Other trade payables	1,272.17	1,353.04
<b>Total</b>	<b>1,276.35</b>	<b>1,356.11</b>

(a) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

- |   |      |      |
|---|------|------|
| (i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year<br>Principal amount due to micro and small enterprise<br>Interest due on above  | 4.18 | 3.07 |
| (ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;   | -    | -    |
| (iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;  | -    | -    |
| (iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and  | -    | -    |
| (v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | -    | -    |

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



**ARTIMAS FASHIONS PRIVATE LIMITED**

Notes to the standalone financial statements for the period ended March 31, 2023

**NOTE: 17****CURRENT FINANCIAL LIABILITIES - OTHERS**

	(Rs. In Lakhs)	
	As at 31-Mar-2023	As at 31-Mar-2022
<i>(Carried at amortised cost)</i>		
Deposits from Dealers/ agents	513.23	590.54
Interest accrued but not due	0.88	1.30
Other payables *	450.39	107.35
<b>Total</b>	<b>964.50</b>	<b>699.18</b>

**\* Other Payables includes Salary Payable, Bonus Payable & Other Liabilities, etc****NOTE: 18****OTHER CURRENT LIABILITIES**

	(Rs. In Lakhs)	
	As at 31-Mar-2023	As at 31-Mar-2022
Statutory dues	7.98	42.44
Advance from customers	78.13	44.00
Other liabilities	6.12	-
<b>Total</b>	<b>92.23</b>	<b>86.45</b>





## ARTIMAS FASHIONS PRIVATE LIMITED

Notes to the standalone financial statements for the period ended March 31, 2023

## NOTE: 19

## REVENUE FROM OPERATIONS

	(Rs. In Lakhs)	
	For the period 31-Mar-2023	For the period 31-Mar-2022
Sale of products	2,472.30	2,597.24
<b>Total</b>	<b>2,472.30</b>	<b>2,597.24</b>

## NOTE: 20

## OTHER INCOME

	(Rs. In Lakhs)	
	For the period 31-Mar-2023	For the period 31-Mar-2022
Interest Income from Financial Assets at amortized cost:		
i) On fixed deposits	0.17	0.17
ii) From financial assets at amortized cost	0.08	0.12
Other Income	5.99	0.29
Liabilities written back	12.29	-
Gain on modification of lease Asset discarded	-	5.18
<b>Total</b>	<b>18.54</b>	<b>5.47</b>



## ARTIMAS FASHIONS PRIVATE LIMITED

Notes to the standalone financial statements for the period ended March 31, 2023

## NOTE: 21

## COST OF RAW MATERIAL CONSUMED

			(Rs. In Lakhs)	
		For the period 31-Mar-2023		For the period 31-Mar-2022
<b>Yarn Consumed</b>				
Opening stock	0.65		1.53	
Add : Purchases during the year				
	0.65		1.53	
Less: Yarn sale				0.88
Less: Provision for Obsolete Stock	-0.65			
Less: Closing stock				0.65
<b>Packing Materials Consumed</b>				
Opening stock	418.33		277.12	
Add: Purchases during the year	248.65		548.51	
	666.98		825.63	
Less: Closing stock	255.21	411.77	418.33	407.30
<b>Consumption of Fabrics</b>		296.69		1,058.89
Cost of Sales to LUX - to be knocked off in Conso File				
<b>Total</b>		<b>708.46</b>		<b>1,466.19</b>
<b>Purchase of stock-in-trade (knitwear)</b>		683.91		9.78
<b>Total</b>		<b>683.91</b>		<b>9.78</b>

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

<b>Finished Goods</b>				
Opening stock	1,085.24		374.23	
Closing stock	1,414.28	-329.04	1,085.24	-711.01
<b>Work-in-progress</b>				
Opening stock	545.05		681.51	
Closing stock	130.91	414.15	545.05	136.46
<b>Stock in trade</b>				
Opening stock	11.93		13.43	
Closing stock	19.10	-7.17	11.93	1.50
<b>Total</b>		<b>77.94</b>		<b>-573.05</b>

## NOTE: 22

## EMPLOYEE BENEFIT EXPENSE

			(Rs. In Lakhs)	
		For the period 31-Mar-2023		For the period 31-Mar-2022
Salaries, wages & bonus	420.90		378.80	
Provision for employment benefit	4.16	425.05	9.36	388.16
Contribution to provident & other funds		8.10		7.16
Staff welfare expenses		3.11		2.44
<b>Total</b>		<b>436.26</b>		<b>397.76</b>



**ARTIMAS FASHIONS PRIVATE LIMITED**

Notes to the standalone financial statements for the period ended March 31, 2023

**NOTE: 23**

**FINANCE COST**

	For the period 31-Mar-2023	(Rs. In Lakhs) For the period 31-Mar-2022
Interest on borrowings	206.46	160.60
Interest on Trade Deposit	35.85	23.70
Interest on lease obligation	27.56	27.15
Bank charges	0.41	0.06
<b>Total</b>	<b>270.28</b>	<b>211.51</b>

**NOTE: 24**

**DEPRECIATION & AMORTIZATION EXPENSE**

	For the period 31-Mar-2023	(Rs. In Lakhs) For the period 31-Mar-2022
Depreciation on tangible assets	26.76	26.75
Amortization of intangible assets	0.63	1.27
Amortization on Right of Use Assets	41.23	47.66
<b>Total</b>	<b>68.62</b>	<b>75.68</b>

**NOTE: 25**

**OTHER EXPENSES**

	For the period 31-Mar-2023	(Rs. In Lakhs) For the period 31-Mar-2022
Consumption of stores & spare parts	0.95	4.86
Power & fuel	21.43	14.99
Rent	5.09	3.93
Repairs	-	-
Repairs to buildings	-	-
Repairs to machinery	1.92	3.26
Repairs to other	7.90	8.51
Insurance	2.84	2.24
Rates & taxes	0.13	0.21
Selling expenses	67.38	72.70
Royalty	-	-
Advertisement & publicity	467.08	493.64
Commission	72.53	57.84
Freight & other handling charges	107.28	149.50
Provision for doubtful debts/advance	44.97	-
Provision for Inventories	10.92	-
Processing expense	195.68	397.68
Travelling expense	125.29	106.03
Legal and professional fee	13.96	7.52
Miscellaneous expenses	31.35	23.12
Payment to auditors :	-	-
- Statutory audit fees	0.40	0.40
-Tax Audit Fees	0.10	0.10
<b>Total</b>	<b>1,177.20</b>	<b>1,346.53</b>



ARTIMAS FASHIONS PRIVATE LIMITED  
Notes to the standalone financial statements for the period ended March 31, 2023

NOTE: 26  
Income Tax

(Rs. in Lakhs)

	For the period 31-Mar-2023	For the period 31-Mar-2022
<b>A. Amount recognized in profit or loss</b>		
Current Tax		
Current year		
Changes in respect of current income tax of previous years		
	(a)	
Deferred Tax		
Attributable to -		
Origination and reversal of temporary differences	(1.79)	(2.46)
	(b)	
	(1.79)	(2.46)
<b>Tax expenses reported in the Statement of Profit and Loss (a+b)</b>	<b>(1.79)</b>	<b>(2.46)</b>
<b>B. Income tax recognized in Other Comprehensive Income</b>		
Deferred tax relating to items recognized in other comprehensive income during the year	(2)	(2.46)
Income tax expense charged to OCI	(2)	(2.46)

**C. Reconciliation of tax expense and the accounting profit for March 31, 2023 and March 31, 2022:**

	For the period 31-Mar-2023	For the period 31-Mar-2022
Accounting profit before income tax	(931.83)	(331.68)
Tax at the applicable India tax rate of 26%		
<b>Tax impact on amounts that are adjusted in determining taxable profit:</b>		
Difference between depreciation as per IT Act and depreciation as per books	0.41	3.11
Other adjustments	(2.21)	(5.57)
	<b>(1.80)</b>	<b>(2.46)</b>

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

	For the period 31-Mar-2023	For the period 31-Mar-2022
Applicable tax rate	26.00%	26.00%
Tax effect of difference between depreciation as per IT Act and depreciation as per books	-0.04%	-0.94%
Tax effect of other adjustments	0.24%	1.68%
<b>Effective tax rate</b>	<b>26.19%</b>	<b>26.74%</b>

**E. Recognized deferred tax assets and liabilities:**

	Balance as on April 1, 2021	(Charged)/ credited to profit or loss	(Charged)/ credited to OCI	Balance as on March 31 2023
Property, plant and equipment	(19.43)	(0.42)	-	(19.85)
Right of use assets	(60.49)	10.72	-	(49.77)
Other assets	0.06	(0.02)	-	0.04
Provisions	2.83	1.09	(1.79)	2.13
Other liabilities	72.42	(9.24)	-	63.18
Unused tax losses to the extent of deferred tax liabilities	4.61	(0.34)	-	4.27
<b>Total</b>	<b>(0.00)</b>	<b>1.79</b>	<b>(1.79)</b>	<b>0.00</b>

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

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

	For the period 31-Mar-2023	For the period 31-Mar-2022
Deferred tax assets	69.62	79.85
Deferred tax liabilities	(69.62)	(79.85)
<b>Deferred tax assets / (liabilities) (net)</b>	<b>0.00</b>	<b>0.00</b>



**Artimas Fashions Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**NOTE: 27**

**Earnings / (loss) per share (EPS) (Ind AS 33)**

(Rs in Lakhs)

Sl. No	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
1	Profit/(loss) for the year	(930.04)	(329.22)
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS	200,500	200,500
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	200,500	200,500
4	Nominal Value per share (Rs.)	10/-	10/-
5	Earning per shares		
	Basic	(463.86)	(164.20)
	Diluted	(463.86)	(164.20)

**NOTE: 28**

**Particulars of Contingent Liabilities and Commitments**

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

**NOTE: 29**

**Related party disclosurè (Ind AS 24)**

**A. Holding Company**

Lux Industries Limited

**B. Key Managerial Personnel - Director:**

Shri Ashok Kumar Todi  
Shri Pradip Kumar Todi  
Shri Nischal Puri

**C. Relatives of Key management personnel**

Shri Saket Todi  
Shri Udit Todi  
Smt. Divya Puri

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

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



**Artimas Fashions Private Limited****Notes to the Financial Statements for the year ended March 31, 2023****E. The following transactions were carried out with the related parties in the ordinary course of business:**

(Rs. in Lakhs)

Sr. No.	Name of related party	Year ended March 31, 2023	Year ended March 31, 2022
1.	<b>Sale of goods (excluding GST)</b> Lux Industries Limited	472.73	210.53
2.	<b>Purchase of goods (excluding GST)</b> Lux Industries Limited	930.26	100.41
3.	<b>Rent paid</b> Lux Industries Limited		0.05
4.	<b>Loan Taken</b> Chitragupta Sales & Services Private Limited Rotex Intertrade Private Limited Hollyfield Traders Private Limited	1,450.00 720.00 200.00	- - 1,450.00
5.	<b>Interest on loan taken</b> Rotex Intertrade Private Limited Chitragupta Sales & Services Private Limited Hollyfield Traders Private Limited	77.30 11.68 8.77	48.00 - 31.10
6.	<b>Loan repaid</b> Hollyfield Traders Private Limited	1,420.00	650.00
7.	<b>Director's Remuneration</b> Shri Nischal Puri	48.00	48.00

**F. Outstanding balances:**

(Rs. in Lakhs)

Sr. No.	Name of related party	Year ended March 31, 2023	Year ended March 31, 2022
1.	<b>Trade Receivables</b> Lux Industries Limited Actimaxx Manufacturing and Marketing Private Limited	592.94 46.58	93.38 46.58
2.	<b>Trade Payables</b> Lux Industries Limited	976.70	-
3.	<b>Unsecured Loans</b> Chitragupta Sales & Services Private Limited Rotex Intertrade Private Limited Hollyfield Traders Private Limited	1,459.03 1,571.12 -	- 803.66 1,222.54
4.	<b>Other Payables</b> Shri Nischal Puri	1.00	1.00



**Artimas Fashions Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**NOTE: 30**

**Employee Benefits**

**1. Defined Contribution Plan:**

**a. Provident fund:**

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

(Rs. in Lakhs)

Sl. No.	Particulars	2022-23	2021-22
1	Contribution to Provident/ Pension funds	4.89	4.48
	<b>TOTAL</b>	<b>4.89</b>	<b>4.48</b>

**2. Defined benefits plan:**

**a. Gratuity and Leave Encashment:**

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

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

(Rs. in Lakhs)

Particulars	Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
Present Value of Obligation at the beginning of the year	10.05	13.23	-	-
Current Service Cost	3.44	5.36	-	-
Interest Cost	0.71	0.91	-	-
Actuarial Losses / (Gain) recognized in other comprehensive income	(6.86)	(9.45)	-	-
Benefit Paid	-	-	-	-
<b>Present Value of Obligation at the end of the year</b>	<b>7.34</b>	<b>10.05</b>	<b>-</b>	<b>-</b>

The Provision for Employee benefits is charged to the Statement of Profit and Loss and same is shown in Note No.22 of the Notes to Accounts.

**i. Expense recognized in Statement of Profit and Loss:**

(Rs. in Lakhs)

Particulars	Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
Current service cost	3.44	5.36	-	-
Interest cost	0.71	0.91	-	-
<b>Total</b>	<b>4.15</b>	<b>6.27</b>	<b>-</b>	<b>-</b>

**ii. Remeasurements recognized in Other Comprehensive Income:**

(Rs. in Lakhs)

Particulars	Gratuity		Leave encashment	
	2022-23	2021-22	2022-23	2021-22
Actuarial loss/ (gain) arising on defined benefit obligation	(6.86)	(9.45)	-	-
<b>Total</b>	<b>(6.86)</b>	<b>(9.45)</b>	<b>-</b>	<b>-</b>



**Artimas Fashions Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2023**

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

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Discount Rate	7.30%	7.1%
Rate of increase in Salaries	6.00%	6.00%
Expected average remaining working lives of employees (years)	26.10	24.66
Withdrawal rates	Varying between 8% p.a. and 1% p.a. depending on duration and age of the employees	

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

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

Particulars	Gratuity		Leave Encashment	
	2022-23	2021-22	2022-23	2021-22
Under Base scenario	7.34	10.05	-	-
Salary Escalation (Up by 1%)	8.46	11.41	-	-
Salary Escalation (Down by 1%)	6.45	8.90	-	-
Withdrawal Rates (Up by 1%)	7.28	9.87	-	-
Withdrawal Rates (Down by 1%)	7.43	10.22	-	-
Discount Rates (Up by 1%)	6.50	8.96	-	-
Discount Rates (Down by 1%)	8.42	11.36	-	-

v. Expected Cash flow for following years

(Rs. in Lakhs)

Expected cash flows over the next (valued on undiscounted basis):	2022-23	2021-22
1 Year	0.02	0.14
2 to 5 Years	-	3.01
6 to 10 Years	0.36	4.73

**NOTE: 31**

**Accounting classification and fair values**

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Balance Sheet as at March 31, 2023 are as follows:

(Rs. in Lakhs)

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
<b>Financial assets:</b>				
Trade Receivables	1112.40	-	1112.40	1112.40
Cash and Cash Equivalents	4.94	-	4.94	4.94
Other Financial Assets	19.29	-	19.29	19.29
<b>Financial liabilities:</b>				
Long Term Borrowings	1929.70	-	1929.70	1929.70





**Artimas Fashions Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2023**

Other Long Term Financial Liability	202.09	-	202.09	202.09
Short Term Borrowings	1539.91	-	1539.91	1539.91
Trade Payables	1276.35	-	1276.35	1276.35
Other Short Term Financial Liability	1005.40	-	1005.40	1005.40

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

(Rs. in Lakhs)				
Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
<b>Financial assets:</b>				
Trade Receivables	1177.41	-	1177.41	1177.41
Cash and Cash Equivalents	6.62	-	6.62	6.62
Other Financial Assets	19.03	-	19.03	19.03
<b>Financial liabilities:</b>				
Long Term Borrowings	2357.21	-	2357.21	2357.21
Other Long Term Financial Liability	242.99	-	242.99	242.99
Short Term Borrowings	685.59	-	685.59	685.59
Trade Payables	1356.11	-	1356.11	1356.11
Other Short Term Financial Liability	734.71	-	734.71	734.71

**NOTE: 32**

**Fair Value Measurement**

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

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

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

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

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

As at March 31, 2023	Level 1	Level 2	Level 3
<b>Financial Assets:</b>			
Not Applicable	-	-	-
<b>Total</b>	-	-	-
<b>Financial Liabilities:</b>			
Not Applicable	-	-	-
<b>Total</b>	-	-	-



**Artimas Fashions Private Limited****Notes to the Financial Statements for the year ended March 31, 2023**

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

**Notes:**

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

**NOTE: 33****Financial Risk Management**

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

**1. Credit Risk**

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

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

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

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at Rs. 1112.40L/- (P.Y. – Rs. 1177.41L/-).

**2. Liquidity Risk**

**Artimas Fashions Private Limited****Notes to the Financial Statements for the year ended March 31, 2023**

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

(Rs. in Lakhs)

As at March 31, 2023	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	1539.91	1929.70	-	3469.60
Trade Payables	1276.35	-	-	1276.35
Other Financial Liabilities	1005.40	181.82	20.27	1207.49

As at March 31, 2022	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	685.59	2357.21	-	3042.80
Trade Payables	1356.11	-	-	1356.11
Other Financial Liabilities	734.71	178.20	64.79	977.70

**3. Market Risk**

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

**a. Interest Rate Risk**

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

**b. Currency Risk**

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

**c. Equity Price Risk**

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

**NOTE: 34****Capital Management**

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

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

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



**Artimas Fashions Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2023**

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Debt (Bank and Other Borrowings)	3,469.60	3,042.80
Equity	(2,221.04)	(1,296.09)

**NOTE: 35**

**Leases**

**Company as a Lessee**

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

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

(Rs. In Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	232.65	245.70
Addition/(Adjustment) during the year	-	(3.05)
Amortization Expense	41.23	47.66
Closing Balance	191.41	232.65

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

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	278.52	272.03
Addition during the year	-	59.06
Accretion of Interest	27.56	27.18
Payments	63.08	79.75
Closing Balance	243.00	278.52

Current	40.91	35.53
Non-Current	202.09	243.00

The effective interest rate for lease liabilities is 10.49%.

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

(Rs. in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Amortization Expense of Right of Use assets	41.23	47.66
Interest expenses on lease liabilities	27.56	27.15
Expense relating to other leases (included in Rent expenses)	-	-
<b>Total amount recognised in Statement of Profit and Loss</b>	<b>68.79</b>	<b>74.81</b>

**Maturity analysis of lease liabilities are as follows:**

Particulars	Amount
1 year	40.91
2-5 years	181.82
5 years and above	20.27

**NOTE: 36**



**Artimas Fashions Private Limited**

**Notes to the Financial Statements for the year ended March 31, 2023**

**DEBTORS AGEING**

Ageing for trade receivables – current outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for the following periods from due date payment					Total (Rs. in lakhs)
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivable - Considered good	1013.87	57.35	41.18	-	-	1112.40
ii. Undisputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
iii. Disputed Trade Receivable - Considered good	-	-	-	-	-	-
iv. Disputed Trade Receivable - Considered doubtful	-	-	-	-	-	-

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

Particulars	Outstanding for the following periods from due date payment					Total (Rs. in lakhs)
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i. Undisputed Trade Receivable - Considered good	1075.31	36.17	21.45	44.47	-	1177.41
ii. Undisputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
iii. Disputed Trade Receivable - Considered good	-	-	-	-	-	-
iv. Disputed Trade Receivable - Considered doubtful	-	-	-	-	-	-

**NOTE 37**

**CREDITORS AGEING**

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for the following periods from due date payment				Total (Rs. In Lakhs)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
i. MSME	4.18	-	-	-	4.18
ii. Others	812.92	402.55	27.78	28.91	1272.16
iii. Disputed dues – MSME	-	-	-	-	-
iv. Disputed dues – Others	-	-	-	-	-

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

Particulars	Outstanding for the following periods from due date payment
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**Artimas Fashions Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total (Rs. In Lakhs)
i. MSME	3.07	-	-	-	3.07
ii. Others	1306.03	20.38	26.61	-	1353.03
iii. Disputed dues – MSME	-	-	-	-	-
iv. Disputed dues - Others	-	-	-	-	-

**NOTE: 38**

The Company is incurring losses which have eroded its net worth and as on Balance Sheet date its current liabilities exceeded its current assets. Based on positive outlook of the management towards the growth of the company and on the basis of support letter received from one of the group company and its ability to continue as a going concern in the foreseeable future, the financial statement of the company for the year ended March 31, 2023 has been prepared on a going concern basis.

**Note: 39**

Trade Receivables and Trade Payables, inter company balances, and inter plant balances are subject to confirmation and reconciliation from the respective parties. However, the management is of the view that there will be no material difference which can affect the financial statement for the year.

**NOTE 40**

**ADDITIONAL REGULATORY INFORMATION REQUIRED BY SCHEDULE III**

**I. Details of Benami Property held**

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) & rules made thereunder.

**II. Borrowings (current) secured against Current Assets**

The company has borrowings from banks on the basis of security of current assets. The quarterly return or statements of current assets filed by the company with banks are in agreement with books of accounts.

**III. Willful Defaults**

The company have not been declared willful defaulter by any bank or government or any government authority.

**IV. Relationship with Struck off Companies**

The company has no transactions with the companies struck off under the Companies Act 2013 or Companies Act 1956.

**V. Compliance with Number of Layers of Companies**

The company has complied with the number of layers prescribed under the Companies Act 2013.

**VI. Compliance with Approved Scheme of Arrangements**

The company has not entered into any scheme of arrangements which has any accounting impact on current or previous financial year.

**VII. Utilization of Borrowed Funds & Share Premium**

The company has not advanced or loaned or invested funds to any other person's or entities with the understanding that the intermediary shall:

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

**VIII. Undisclosed Income**



**Artimas Fashions Private Limited****Notes to the Financial Statements for the year ended March 31, 2023**

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

**IX. Details of Crypto Currency or Virtual Currency**

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

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

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

**XI. Financial Ratios**

No.	Ratio	Numerator	Denominator	22-23	21-22
1.	Current Ratio (in times)	Current Assets	Current Liabilities	0.86	0.75
2.	Debt-Equity Ratio (in times)	Long Term Debt+ Short Term Debt	Total Shareholders' Equity	(1.56)	(2.35)
3.	Debt Service Coverage Ratio (in times)	PAT + Depreciation + Interest	Interest + Principal Repayment	(2.38)	(0.51)
4.	Return on Equity Ratio (in %)	PAT	Shareholder's Equity	41.87	25.40
5.	Inventory Turnover Ratio	COGS	Average Value of Inventory	0.86	0.77
6.	Trade Receivable Turnover Ratio (in times)	Net Credit Sales	Average Trade Receivables	2.16	2.81
7.	Trade Payable Turnover Ratio (in times)	Net Credit Purchases	Average Trade Payables	1.46	2.09
8.	Net Capital Turnover Ratio (in times)	Net Annual Sales	Average Working capital	17.92	(2.45)
9.	Net Profit Ratio (in %)	Net Profit	Revenue from Operations	(37.62)	(12.68)
10.	Return on Capital Employed (in %)	EBIT	Capital Employed	8.16	0.12
11.	Return on Investment (in %)	Net Return on Investment	Cost of Investment	NIL	NIL

**Reason for change in ratio beyond 25%**

- Debt – Equity Ratio – Due to increase in accumulated losses
- Debt Service Coverage Ratio – Due to increase in accumulated losses/ EBIT
- Return on Equity Ratio - Due to increase in negative net worth
- Trade Payable Turnover Ratio – Due to decrease in Trade Payables
- Net Capital Turnover Ratio --- Due to increase in working capital
- Net Profit Ratio - Due to decline in PAT
- Return on Capital Employed - Due to increase in capital employed

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

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

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

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

**c) Utilization of Borrowings Availed form Banks & Financial Institutions**

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



**Artimas Fashion Private Limited**  
**Notes to the Financial Statements for the year ended March 31, 2023**

**NOTE: 41**

Corporate Social Responsibility Expenditure: N.A. (P.Y.2021-22 – N.A.)

**NOTE: 42**

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

The accompanying notes are integral parts of the Financial Statements.

As per our report of even date attached

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



CA Prodyat Chaudhuri  
Partner  
Membership No. 065401

Place: Kolkata  
Date: 30.05.2023

**FOR AND BEHALF OF THE BOARD OF DIRECTORS**



Ashok Kumar Todi  
Director  
DIN- 00053599

Place: Kolkata  
Date:



Nischal Puri  
Director  
DIN- 02830389

