



S K AGRAWAL AND CO

Chartered Accountants

Firm Registration No. 306033E

SUITE NOS : 606-608

THE CHAMBERS, OPP. GITANJALI STADIUM

1865, RAJDANGA MAIN ROAD, KASBA

KOLKATA - 700 107

PHONE : 033-4008 9902/9903/9904

FAX : 033-40089905, Website : www.skagrwal.co.in

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 31st March 2020, 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 (hereinafter 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, 2020, and Loss, (including other comprehensive income) 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 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 38 to the financial statement, which describes the uncertainties and potential impact of the Covid-19 pandemic of the company's operation and results as assessed by the management. The actual results may differ from such estimates depending upon future developments. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended 31 March 2020. 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.



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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.

Other Matter

The comparative financial information of the Company for the year ended 31st March 2019 prepared in accordance with applicable Indian Accounting Standards was carried out by the predecessor auditor vide their unmodified report dated 15th April 2019, whose report have been furnished to us by the management and which have been relied upon by us for the purpose of our audit of the standalone financial results. Our audit report is not modified in respect of this matter.

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.





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Auditor's Responsibilities for the Audit of Financial Statements

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

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

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

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

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



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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, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, 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 the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us, the Company has not paid/provided for managerial remunerations during the year and accordingly the approvals mandated by the provisions of Sec 197 read with Schedule V to the Act is not required.





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- 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:
- The company does not have any pending litigations having an impact on its financial position in its financial statement.
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S K AGRAWAL AND CO
Chartered Accountants
Firm Registration No.-306033E


Sandeep Agrawal
(Partner)

Membership No. 058553
UDIN: 20058553AAAAAZ9405

Place: Kolkata
Dated: 29 June 2020





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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, 2020. We report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventories have been physically verified during the year by the management at regular intervals (except for materials lying with third parties which have substantially been confirmed by such third parties at the yearend). In our opinion and according to the information and explanations given to us, no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any 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) of the Order is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 with respect to Loans and Advances made, guarantee given and investment made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. According to the information and explanation given to us, the central Govt. of India has not specified the maintenance of cost records under sub section (1) of section 148 of the Act for the product of the company.
- 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 Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Value Added Tax, duty of Custom, duty of Excise, Cess, GST and other statutory dues with the appropriate authorities during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2020 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 income tax ,duty of customs, service tax, sales tax, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute.





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- viii. In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institution and banks. The Company does not have any loans or borrowings from Government and has not issued any debentures.
- ix. To the best of our knowledge and belief and according to the information and explanations given to us, the term loan have been applied by the company during the year for the purpose for which they were raised. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, the Company has not paid/provided for managerial remunerations during the year and accordingly the approvals mandated by the provisions of Sec 197 read with Schedule V to the Act is not required
- 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) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records, the Company had made private placement of shares during the year. As per the information and explanation given to us by the management, funds have been utilised for the purpose for which they were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Kolkata
Dated: 29 June 2020



For S K AGRAWAL AND CO
Chartered Accountants
Firm Registration No.-306033E


Sandeep Agrawal
(Partner)

Membership No. 058553
UDIN: 20058553AAAAAZ9405



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Annexure -B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **Artimas Fashions Private Limited** ("the Company") as of March 31, 2020 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.



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

Inherent Limitations of Internal Financial Controls 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, 2020, 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.

Place: Kolkata
Dated: 29 June 2020

For **S K AGRAWAL AND CO**
Chartered Accountants
Firm Registration No.-306033E

Sandeep Agrawal
(Partner)

Membership No. 058553
UDIN: 20058553AAAAAZ9405



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)
Balance Sheet as at March 31, 2020

	Notes	As at 31-March-2020	As at 31-Mar-2019
ASSETS			
A Non-current assets			
Property, Plant and Equipment	4	20,127,010	1,407,167
Other Intangible Assets	4	306,837	-
Right of Use Assets	4	29,944,651	-
Financial Assets			
Investments	5	-	895,000
Other Financial Assets	6	718,832	3,000
Deferred Tax Assets (Net)	28	-	91,157
Total Non-current assets		51,097,330	2,396,324
B Current assets			
Inventory	7	107,540,090	25,272,684
Financial Assets			
Trade Receivables	8	36,346,931	202,065
Cash and Cash Equivalents	9	508,778	134,345
Other Financial Assets	6	207,606	20,300
Other Current Assets	10	20,593,129	5,164,015
Total Current assets		165,196,534	30,793,408
TOTAL ASSETS		216,293,863	33,189,733
EQUITY AND LIABILITIES			
C Equity			
Equity Share Capital	11	2,005,000	200,000
Other Equity	12	(58,360,321)	(23,473,674)
Total Equity		(56,355,321)	(23,273,674)
D Non-current liabilities			
Financial Liabilities			
Borrowings	13	5,164,601	-
Other Financial Liabilities	14	26,964,042	-
Provisions	15	444,628	87,136
Total Non-current liabilities		32,573,271	87,136
E Current liabilities			
Financial Liabilities			
Borrowings	13	163,615,762	32,059,774
Trade Payables			
A) total outstanding dues of micro enterprises and small enterprises; and	16	798,936	77,837
B) total outstanding dues of creditors other than micro enterprises and small enterprises	16	52,774,338	23,138,680
Other Financial Liabilities	17	21,973,231	750,913
Other Current Liabilities	18	906,250	345,748
Provisions	19	7,396	1,858
Current Tax Liabilities	20	-	1,460
Total current liabilities		240,075,913	56,376,271
TOTAL EQUITY AND LIABILITIES		216,293,863	33,189,733
Summary of significant accounting policies	3		

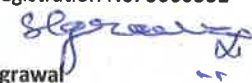
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S K AGRAWAL AND CO

Chartered Accountants

ICAI Firm Registration No. 306033E


Sandeep Agrawal

Partner

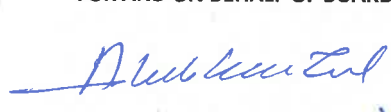
Membership no. 058553

Place : Kolkata

Date : 29th June, 2020



FOR AND ON BEHALF OF BOARD OF DIRECTORS


Ashok Kumar Todi
Director
DIN-00053599


Nischal Puri
Director

DIN-02830389

Place : Kolkata

Date : 29th June, 2020

Artimas Fashlons Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)
Statement of Profit and Loss for the year ended March 31, 2020

	Notes	Year ended 31-Mar-2020	Year ended 31-Mar-2019
I Revenue From Operations	21	60,529,646	160,000
II Other Income	22	203,233	-
III Total Income (I+II)		60,732,880	160,000
IV Expenses			
Cost of Raw Materials Consumed	23	54,912,209	20,257,779
Purchases Of Stock-in-trade	23	28,036,208	-
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	23	(63,137,526)	(21,729,872)
Employee Benefit Expense	24	24,978,644	4,295,811
Finance Costs	25	11,047,915	1,349,811
Depreciation and Amortisation Expense	26	3,226,608	95,774
Other Expenses	27	36,475,053	20,316,705
Total expenses (IV)		95,539,111	24,586,009
V Profit / (Loss) Before Tax (III - IV)		(34,806,232)	(24,426,009)
VI Tax expense			
(i) Current Tax	28	-	-
(ii) Deferred Tax	28	88,454	(91,157)
Income tax expense (I+II)		88,454	(91,157)
VII Profit / (Loss) for the Year (V-VI)		(34,894,685)	(24,334,851)
VIII Other comprehensive income			
A (i) Items that will not be reclassified subsequently to profit and loss		10,742	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		(2,704)	-
Other comprehensive income for the year (net of tax) (I-II)		8,038	-
Total comprehensive income for the year, net of Income tax (VII + VIII)		(34,886,647)	(24,334,851)
Earnings/ (Loss) per equity share [nominal value of share Rs. 10 (March 31, 2019 Rs. 10)]			
Basic in Rs. per share	29	(425)	(1,217)
Diluted in Rs. per share	29	(425)	(1,217)
Summary of significant accounting policies	3		

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

As per our report of even date
For S K AGRAWAL AND CO
Chartered Accountants
ICAI Firm Registration No. 306033E

FOR AND ON BEHALF OF BOARD OF DIRECTORS





Sandeep Agrawal
Partner
Membership no. 058553

Ashok Kumar Todl
Director
DIN-00053599

Nischal Puri
Director
DIN-02830389



Place : Kolkata
Date : 29th June, 2020

Place : Kolkata
Date : 29th June, 2020

Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)
Statement of changes in equity for the year ended March 31, 2020

a. Equity share capital	No. of shares	Rs.
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2018	20,000	200,000
Changes in equity share capital during the year	-	-
As at March 31, 2019	20,000	200,000
Changes in equity share capital during the year (Date of allotment - November 27, 2019)	180,500	1,805,000
As at March 31, 2020	200,500	2,005,000

b. Other Equity

	Securities premium	Retained earnings	Other Comprehensive Income	Total
Balance at the beginning of April 1, 2018	900,000	(38,823)	-	861,177
Add: Profit / (loss) for the year	-	(24,334,851)	-	(24,334,851)
Balance at the end of March 31, 2019	900,000	(24,373,674)	-	(23,473,674)
Add: Profit / (loss) for the year	-	(34,894,685)	-	(34,894,685)
Add: Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	-	-	8,038	8,038
Balance as at March 31, 2020	900,000	(59,268,360)	8,038	(58,360,321)

Nature And Purpose Of Reserves:

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

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

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

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

As per our report of even date
For S K AGRAWAL AND CO
 Chartered Accountants
 ICAI Firm Registration No. 306033E

Sandeep Agrawal
 Partner
 Membership no. 058553

Place : Kolkata
 Date : 29th June, 2020



FOR AND ON BEHALF OF BOARD OF DIRECTORS

Ashok Kumar Todi

Ashok Kumar Todi
 Director
 DIN-00053599

Place : Kolkata
 Date : 29th June, 2020

Nischal Puri

Nischal Puri
 Director
 DIN-02830389

Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)
Statement of Cash Flows for the year ended March 31, 2020

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Cash flows from operating activities		
Profit / (Loss) before tax	(34,806,232)	(24,426,009)
Adjustment to reconcile profit / (loss) before tax to net cash flows:		
Depreciation and amortisation expense	3,226,608	95,774
Interest on lease liability	2,318,508	-
Finance costs - others	8,729,407	1,349,811
Net loss on Investment carried at Fair value through Profit or Loss	-	105,000
Interest income	(203,233)	-
Operating profit before working capital changes	(20,734,941)	(22,875,423)
Movements in working capital:		
(Increase) / decrease in trade and other receivables	(36,144,866)	(157,065)
(Increase) / decrease in inventories	(82,267,406)	(25,272,684)
(Increase) / decrease in other assets	(16,194,555)	(5,187,315)
Increase / (decrease) in trade and other payables	30,356,756	23,215,017
Increase / (decrease) in other liabilities	18,024,219	1,181,655
Cash generated from / (used in) operations	(106,960,794)	(29,095,814)
Direct taxes paid (Net of refunds)	(17,947)	(2,540)
Net cash flow from / (used in) operating activities	(106,978,741)	(29,098,354)
Cash flows from Investing activities		
Purchase of property, plant and equipment, intangible assets and capital advance	(20,206,042)	(1,502,941)
Proceeds from sale of investment	895,000	-
Decrease/(Increase) in term deposit	(259,050)	-
Interest income	193,290	-
Net cash flow from / (used in) investing activities	(19,376,801)	(1,502,941)
Cash flows from financing activities		
Proceeds/ (repayment) from non current borrowings	6,064,601	-
Proceeds/ (repayment) from current borrowings	131,555,988	32,029,774
Proceeds from issue of equity shares	1,805,000	-
Finance costs - others	(8,675,197)	(1,349,811)
Payment of lease liability - principal	(1,701,909)	-
Payment of lease liability - interest	(2,318,508)	-
Net cash flow from / (used in) in financing activities	126,729,975	30,679,963
Net Increase / (decrease) in cash and cash equivalents	374,433	78,668
Cash and cash equivalents at the beginning of the year	134,345	55,677
Cash and cash equivalents at the end of the year	508,778	134,345
Components of Cash and cash equivalents		
Cash on hand (Refer Note - 9)	350,745	121,681
Balances with banks - on current account (Refer Note - 9)	158,033	12,663
Total Cash and cash equivalents	508,778	134,345



	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Debt Reconciliation Statement as per Ind AS 7		
Current Borrowings		
Opening balance	32,059,774	30,000
Proceeds/ (repayment) from current borrowings (Net)	131,555,988	32,029,774
Closing Balance	163,615,762	32,059,774
Non-Current Borrowings and certain components of Financial Liabilities		
Opening balance	-	-
Proceeds/ (repayment) from current borrowings (Net)	6,064,601	-
Closing Balance	6,064,601	-

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

As per our report of even date
For S K AGRAWAL AND CO
Chartered Accountants
ICAI Firm Registration No. 306033E



Sandeep Agrawal
Partner
Membership no. 058553



Place : Kolkata
Date : 29th June, 2020

FOR AND ON BEHALF OF BOARD OF DIRECTORS



Ashok Kumar Todi
Director
DIN-00053599

Place : Kolkata
Date : 29th June, 2020



Nischal Puri
Director
DIN-02830389

ARTIMAS FASHIONS PRIVATE LIMITED
(formerly known A.P. APARTMENTS PRIVATE LIMITED)

Notes to Financial Statements for the year ended March 31, 2020

1. Reporting Entity

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

2. Basis of Preparation of Financial Statement

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

(a) Statement of Compliance

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

The Financial Statements are approved for issue by the Board of Directors of the Company at their meeting held on June 29, 2020. The details of the Company's accounting policies are included in Note 3.

(b) Functional and Presentation Currency

These Financial Statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

(c) Basis of measurement

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

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

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

(d) Use of Estimates and Judgments

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



ARTIMAS FASHIONS PRIVATE LIMITED
(formerly known A.P. APARTMENTS PRIVATE LIMITED)

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

(i) Useful lives of Property, Plant and Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets. See note 3(d) and 4 for details.

(ii) Fair value measurement of Financial Instruments

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

(iii) Defined Benefit Plan

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

(iv) Recognition of Current Tax and Deferred Tax

Current taxes are recognized at tax rates (and tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. See note 3(k) and 28 for details.

(v) Recognition and Measurement of Provisions and Contingencies

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

(e) Measurement of Fair Values

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

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

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

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



ARTIMAS FASHIONS PRIVATE LIMITED
(formerly known A.P. APARTMENTS PRIVATE LIMITED)

liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

3. Significant Accounting Policies

(a) Current and Non-Current Classification

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

Assets

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

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

Liabilities

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

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

Operating Cycle

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

(b) Foreign Currency Transactions

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

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

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in the Statement of Profit and Loss in the period in which they arise.



ARTIMAS FASHIONS PRIVATE LIMITED
(formerly known A.P. APARTMENTS PRIVATE LIMITED)

(c) Financial Instruments

(i) Recognition and Initial Measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

(ii) Classification and Subsequent Measurement

Financial Assets

(a) Financial Assets at Amortized Cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial Assets at FVOCI

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

(c) Financial Assets at FVTPL

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

Financial liabilities: Classification, Subsequent measurement and gains and losses

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

(iii) Derecognition

Financial Assets

The Company derecognizes a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial Liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in Statement of Profit and Loss.



ARTIMAS FASHIONS PRIVATE LIMITED
(formerly known A.P. APARTMENTS PRIVATE LIMITED)

(iv) Off-setting

Financial assets and financial liabilities are off set and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(d) Property, Plant and Equipment, Intangible Assets

(i) Recognition and measurement

• Tangible assets and Capital Work in Progress

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

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

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

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

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

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

• Intangible Assets :

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

(ii) Subsequent expenditure

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

(iii) Depreciation & Amortization

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

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



ARTIMAS FASHIONS PRIVATE LIMITED
(formerly known A.P. APARTMENTS PRIVATE LIMITED)

Class of assets	Useful lives of the assets (Years)
Plant and equipment	10 to 15
Computer and data processing equipment	3
Office equipment	5
Furniture and fixtures	10
Computer software	2.5
Brand	5

(e) Inventories

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

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

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

(f) Impairment

(i) Impairment of Financial Instruments: financial assets

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

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant



ARTIMAS FASHIONS PRIVATE LIMITED
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and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of Non-Financial Assets

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

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

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

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

(g) Employee Benefits

(i) Short-Term Employee Benefits

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

(ii) Defined Contribution Plans

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

(iii) Defined Benefit Plans

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

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



ARTIMAS FASHIONS PRIVATE LIMITED
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(iv) Other Long Term Employee Benefits

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

(h) Provision, Contingent Liabilities And Contingent Assets

A provision is recognized if, as a result of past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

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

During the financial year the company has made provision for doubtful debts and doubtful advances to the extent of 100% of the total amount identified as doubtful debts and advances.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

(i) Revenue from contract with customer

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

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

Sale of Products

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

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



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Rendering of Services

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

Contract balances

Trade Receivables

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

Refund Liabilities

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

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

All other income are recognized on accrual basis.

(j) Government Grants

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

(k) Income Tax

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

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.



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(ii) Deferred tax

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

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

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

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

(l) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(m) Dividends

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

(n) Cash and Cash Equivalents

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

(o) Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(p) Earnings per share

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



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

(q) Operating Segment

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

(r) Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

(s) Business Combinations

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they



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are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

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

(t) Leases

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

The Company has adopted Ind AS 116 using the modified retrospective method on the date of initial application . Pursuant to adoption of Ind AS 116, the Company recognised right-of-use assets and lease liabilities for those leases which were previously classified as operating leases, except for short-term leases and leases of low-value assets. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019. The impact of adoption of Ind AS 116 on the financial statements of the Company has been described under Note 37.

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

Company as a lessee

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

i) Right-of-use assets

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

Land & Building 2 to 10 years

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

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

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its



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incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

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

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

Company as a lessor

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



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)
Notes to the financial statements for the year ended March 31, 2020

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

Particulars	Gross Block			Depreciation/ Amortization			Net Block		
	As at April 1, 2019	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2020	As at April 1, 2019	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2020	As at March 31, 2019
Tangible Assets									
Building	-	-	-	-	-	-	-	-	-
Plant & Equipments	1,196,466	13,982,832	-	15,179,298	80,838	788,785	-	14,309,675	1,115,628
Office Equipments	7,143	302,029	-	309,172	892	14,185	-	294,094	6,250
Furniture & Fixture	299,332	5,584,180	-	5,883,513	14,043	346,229	-	5,523,240	285,289
Total (A)	1,502,941	19,869,042	-	21,371,983	95,774	1,149,199	-	20,127,010	1,407,167
Intangible Assets									
Computer Software	-	237,000	-	237,000	-	30,111	-	206,889	-
Brand	-	100,000	-	100,000	-	52	-	99,948	-
Total (B)	-	337,000	-	337,000	-	30,163	-	306,837	-
Right of use Assets									
Building (Refer note 37)	-	31,991,897	-	31,991,897	-	2,047,246	-	29,944,651	-
Sub Total (C)	-	31,991,897	-	31,991,897	-	2,047,246	-	29,944,651	-
Total (A+B+C)	1,502,941	52,197,939	-	53,700,880	95,774	3,226,608	-	50,378,497	1,407,167

Particulars	Gross Block			Depreciation/ Amortization			Net Block		
	As at April 1, 2018	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2019	As at April 1, 2018	Addition for the year	Deduction/ Adjustment for the year	As at March 31, 2019	As at March 31, 2018
Tangible Assets									
Plant & Equipments	-	1,196,466	-	1,196,466	-	80,838	-	1,115,628	-
Office Equipments	-	7,143	-	7,143	-	892	-	6,250	-
Furniture & Fixture	-	299,332	-	299,332	-	14,043	-	285,289	-
Total (A)	-	1,502,941	-	1,502,941	-	95,774	-	1,407,167	-



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Notes to the financial statements for the year ended March 31, 2020

NOTE: 5
INVESTMENTS

	As at March 31, 2020	As at March 31, 2019
A. Non-Current Investments		
Equity Instruments carried at fair value through profit or loss (FVTPL)		
Unquoted		
Hollyfield Traders Private Limited		
NIL shares (PY - 12,500 shares) (FV - Rs. 10 each)	-	895,000
Total	-	895,000
Aggregate amount of Unquoted Investments	-	895,000
Investment in quoted Investment		
Aggregate book value	-	-
Aggregate market value	-	-
Investments carried at costs	-	-
Investments carried at fair value through profit or loss (FVTPL)	-	895,000

NOTE: 6
OTHER FINANCIAL ASSETS

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
Non-current		
Other bank balance		
Bank deposit more than 12 months maturity from Balance Sheet date (pledged)	259,050	-
Interest accrued on fixed deposit	9,943	-
Security deposit	449,839	3,000
	718,832	3,000
Current		
Loans and advances to employees	177,310	20,300
Other loans and advances	30,296	-
	207,606	20,300
Total	926,438	23,300

NOTE: 7
INVENTORY

	As at March 31, 2020	As at March 31, 2019
<i>(Valued at lower of cost and net realisable value)</i>		
Raw Materials	968,582	-
Work-in-progress	51,597,224	21,729,872
Finished goods	21,441,897	-
Stock-in-trade	11,828,276	-
Packing materials	20,929,034	3,542,812
Stock in transit	775,077	-
Total	107,540,090	25,272,684



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Notes to the financial statements for the year ended March 31, 2020

NOTE: 8

TRADE RECEIVABLES

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
Unsecured		
- Considered good	36,346,931	202,065
Total	36,346,931	202,065

NOTE: 9

CASH AND CASH EQUIVALENTS

	As at March 31, 2020	As at March 31, 2019
Balances with banks		
Current accounts	158,033	12,663
Cash on hand	350,745	121,681
Total	508,778	134,345

NOTE: 10

OTHER CURRENT ASSETS

	As at March 31, 2020	As at March 31, 2019
<i>(Unsecured, considered good unless otherwise stated)</i>		
Advances to supplier	5,117,192	-
Others		
Prepaid expenses	75,401	38,062
Balances with government authorities	15,384,049	5,125,953
TDS Receivable	16,487	-
Total	20,593,129	5,164,015



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Notes to the financial statements for the year ended March 31, 2020

NOTE : 11

EQUITY SHARE CAPITAL

	As at March 31, 2020	As at March 31, 2019
Authorised:		
5,00,000 Equity shares of Rs. 10/- each	5,00,000	500,000
Issued and subscribed and fully paid up equity capital		
200,500 (PY 20,000) Equity shares of Rs. 10/- each (Date of allotment - November 27, 2019)	2,005,000	200,000
Total	2,005,000	200,000
	Equity share capital	
	No. of shares	Rs.
Reconciliation of number of equity shares outstanding:		
As at April 1, 2018	20,000	200,000
Increase during the year	-	-
As at March 31, 2019	20,000	200,000
Increase during the year (Date of allotment - November 27, 2019)	180,500	1,805,000
As at March 31, 2020	200,500	2,005,000

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

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

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

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Lux Industries Limited	102,200	50.97%	19,800	99.00%
Nischal Puri	49,050	24.46%	-	0.00%
Divya Puri	49,050	24.46%	-	0.00%

NOTE: 12

OTHER EQUITY

	As at March 31, 2020	As at March 31, 2019
Securities premium	900,000	900,000
Retained earnings	(59,268,360)	(24,373,674)
Other Comprehensive Income Reserves	8,038	-
Total	(58,360,321)	(23,473,674)



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)
Notes to the financial statements for the year ended March 31, 2020

NOTE: 13

FINANCIAL LIABILITIES - BORROWINGS

(a) Non-current borrowings

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
Secured		
Term Loans from Banks	6,064,601	-
Less: Current maturity of long term debts (refer note 17)	900,000	-
	5,164,601	-
Total non-current borrowings	5,164,601	-

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

Name of the Bank / Instrument	March 31, 2020	March 31, 2019	Nature of security	Repayment terms
Secured				
State Bank of India	6,118,811	-	First Charge by way of hypothecation over the Plant & Machinery of the Company both present & future. Second charge by way of hypothecation over the stock, receivables and other current assets of the company both present & future. Third party guarantee of Mr. Ashok Kumar Todi, Mr. Pradip Kumar Todi & Lux Industries Limited.	Repayable in 9 quarterly instalment of Rs.3.00 lacs each commencing from Sept'2020 & subsequently 10 quarterly instalments of Rs.4.00 Lacs. Interest @ EBLR +2.70 is serviced on monthly basis as and when due.

(b) Current borrowings

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
From Banks (Secured) (refer note a)		
i) Loan repayable on demand		
Cash Credit Facilities	22,963,324	-
From Others (Unsecured)		
From related parties (refer note 31)	140,652,438	32,059,774
Total current borrowings	163,615,762	32,059,774

- a) The loan is secured against hypothecation of entire stocks, book debts and other current assets, both present and future of Company. It is additionally secured by personal guarantee of Mr. Ashok Kumar Todi, Mr. Pradip Kumar Todi & Lux Industries Limited.



Artimas Fashlons Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)
Notes to the financial statements for the year ended March 31, 2020

NOTE: 14

NON CURRENT FINANCIAL LIABILITIES - OTHERS

	As at March 31, 2020	As at March 31, 2019
Lease obligation	26,964,042	-
Total	26,964,042	-

NOTE: 15

PROVISIONS

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer note 32)	444,628	87,136
Total	444,628	87,136

NOTE: 16

CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
MSMED [refer note (a) below]	798,936	77,837
Other trade payables	52,774,338	23,138,680
Total	53,573,274	23,216,517

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

(i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year

Principal amount due to micro and small enterprise
Interest due on above

798,936	77,837
-	-

(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;

-	-
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(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;

-	-
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(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and

-	-
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(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.

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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 (Formerly known as A P APARTMENTS PRIVATE LIMITED)
Notes to the financial statements for the year ended March 31, 2020

NOTE: 17

CURRENT FINANCIAL LIABILITIES - OTHERS

	As at March 31, 2020	As at March 31, 2019
<i>(Carried at amortised cost)</i>		
Current maturities of long-term borrowings (Refer note 13)	900,000	-
Current maturities of lease obligation	3,178,163	-
Deposits from Dealers/ agents	13,250,000	-
Interest accrued but not due	54,210	-
Other payables	4,590,858	750,913
Total	21,973,231	750,913

NOTE: 18

OTHER CURRENT LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Statutory dues	899,167	345,748
Advance from customers	7,083	-
Total	906,250	345,748

NOTE: 19

PROVISIONS

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer note 32)	7,396	1,858
Total	7,396	1,858

NOTE: 20

CURRENT TAX LIABILITIES

	As at March 31, 2020	As at March 31, 2019
Provision for income tax	-	1,460
Total	-	1,460



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)
Notes to the financial statements for the year ended March 31, 2020

NOTE: 21

REVENUE FROM OPERATIONS

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Sale of products	60,529,646	160,000
Total Revenue from Operations	60,529,646	160,000

NOTE: 22

OTHER INCOME

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Interest Income from Financial Assets at amortized cost:		
i) On Fixed Deposit	178,004	-
ii) Others	25,229	-
Total	203,233	-

NOTE: 23

COST OF RAW MATERIAL CONSUMED

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Yarn Consumed		
Opening Stock	-	-
Add : Purchases during the year	7,344,023	-
	<u>7,344,023</u>	<u>-</u>
Less: Yarn Sale	-	-
Less: Closing Stock	968,582	6,375,441
	<u>968,582</u>	<u>6,375,441</u>
Packing Materials Consumed		
Opening Stock	3,542,812	-
Add: Purchases during the year	22,401,450	5,922,715
	<u>25,944,262</u>	<u>5,922,715</u>
Less: Closing Stock	20,929,034	3,542,812
	<u>20,929,034</u>	<u>3,542,812</u>
Consumption of Fabrics	43,521,540	17,877,877
Total	54,912,209	20,257,779
Purchase of Stock-in-Trade (Knitwear)	28,036,208	-
Total	28,036,208	-

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

Finished Goods

Opening Stock	-	-
Closing Stock	21,441,897	(21,441,897)

Work-in-progress

Opening Stock	21,729,872	-
Closing Stock	51,597,224	(29,867,352)
	<u>51,597,224</u>	<u>21,729,872</u>
	(29,867,352)	(21,729,872)

Stock in trade

Opening Stock	-	-
Closing Stock	11,828,276	(11,828,276)

Total

(63,137,526)

(21,729,872)



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)
Notes to the financial statements for the year ended March 31, 2020

NOTE: 24

EMPLOYEE BENEFIT EXPENSE

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Salaries, Wages & Bonus	23,934,634	4,095,253
Provision for Employment benefit	<u>373,772</u>	<u>88,994</u>
Contribution to Provident & Other Funds	24,308,406	4,184,247
	490,855	111,432
Staff Welfare Expenses	179,383	132
Total	<u>24,978,644</u>	<u>4,295,811</u>

NOTE: 25

FINANCE COST

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Interest on borrowings	8,055,105	1,341,591
Interest on lease obligation	2,318,508	-
Bank Charges	674,302	8,220
Total	<u>11,047,915</u>	<u>1,349,811</u>

NOTE: 26

DEPRECIATION & AMORTIZATION EXPENSE

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Depreciation on Property, Plant and Equipment	1,149,199	95,774
Amortization of Intangible Assets	30,163	-
Depreciation on Lease Assets	<u>2,047,246</u>	<u>-</u>
Total	<u>3,226,608</u>	<u>95,774</u>

NOTE: 27

OTHER EXPENSES

	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Consumption of stores & spare parts	457,480	288,538
Power & Fuel	735,945	-
Rent	398,684	187,000
Repairs		
Repairs to buildings	33,436	436,299
Repairs to Machinery	550,121	-
Insurance	23,948	3,068
Rates & Taxes	9,900	39,400
Selling Expenses	1,894,947	45,390
Advertisement & Publicity	7,362,917	16,771,071
Commission	1,484,492	-
Freight & Other Handling Charges	2,397,721	10,630
Processing expense	11,095,895	914,358
Prior Period Items	13,000	-
Net loss on Investment carried at Fair value through Profit or Loss	-	105,000
Travelling expense	3,473,951	74,556
Legal and professional fee	4,141,250	896,500
Miscellaneous Expenses	2,351,364	540,896
Payment to auditors		
: As Auditors	50,000	4,000
Total	<u>36,475,053</u>	<u>20,316,705</u>



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)

Notes to the financial statements for the year ended March 31, 2020

NOTE: 28

Income Tax

	March 31, 2020	March 31, 2019
A. Amount recognized in profit or loss		
Current Tax		
Current year	-	-
Changes in respect of current income tax of previous years	-	-
	(a)	-
Deferred Tax		
Attributable to -		
Origination and reversal of temporary differences	88,454	(91,157)
	(b)	88,454
		(91,157)
Tax expenses reported in the Statement of Profit and Loss (a+b)	88,454	(91,157)
B. Income tax recognized in Other Comprehensive Income		
Deferred tax relating to items recognized in other comprehensive income during the year	(2,704)	-
Income tax expense charged to OCI	(2,704)	-

C. Reconciliation of tax expense and the accounting profit for March 31, 2020 and March 31, 2019:

	March 31, 2020	March 31, 2019
Accounting profit before income tax	(34,806,232)	(24,426,009)
Tax at the applicable India tax rate of 28.60% (PY - 34.944%)	-	-
Tax impact on amounts that are adjusted in determining taxable profit:		
Difference between depreciation as per IT Act and depreciation as per books	1,089,380	85,563
Other adjustments	(1,000,927)	(176,720)
	88,454	(91,157)

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

	March 31, 2020	March 31, 2019
Applicable tax rate	28.60%	34.61%
Tax effect of difference between depreciation as per IT Act and depreciation as per books	-3.13%	-0.35%
Tax effect of other adjustments	2.88%	0.72%
Effective tax rate	28.35%	34.98%

E. Recognized deferred tax assets and liabilities:

	Balance as on April 1, 2019	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2020
Property, plant and equipment	(85,563)	(1,065,120)	-	(1,150,683)
Right of use assets	-	(8,564,170)	-	(8,564,170)
Other assets	176,720	(183,935)	-	(7,216)
Provisions	-	131,982	(2,704)	129,279
Other liabilities	-	8,620,671	-	8,620,671
Unused tax losses to the extent of deferred tax liabilities	-	972,119	-	972,119
Total	91,157	(88,454)	(2,704)	-

	Balance as on April 1, 2018	(Charged) / credited to profit or loss	(Charged) / credited to OCI	Balance as on March 31, 2019
Property, plant and equipment	-	(85,563)	-	(85,563)
Other assets	-	176,720	-	176,720
Total	-	91,157	-	91,157

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

	March 31, 2020	March 31, 2019
Deferred tax assets	9,714,853	176,720
Deferred tax liabilities	(9,714,853)	(85,563)
Deferred tax assets / (liabilities) (net)	-	91,157



Artimas Fashions Private Limited
Notes to the financial statements for the year ended March 31, 2020

NOTE: 29
Earnings / (loss) per share (EPS) (Ind AS 33)

Sl. No	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Profit for the year	(34,886,647)	(24,334,851)
2	Weighted Average Number of Equity Shares Outstanding at the end of the year for Basic EPS.	82,139	20,000
3	Weighted Average Number of Equity Shares Outstanding at the end of the year for Diluted EPS	82,139	20,000
4	Nominal Value per share (Rs.)	10/-	10/-
5	Earning per shares		
	Basic	(425)	(1,217)
	Diluted	(425)	(1,217)

NOTE: 30
Particulars of Contingent Liabilities and Commitments

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

NOTE: 31
Related party disclosure (Ind AS 24)

- A. Holding Company**
Lux Industries Limited
- B. Fellow subsidiary**
Altai Industries Private Limited (till May 14, 2019)
- C. Key Managerial Personnel - Director:**
Shri Ashok Kumar Todi
Shri Pradip Kumar Todi
Shri Nischal Puri
- D. Relatives of Key management personnel**
Shri Saket Todi
Shri Udit Todi
Smt. Divya Puri
- E. Entities where the directors and their relatives have significant influence**
Rotex Intertrade Private Limited
Chitragupta Sales & Services Pvt. Ltd.
Horizon Consulting India
Actimaxx Manufacturing and Marketing Private Limited



Artimas Fashions Private Limited

Notes to the financial statements for the year ended March 31, 2020

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

Sr. No.	Name of related party	Year ended March 31, 2020	Year ended March 31, 2019
1.	Sale of goods		
	Lux Industries Limited	177,498	172,633
	Actimaxx Manufacturing and Marketing Private Limited	7,437,326	-
2.	Purchase of goods		
	Lux Industries Limited	25,775,499	16,330,249
	Actimaxx Manufacturing and Marketing Private Limited	5,869,730	-
3.	Rent paid		
	Lux Industries Limited	180,000	105,000
4.	Knitting expense		
	Lux Industries Limited	240,078	-
5.	Legal and Professional fee		
	Horizon Consulting India	4,320,000	-
6.	Loan Taken		
	Lux Industries Limited	43,959,333	30,857,342
	Rotex Intertrade Private Limited	100,000,000	-
	Chitragupta Sales & Services Private Limited	40,000,000	-
7.	Interest on loan taken		
	Lux Industries Limited	4,471,017	1,341,591
	Rotex Intertrade Private Limited	517,808	-
	Chitragupta Sales & Services Private Limited	207,123	-
8.	Loan repaid		
	Lux Industries Limited	80,490,124	5,000
	Ashok Kumar Todi	-	30,000
9.	Allotment of Shares		
	Lux Industries Limited	822,000	-
	Shri Saket Todi	1,000	-
	Shri Udit Todi	1,000	-
	Shri Nischal Puri	490,500	-
	Smt. Divya Puri	490,500	-
10.	Purchase of Brand		
	Shri Nischal Puri	100,000	-
11.	Sale of Investment		
	Rotex Intertrade Private Limited	447,500	-
	Chitragupta Sales & Services Private Limited	447,500	-

G. Outstanding balances:

Sr. No.	Name of related party	Year ended March 31, 2020	Year ended March 31, 2019
1.	Trade Receivables		
	Lux Industries Limited	-	202,065
	Actimaxx Manufacturing and Marketing Private Limited	5,833,044	-
2.	Trade Payables		
	Lux Industries Limited	515,880	17,323,384
3.	Unsecured Loans		
	Lux Industries Limited	-	32,059,774
	Rotex Intertrade Private Limited	100,466,027	-
	Chitragupta Sales & Services Pvt. Ltd.	40,186,411	-
4.	Other Payables		
	Shri Nischal Puri	100,000	-



Artimas Fashions Private Limited
Notes to the financial statements for the year ended March 31, 2020

NOTE: 32
Employee Benefits

1. Defined Contribution Plan:

a. Provident fund:

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

Sl. No.	Particulars	2019-20	2018-19
1	Contribution to Provident/ Pension funds	299,119	108,907
	TOTAL	299,119	108,907

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, certain employees are entitled to leave encashment, wherein the leaves accumulated are paid off to the employees after 3 years of the leaves being accrued or their resignation, whichever is earlier.

The defined benefit plans have been formulated in the current year itself. Accordingly, comparative figures of previous year has not been disclosed.

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.

Particulars	Gratuity		Leave encashment	
	2019-20	2018-19	2019-20	2018-19
Present Value of Obligation at the beginning of the year	63,436	-	25,558	-
Current Service Cost	302,579	63,436	64,340	25,558
Interest Cost	4,885	-	1,968	-
Actuarial Losses / (Gain) recognized in other comprehensive income	(14,794)	-	4,052	-
Benefit Paid	-	-	-	-
Present Value of Obligation at the end of the year	356,106	63,436	95,918	25,558

The Provision for Employee benefits is charged to the Statement of Profit and Loss and same is shown in Note No. 19 of the Notes to Accounts.

(a) Expense recognized in Statement of Profit or Loss:

Particulars	Gratuity		Leave encashment	
	2019-20	2018-19	2019-20	2018-19
Current service cost	302,579	63,436	64,340	25,558
Interest cost	4,885	-	1,968	-
Total	307,464	63,436	66,308	25,558

(b) Remeasurements recognized in Standalone Other Comprehensive Income:

Particulars	Gratuity		Leave encashment	
	2019-20	2018-19	2019-20	2018-19
Actuarial loss/ (gain) arising on defined benefit obligation from	(14,794)	-	4,052	-
Total	(14,794)	-	4,052	-



Artimas Fashions Private Limited
Notes to the financial statements for the year ended March 31, 2020

(c) Principle assumptions used in the determining gratuity obligation for the Company's are shown below:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate	7.00%	7.00%
Rate of increase in Salaries	6.00%	6.00%
Expected average remaining working lives of employees (years)	26.75	26.75
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.

(d) Sensitivity analysis – Revised defined benefit obligation due to change in assumptions:

Particulars	Gratuity		Leave encashment	
	2019-20	2018-19	2019-20	2018-19
Under Base scenario	356,106	63,436	95,918	25,558
Salary Escalation (Up by 1%)	408,228	72,549	108,400	28,807
Salary Escalation (Down by 1%)	312,123	55,625	85,359	22,805
Withdrawal Rates (Up by 1%)	345,278	61,546	96,995	26,049
Withdrawal Rates (Down by 1%)	366,682	65,253	94,683	25,003
Discount Rates (Up by 1%)	314,336	56,054	85,942	22,974
Discount Rates (Down by 1%)	406,304	72,147	107,897	28,647

((f) Expected Cash flow for following years

Expected cash flows over the next (valued on undiscounted basis):	2019-20	2018-19
1 Year	1,154	216
2 to 5 Years	332,951	-
6 to 10 Years	930,040	-
More than 10 Years	123,194,133	13,252,795

NOTE: 33

Accounting classification and fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at March 31, 2020 are as follows:

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Trade Receivables	36,346,931	-	36,346,931	36,346,931
Cash and Cash Equivalents	508,778	-	508,778	508,778
Other Financial Assets	926,438	-	926,438	926,438
Financial liabilities:				
Long Term Borrowings	5,164,601	-	5,164,601	5,164,601
Other Long Term Financial Liability	26,964,042	-	26,964,042	26,964,042



Artimas Fashions Private Limited
Notes to the financial statements for the year ended March 31, 2020

Short Term Borrowings	163,615,762	-	163,615,762	163,615,762
Trade Payables	53,573,274	-	53,573,274	53,573,274
Other Short Term Financial Liability	21,973,231	-	21,973,231	21,973,231

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Standalone Balance Sheet as at March 31, 2019 are as follows:

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss	Total carrying amount	Fair value
Financial assets:				
Investment in Equity Instruments (Unquoted)	-	895,000	895,000	895,000
Trade Receivables	202,065	-	202,065	202,065
Cash and Cash Equivalents	134,344	-	134,344	134,344
Other Financial Assets	23,300	-	23,300	23,300
Financial liabilities:				
Short Term Borrowings	32,059,774	-	32,059,774	32,059,774
Trade Payables	23,216,517	-	23,216,517	23,216,517
Other Financial Liability	750,913	-	750,913	750,913

NOTE: 34
Fair Value Measurement

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

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

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

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

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

As at March 31, 2020	Level 1	Level 2	Level 3
Financial Assets:			
Investment in Equity Instruments (Unquoted)	-	-	-
Total	-	-	-
Financial Liabilities:			
NA	-	-	-
Total	-	-	-



Artimas Fashions Private Limited
Notes to the financial statements for the year ended March 31, 2020

As at March 31, 2019	Level 1	Level 2	Level 3
Financial Assets:			
Investment in Equity Instruments (Unquoted)	-	-	895,000.00
Total	-	-	895,000.00
Financial Liabilities:			
NA	-	-	-
Total	-	-	-

Notes:

- i. The management assesses that carrying amount of trade receivables, cash and cash equivalents, other bank balances, short term borrowings, trade payables, other financial assets and liabilities approximate their fair value largely due to short term maturities of these instruments.
- ii. Certain financial assets are stated at amortized cost which is approximately equal to their fair value.
- iii. Investments are stated at fair value using observable inputs for Level 3.

NOTE: 35

Financial Risk Management

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

1. Credit Risk

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

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

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

Financial assets are written off when there are no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at Rs. 202,065.08 (2018 – Rs. 45,000.00).

2. Liquidity Risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The



Artimas Fashions Private Limited
Notes to the financial statements for the year ended March 31, 2020

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.

March 31, 2020	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	1,63,615,762	5,164,601	-	168,780,363
Trade Payables	53,573,274	-	-	53,573,274
Other Financial Liabilities	21,973,231	26964042	-	48937273

March 31, 2019	Less than 1 year	1 to 5 years	More than 5 years	Total
Borrowings	32,059,774	-	-	32,059,774
Trade Payables	23,216,517	-	-	23,216,517
Other Financial Liabilities	750,913	-	-	750,913

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. 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.

b. 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.

c. Equity Price Risk

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

NOTE: 36

Capital Management

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

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

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, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
Total debt (bank and other borrowings)	169,680,363	32,059,774
Equity	(56,355,321)	(23,273,674)

NOTE: 37 Leases

Company as a Lessee

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

Impact on Balance Sheet (Increase/Decrease)

Particulars	As at March 31, 2020	As at March 31, 2019
Assets		
Right of Use Assets (Refer Note No. 4(c))	29,944,651	-
Liabilities		
Lease Liabilities (Refer Note No. 14 and 17)	30,142,205	-

Impact on Statement of Profit and Loss

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation and Amortisation	2,047,246	-
Other Expenses	(4,020,417)	-
Finance Cost	2,318,508	-
Income Tax Expenses (Deferred Taxes)	-	-
Loss for the period (Increase)	345,337	-

Impact on Statement of Cash Flows

Particulars	As at March 31, 2020	As at March 31, 2019
Payment of principal portion of lease liabilities	1,701,909	-
Payment of Interest portion of lease liabilities	2,318,508	-
Net Cash flows used in financial activities	4,020,417	-

There is no material impact on other comprehensive income or the basic and diluted earnings per share. The Company has lease contracts for Warehouse and office spaces used in its operations. These generally have lease terms between 1 and 5 years.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period:

Particulars	Amount
As at 1st April 2019	-
Addition during the year	31,991,897
Depreciation Expense	(2,047,246)
As at 31st March 2020	29,944,651

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

Particulars	Amount
As at 1st April 2019	-
Addition during the year	31,844,114
Accretion of interest	2,318,508



Artimas Fashions Private Limited (Formerly known as A P APARTMENTS PRIVATE LIMITED)
Notes to the financial statements for the year ended March 31, 2020

Payments	(4,020,417)
As at 31st March 2020	30,142,205
Current	3,178,163
Non-Current	26,964,042

The effective interest rate for lease liabilities is 8.0%.

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

Particulars	As at March 31, 2020	As at March 31, 2019
Depreciation expense of right-of used assets	2,047,246	-
Interest expenses on lease liabilities	2,318,508	-
Expense relating to other leases (included in other expenses)	(4,020,417)	-
Total amount recognised in Statement of Profit and Loss	345,337	-

Maturity analysis of lease liabilities are as follows:

Particulars	Amount
1 year	3,178,163
2-5 years	10,462,396
5 years and above	16,501,646

NOTE: 38

The operations of the company were impacted in the month of March 2020 due to temporary shutdown of the plants following nationwide lockdown announced by the Government of India due to the COVID- 19 outbreak. The management is monitoring the situation closely and has started its plant/operations in a phased manner from the end of April 2020. The Company has assessed and considered the impact of this Pandemic on the carrying amount of inventories, receivables and other assets and the management estimates that the Company's liquidity position is comfortable and there is no material uncertainty in meeting the liability for the foreseeable future. However, the situation is still evolving and the eventual outcome of impact of the global pandemic may be different from those estimated as on date of approval of these financial statements.

NOTE: 39

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 out report of even date attached

For **S K AGRAWAL AND CO**
Chartered Accountants
ICAI Firm Registration No. 306033E



Sandeep Agrawal
Partner
Membership No. 058553

FOR AND BEHALF OF THE BOARD OF DIRECTORS



Ashok Kumar Todi
Director
DIN- 00053599



Nischal Puri
Director
DIN- 02830389

Place: Kolkata
Date: June 29, 2020

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