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

Note 1: Corporate information

PDS Multinational Fashions Limited is a Public Limited Company (hereinafter referred as 'the Company') domiciled in India and has its registered office at 758 & 759, 2nd Floor, 19th Main, HSR Layout, Sector-II, Bengaluru - 560102, Karnataka. The Company is engaged in trading of ready to wear apparels, providing services to group companies engaged in the export of ready to wear apparels and sourcing & distribution of their products. The Company is also engaged in the business of holding, owing, leasing or licensing real estate. The Company has its primary listings on the BSE Ltd. and the National Stock Exchange of India Ltd.

The standalone financial statements of the Company for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on July 10, 2020.

Note 2: Statement of compliance

The Standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Companies Act, 2013, as applicable.

The accounting policies are applied consistently to all the periods presented in the standalone financial statements.

Basis of preparation and presentation

The standalone financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the relevant accounting policies mentioned. The financial statements are presented in ₹ and all values are rounded to the nearest lakhs except otherwise stated.

Going concern

The Board of Directors have considered the financial position of the Company at March 31, 2020 and the projected cash flows and financial performance of the Company for at least twelve months from the date of standalone financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The Board of Directors have taken actions to ensure that appropriate long-term cash resources are in place at the date of signing the accounts to fund the Company's operations.

Recent accounting pronouncement

The Ministry of Corporate Affairs ("MCA") notifies new accounting standards or amendments to the existing accounting standards. There is no such notification which would have been applicable from 01 April, 2020 and impacts standalone financial statements.

Note 3: Significant accounting policies

a) **Significant accounting judgements, estimates and assumptions**

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these standalone financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Judgements:

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Estimates and underlying assumptions are reviewed at each balance sheet date. Such changes are reflected in the assumptions when they occur.

i) **Income taxes**

The Company is subject to income tax laws as applicable in India. Significant judgement is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

ii) **Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal and other claims. By virtue of their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgements and the use of estimates regarding the outcome of future events.

iii) **Recoverability of deferred taxes**

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment.

iv) **Defined benefit plans**

The present value of the gratuity and compensated absences are determined using actuarial valuations. 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 increase 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes.

v) **Impairment of long lived assets**

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. The Company assesses impairment of long lived assets which are recorded at cost. At the time when there are any indications that such assets have suffered a loss, if any, is recognised in the Statement of Profit and Loss.

b) **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on a current/ non-current classification.

Assets:

An asset is treated as current when it is:

i) Expected to be realised or intended to be sold or consumed in normal operating cycle.

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Liabilities:

A liability is current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) **Property, plant and equipment (PPE) and Investment property**

Property, plant and equipment, capital work in progress are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Such cost includes expenditure that is directly attributable to the acquisition of the asset.

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

Subsequent Costs: The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred.

Decommissioning Costs : The present value of expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work in progress: Capital work in progress comprises the cost of fixed assets that are not ready for their intended use at the reporting date.

Depreciation: Depreciation on PPE, except leasehold improvements, is provided on straight-line method over the useful lives of assets as per Schedule II to the Companies Act, 2013. Depreciation for assets purchased / sold during a period is proportionately charged to Statement of Profit and Loss. Leasehold improvements are amortised over the lease term or the remaining useful life of the assets whichever is lower.

Investment property

(i) **Recognition and measurement**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property comprises freehold land and building.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The Company measures investment property using cost based measurement and the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Statement of Profit and Loss in the period of derecognition.

(ii) **Depreciation**

Depreciation on Investment Property (except freehold land) is provided, under the Straight Line Method, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013. Freehold land is not depreciated.

d) **Intangible assets**

Recognition and measurement

Intangible assets that are acquired by the Company are measured initially at cost. Intangible assets with finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation: Intangible assets, with infinite lives, are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the assets are available to the Company for their use. In case of the trade mark capitalised, the Company is amortizing it over period of 5 years from the date of capitalisation. Specialized softwares are amortized over a period of 5 years or license period whichever is earlier.

e) **Borrowing costs**

Borrowing costs consists of interest and amortization of ancillary costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

f) **Foreign currency transaction**

Functional and presentation currency

The Company's standalone financial statements are presented in Indian Rupees (₹) which is also the Company's functional currency. Functional currency is the currency of the primary economic environment in which a Company operates and is normally the currency in which the Company primarily generates and expends cash. All the financial information presented in in lakhs except where otherwise stated.

Initial recognition

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Measurement at the reporting date

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. 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 in terms of historical cost are not retranslated.

g) **Revenue recognition**

Income from corporate and sourcing support services rendered to group companies are recognized as the services are rendered based on a cost plus mark-up in accordance with the terms of respective arrangements.

'Unbilled revenues' included in other financial assets represent revenue in excess of billings as of the Balance Sheet date. 'Unearned revenues' included in financial liabilities represent billing in excess of revenue recognized.

Revenue from sale of goods is recognised when a customer obtains control of the goods which is ordinarily upon delivery at the customer premises. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. Further, revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the entity.

Rental income

Rental income is recognized when services are rendered and same becomes chargeable. Service Income comprises amounts billed for leasing out the property and other support services rendered to entities in accordance with terms of agreements entered into with them.

Other income

i) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

ii) Dividend income is recognized when the right to receive payment is established.

iii) Any other income is recognized on an accrual basis.

Export incentives

The Company is eligible for export incentive under the Services Export from India Scheme ('SEIS') in the form of duty credit scrips, as per the Foreign Trade Policy 2015-20 notified by the Central Government. The Company realises income in the year of sale of these scrips, when it is certain about the amount of consideration that would be derived and its ultimate collection.

h) **Leases (applicable from April 01, 2019)**

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

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.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement 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 lease terms and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company by 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.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease 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 termination of a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

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

(c) Short term leases

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is 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 recognition exemption for leases of low-value assets to leases of office equipment and laptop computers that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Company as a lessor

When the Company acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

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. When a contract contains lease and non-lease components, the Company allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit and 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 recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit and loss so as to provide a constant periodic rate of charge over the lease terms.

i) <u>Employee's Benefits</u>

Short Term Employee Benefits: All employee benefits expected to be settled wholly within twelve months of rendering the service are classified as short-term employee benefits. When an employee has rendered service to the Company during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as an expense unless another Ind AS requires or permits the inclusion of the benefits in the cost of an asset. Benefits such as salaries, wages, bonus and ex-gratia etc. are recognised in Statement of profit and loss in the period in which the employee renders the related service.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a statutory authority and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance Schemes are defined contribution plans and contributions paid / payable are recognised as an expense in the Statement of Profit and Loss during the year in which the employee renders the related service.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

The obligations are measured at the present value of the estimated future cash flows. The discount rate is generally based upon the market yields available on Government bonds at the reporting date with a term that matches that of the liabilities.

Re-measurements, comprising actuarial gains and losses including, the effect of the changes to the asset ceiling (if applicable), is reflected immediately in Other Comprehensive Income in the Statement of Profit and Loss. All other expenses related to defined benefit plans are recognised in Statement of Profit and Loss as employee benefit expenses. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Other Long term Benefits

Long term compensated absences are provided for on the basis of actuarial valuation, using the projected unit credit method, at the end of each financial year. Actuarial gains/ losses, if any, are recognised immediately in the Statement of Profit and Loss.

j) **Provisions, Contingent liabilities and Contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed in the case of;

i) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle obligation;

ii) a present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are neither recognised nor disclosed. However,when realisation of income is virtually certain, related asset is recognised.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date and adjusted where necessary to reflect the current best estimate of obligation or asset.

k) **Financial instruments**

A financial instrument is a contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

(a) Financial Assets

(i) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset is initially recognised at fair value. In case of financial assets which are recognised at fair value through profit or loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

(ii) Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial asset carried at amortised cost
- Financial asset at fair value through other comprehensive income (FVOCI)
- Financial asset at fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

- **Financial Asset carried at amortised cost**

  A financial asset is subsequently measured at amortised 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.

- **Financial Asset at fair value through other comprehensive income**

  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.

- **Financial Asset at fair value through profit or loss**

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

- **Equity investment**

  Investments representing equity interest in subsidiaries / joint ventures are carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

(i) The contractual rights to receive cash flows from the asset has expired, or

(ii) The Company has transferred its contractual rights to receive cash flows from the financial asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~˜ and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, security deposits received etc.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at amortised cost
- Financial liabilities at fair value through profit or loss

Financial liabilities at Amortized cost

Loans and Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest rate (EIR) method. Income and Expense are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

De-recognition

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

(c) Offsetting of Financial Instruments

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

l) Impairment of financial assets

The Company applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

ECL are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cashflows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 Revenue from contracts with customers, the Company applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected life time losses to be recognised after initial recognition of receivables. For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on twelve-months ECL.

m) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

n) Fair Value Measurement

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:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

o) Taxes on Income

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in the year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement ". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. In accordance with Ind AS 12 Company is grouping MAT credit entitlement with Deferred Tax Assets / Liability (Net).

Deferred Tax

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

p) Cash and Cash Equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash balance on hand, cash balance at banks and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

q) Earnings per share (EPS)

In determining earnings per share, the Company considers the net profit after tax and includes the post tax effect of any extra ordinary items.

i) Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

ii) For the purpose of calculating Diluted earnings per share, the number of shares comprises of weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity share which could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. A transaction is considered to be antidilutive if its effect is to increase the amount of EPS, either by lowering the share count or increasing the earnings.

r) Segment Reporting

The Company has the policy of reporting the segments in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision maker is considered to make strategic decisions and is responsible for allocating resources and assessing performance of the operating segments.

Note 4 : Property, Plant and Equipment

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Furniture and Fixures	Leasehold Improvement	Vehicles	Office Equipment	Electrical Installations and Equipment	Computers	Total
Gross carrying value (Deemed cost)							
Balance as at April 01, 2018	428.92	41.91	32.53	26.52	796.94	156.05	1,482.87
Add: Additions during the year	0.54	17.31	30.83	3.89	3.55	25.69	81.81
Less: Disposals/adjustments during the year	(1.35)	-	-	(2.62)	-	(21.19)	(25.16)
Balance as at March 31, 2019	**428.11**	**59.22**	**63.36**	**27.79**	**800.49**	**160.55**	**1,539.52**
Add: Additions during the year	3.17	-	-	13.15	1.47	16.84	34.63
Less: Disposals/adjustments during the year	(5.33)	-	(8.00)	(0.79)	(4.72)	(0.02)	(18.86)
Balance as at March 31, 2020	**425.96**	**59.22**	**55.36**	**40.15**	**797.24**	**177.37**	**1,555.29**
Accumulated depreciation							
Balance as at April 01, 2018	39.70	8.32	9.90	9.19	79.72	52.02	198.83
Add: Depreciation charge for the year	41.17	20.60	6.38	4.64	76.00	33.83	182.62
Less: Disposals/adjustments during the year	(0.41)	-	-	(2.49)	-	(20.13)	(23.03)
Balance as at March 31, 2019	**80.46**	**28.92**	**16.28**	**11.34**	**155.72**	**65.72**	**358.42**
Add: Depreciation charge for the year	41.17	4.16	8.64	5.24	76.19	37.29	172.69
Less: Disposals/adjustments during the year	(1.48)	-	(2.82)	(0.45)	(1.36)	-	(6.12)
Balance as at March 31, 2020	**120.15**	**33.08**	**22.10**	**16.13**	**230.55**	**103.01**	**524.98**
Net carrying amount							
As at March 31, 2020	**305.81**	**26.14**	33.27	**24.02**	**566.69**	**74.36**	**1,030.31**
As at March 31, 2019	**347.65**	30.31	47.08	**16.45**	**644.77**	**94.83**	**1,181.10**

Note 5 : Investment Property

	Freehold Land	Building	Total
A. Gross carrying amount			
Balance as at April 01, 2018	68.81	2,422.05	2,490.86
Add: Additions during the year	-	-	-
Less: Disposals / adjustments during the year	-	-	-
Balance as at March 31, 2019	**68.81**	**2,422.05**	**2,490.86**
Add: Additions during the year	-	30.81	30.81
Less: Disposals / adjustments during the year	-	-	-
Balance as at March 31, 2020	**68.81**	**2,452.86**	**2,521.67**
B. Accumulated depreciation			
Balance as at April 01, 2018	-	41.35	41.35
Add: Depreciation charge for the year	-	38.64	38.64
Less: Disposals/adjustments during the year	-	-	-
Balance as at March 31, 2019	**-**	**79.99**	**79.99**
Add: Depreciation charge for the year	-	40.95	40.95
Less: Disposals / adjustments during the year	-	(0.29)	(0.29)
Balance as at March 31, 2020	**-**	**120.65**	**120.65**
C. Net carrying amount			
As at March 31, 2020	**68.81**	**2,332.21**	**2,401.02**
As at March 31, 2019	**68.81**	**2,342.06**	**2,410.87**
a) Fair value			
As at March 31, 2020	3,140.00	2,130.00	5,270.00
As at March 31, 2019	2,887.50	2,070.09	4,957.59

(All amounts in ₹ lakhs, unless otherwise stated)

b) **Information regarding income and expenditure of investment property**

	Year ended March 31, 2020	Year ended March 31, 2019
Rental income derived from investment property	228.25	42.96
Direct operating expenses	259.92	385.52
Profit/ (loss) arising from investment property before depreciation	**(31.67)**	**(342.56)**
Less: Depreciation charge	153.57	38.64
Profit/ (loss) arising from investment property	**(185.24)**	**(381.20)**

c) **Minimum lease rent receivable:** In respect of property given on lease, the future minimum lease payments receivable for non-cancellable period is as under:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Not later than 1 year	310.72	60.93
Later than 1 year but not later than 5 years	329.45	266.57
Later than 5 years	-	276.77
Total	**640.16**	**604.27**

d) The Company's investment property consist of property situated at Udyog Vihar, Gurugram, Haryana, India. The Management has determined that the investment property consists of two class of assets - Land and building - based on the nature, characteristics and risks of the property.

e) The fair valuation is based on current prices in the active market for similar properties. The main input used are quantum, area, location, population, profile of surrounding developments, negotiations, connectivity and accessibility.

f) The fair value is based on valuation performed by an accredited independent valuer. Fair valuation of investment property is based on the sales comparable method for land and depreciated replacement cost method for built up structure. The fair value measurement is categorised in Level 3 of fair value hierarchy.

Note 6 : Other Intangible assets

Particulars	Trade Marks	Computer Software	Total
Gross carrying amount			
Balance as at April 01, 2018	0.90	153.99	154.89
Add: Additions during the year	-	42.93	42.93
Balance as at March 31, 2019	**0.90**	**196.92**	**197.82**
Add: Additions during the year	-	63.63	63.63
Balance as at March 31, 2020	**0.90**	**260.55**	**261.45**
Amortisation			
Balance as at April 01, 2018	0.26	60.65	60.91
Add: Amortisation charge for the year	0.18	32.69	32.87
Balance as at March 31, 2019	**0.44**	**93.34**	**93.78**
Add: Amortisation charge for the year	0.18	40.16	40.34
Balance as at March 31, 2020	**0.62**	**133.50**	**134.12**
Net carrying value			
Balance as at March 31, 2020	**0.28**	**127.06**	**127.33**
Balance as at March 31, 2019	**0.46**	**103.58**	**104.04**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 7 : Intangible assets under development	As at March 31, 2020	As at March 31, 2019
Intangible assets under development	12.83	8.87
Total	**12.83**	**8.87**

Note 8 : Non-current Investments	As at March 31, 2020	As at March 31, 2019
Investment in subsidiaries		
Unquoted (at cost)		
21,948,270 (March 31, 2019 : 21,948,270) Equity shares of Multinational Textiles Group Limited, Mauritius of USD 1 each fully paid up	10,050.25	10,050.25
Nil (March 31, 2019 :1,530,000) Equity shares of Parc Designs Private Limited of ₹ 10 each fully paid up (refer note 'a' below)	-	153.00
27,500 (March 31, 2019 :Nil) Equity shares of Technocian Fashions Private Limited of ₹ 10 each fully paid up (refer note 'b' below)	2.75	-
Total (A)	**10,053.00**	**10,203.25**
Investments at fair value through profit or loss		
Unquoted		
570,000 (March 31, 2019 :Nil) Equity shares of Parc Designs Private Limited of ₹ 10 each fully paid up (refer note 'a' below)	57.00	-
Total (B)	**57.00**	**-**
Total (A+B)	**10,110.00**	**10,203.25**
Aggregate book value of unquoted investments	10,110.00	10,203.25

Information about investments

Name of the Company, Country of Incorporation, Principal Activities	Proportion (%) of equity interest	
	As at March 31, 2020	As at March 31, 2019
Multinational Textile Group Limited, Mauritius, Holding of investments and provision of consulting services	100.00	100.00
Technocian Fashions Private Limited, India, Management services and sourcing support services (refer note 'b' below)	55.00	-
Parc Designs Private Limited, India, Manufacturing of Readymade Garments (refer note 'a' below)	19.00	51.00

(a) The investment in Parc Designs Private Limited ("Parc Design") has been sold during the year as a result of which the percentage holding has reduced to 19% from 51% in the previous year. The investment was sold on September 30, 2019, post which Parc Design ceased to be a subsidiary to the Company. Consequently, the transactions with Parc Design from the period April 01, 2020 till September 30, 2020 only has been disclosed as related party transactions.

(b) Incorporated during the year ended March 31, 2020.

Note 9 : Other financial assets	As at March 31, 2020	As at March 31, 2019
Non-current		
Security deposits (unsecured, considered good) (refer note 'a' below)	-	42.38
Deposits with original maturity of more than 12 months (refer note 'b' below)	-	1.00
Interest accrued but not due on fixed deposits	-	0.30
Total (A)	**-**	**43.68**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 9 : Other financial assets *(Contd.)*	As at March 31, 2020	As at March 31, 2019
Current		
Unbilled revenue (refer note 33)	34.05	-
Security deposits	35.72	-
Deposits with original maturity of more than 12 months (refer note 'b' below)	1.00	-
Interest accrued but not due on fixed deposits	0.41	-
Loans receivable from others (refer note 'c' below)	213.50	-
Loans receivable from related party (refer note 33 and refer note 'c' below)		
- Considered good - unsecured	-	253.49
Interest due on loan:		
To others	16.42	-
To related party (refer note 33)	-	16.62
Total (B)	**301.10**	**270.11**
Total (A+B)	**301.10**	**313.79**

a) The Company has determined its security deposits are not in the nature of loans and accordingly have been classified as part of other financial assets.

b) Fixed Deposits with a carrying amount of ₹ 1.00 (March 31, 2019: ₹ 1.00) are pledged with the Government authorities.

c) Loan receivable from Parc Designs Private Limited carries interest rate of 10% p.a. (refer note '8 (a)' above)

Note 10 : Tax assets	As at March 31, 2020	As at March 31, 2019
Non-current		
Advance income tax, net of provision for income tax	36.40	43.86
Total (A)	**36.40**	**43.86**
Current		
Advance income tax	22.07	-
Total (B)	**22.07**	**-**
Total (A+B)	**58.47**	**43.86**

Note 11 : Other assets	As at March 31, 2020	As at March 31, 2019
(Unsecured, considered good, unless otherwise stated)		
Non-current		
Capital advances	-	4.50
Balance with government authorities	-	0.50
Deferred payment asset	-	1.12
Prepaid expenses	2.12	3.16
Total (A)	**2.12**	**9.28**
Current		
Balance with government authorities	195.14	65.31
Other advances	-	3.91
Deferred payment asset	1.15	2.36
Prepaid expenses	91.01	33.48
Advances to employees	2.56	-
Advances to suppliers	3.55	-
Total (B)	**293.41**	**105.06**
Total (A+B)	**295.53**	**114.34**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 12 : Trade receivables	As at March 31, 2020	As at March 31, 2019
(a) Trade receivable considered good - secured	-	-
(b) Trade receivable considered good - unsecured	79.92	100.51
(c) Trade receivable which have significant increase in credit risk	-	-
(d) Trade receivable - credit impaired	-	0.55
	79.92	101.06
Less: Allowance for expected credit loss	-	(0.55)
Total	**79.92**	**100.51**

a) The Company has no receivables which have significant increase in credit risk.

b) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

c) Trade receivables due from related parties as at March 31, 2020 amounts to ₹ 51.41 (March 31, 2019 : ₹ 42.21). (Refer note 33)

d) Trade receivables are generally on terms of not more than 60 days.

Note 13 : Cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
- Current account	230.79	245.07
Cash on hand	0.03	0.65
Total	**230.82**	**245.72**

Note 14 : Bank balance other than cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
Earmarked balances with bank	1.15	1.15
Total	**1.15**	**1.15**

Note 15 : Share capital	As at March 31, 2020	As at March 31, 2019
Authorised		
27,000,000 (March 31, 2019: 27,000,000) equity shares of ₹ 10 each*	2,700.00	2,700.00
	2,700.00	2,700.00
Issued, subscribed and paid up		
26,046,724 (March 31, 2019: 26,046,724) equity shares of ₹ 10 each*	2,604.67	2,604.67
Total	2,604.67	2,604.67

a) **Reconciliation of issued and subscribed share capital:**

	No. of shares*	Amount
Balance as at April 1, 2018	26,046,724	2,604.67
Changes during the year	-	-
Balance as at March 31, 2019	**26,046,724**	**2,604.67**
Changes during the year	-	-
Balance as at March 31, 2020	**26,046,724**	**2,604.67**

b) The above capital includes equity shares 25,996,724 nos* (₹ 2,599.67) which were alloted during 2014-15 pursuant to the schemes of demerger without payments being received in cash.

(All amounts in ₹ lakhs, unless otherwise stated)

c) **Terms/ rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. However, no dividend is proposed by the Board of Directors and no amount is recognised as available for distribution to equity shareholders during the year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

c) **Details of shareholders holding more than 5% shares in the Company**

	March 31, 2020		March 31, 2019	
	No. of Shares*	Holding %	No. of Shares*	Holding %
Mrs. Payal Seth	13,875,242	53.27	13,875,242	53.27
Mr. Deepak Seth	3,155,734	12.12	3,155,734	12.12
Mr. Sanjiv Dhireshbhai Shah	1,401,814	5.38	1,004,715	3.86

* The Number of shares are given in absolute numbers.

Note 16 : Other equity	As at March 31, 2020	As at March 31, 2019
Surplus in the Statement of Profit and Loss	8,240.21	8,131.40
Add : Profit for the year	267.50	109.08
Other items of Comprehensive Income		
Remeasurement of defined benefit plan, net of income tax	(5.45)	(0.27)
Balance as at the end of the year	**8,502.26**	**8,240.21**

Note : For details, refer 'the Statement of Changes in Equity'

Note 17 : Borrowings	As at March 31, 2020	As at March 31, 2019
Non-current		
Secured loan		
- Vehicle loan from bank	21.27	25.87
Term loan (unsecured)		
- From banks	755.71	1,020.09
Less: Current maturities of long term borrowings	(344.80)	(306.37)
Total (A)	**432.18**	**739.59**
Current		
Unsecured loans		
- From related parties (refer note 33)	300.00	300.00
- From others	434.00	434.00
Total (B)	**734.00**	**734.00**
Total (A+B)	**1,166.18**	**1,473.59**

a) For interest rate and liquidity risk related disclosures, refer note 37.

b) **The nature of security for the loans are :**

(i) Vehicle loan

- Vehicle loan of ₹ 27 taken by the Company, from Axis Bank, during the year ended March 31, 2019 and was secured against hypothecation of the respective vehicle. The applicable rate of interest is 8.8% per annum. The loan is repayable in 60 monthly installments.

c) **In case of unsecured loans from bank, the terms are as under: -**

(i) Term loan of ₹ 1500 taken by the Company during the year ended March 31, 2015 and March 31, 2016 is guaranteed by Stand By Documentary Credit (SBDC) documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 7 years with 1 year moratorium period and it is repayable in 24 equal quarterly installments over the said tenor.

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Term Loan of ₹ 300 taken by the Company during the year ended March 31, 2017 is also guaranteed by SBDC documents of its step down subsidiary, Norwest Industries Limited with HSBC Hong Kong. The maximum tenor of term loan is 6 years and it is repayable in 23 equal quarterly installments over the said tenor.

(iii) Term Loan carries rate of interest ranging from 9.60% to 10.25% p.a.

d) Unsecured loan from related party and others are repayable on demand and carries interest rate of 10% p.a

Note 18 : Other financial liabilities	As at March 31, 2020	As at March 31, 2019
Non-current		
Security deposit (refer to note 'a' below) (refer note 33)	80.30	55.13
Total (A)	**80.30**	**55.13**
Current		
Current maturity of long term borrowings	344.80	306.37
Creditors for capital goods	2.25	-
Employee dues	146.46	-
Dues to related party (refer note 33)	46.08	-
Interest accrued and due on borrowings		
- From related parties (refer note 33)	6.71	6.66
- From others	9.71	29.32
- From bank	0.74	1.57
Total (B)	**556.75**	**343.92**
Total (A+B)	**637.05**	**399.05**

a) The Company has determined that its security deposits are not in the nature of borrowings and accordingly have been classified as part of other financial liabilities.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 19 : Provisions	As at March 31, 2020	As at March 31, 2019
Non-current		
- Gratuity (refer note 32)	143.52	127.66
Total (A)	**143.52**	**127.66**
Current		
- Compensated absenses	122.10	99.32
- Gratuity (refer note 32)	12.81	3.15
Provision for income tax [net of advance tax of Nil (March 31, 2019: 5.31)]	-	7.36
Total (B)	**134.91**	**109.83**
Total (A+B)	**278.43**	**237.49**

Note 20 : Trade payables	As at March 31, 2020	As at March 31, 2019
- Outstanding dues to Micro Enterprises and Small Enterprises (refer note 'b' & 'd' below)	3.34	0.96
- Others	259.08	318.29
	262.42	**319.25**

a) Trade payables are non-interest bearing and are normally settled on 60-day terms, except for Micro and Small Enterprises (if any) which are settled within 45 days.

b) As per Schedule III of the Companies Act, 2013 and notification number GSR 719 (E) dated November 16, 2007 and as certified by the management, the amount due to Micro and Small Enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006 is as under:

(All amounts in ₹ lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
- the principal amount (March 31, 2020: ₹ 3.34, March 31, 2019: ₹ 0.61) and the interest (March 31, 2020: Nil, March 31, 2019: ₹ 0.35) due thereon remaining unpaid to any supplier at the end of each accounting year;	3.34	0.96
- 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;	-	-
- 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;	-	-
- the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
- 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.	-	-

c) The amount does not include any amount due to be transferred to Investor Protection and Education fund.

d) Disclosure of payable to vendors as defined under the Micro, Small and Medium Enterprises Development Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act and as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date except disclosed above.

Note 21 : Other liabilities	As at March 31, 2020	As at March 31, 2019
Non-current		
Deferred income on security deposit received	11.04	7.42
Others	1.15	1.15
Total (A)	**12.19**	**8.57**
Current		
Deferred income on security deposit received	71.91	0.99
Statutory dues	51.28	19.99
Advance from customers (refer note 33)	983.30	1,492.93
Total (B)	**1,106.49**	**1,513.91**
Total (A+B)	**1,118.68**	**1,522.48**

Note 22: Deferred tax	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	127.52	141.90
MAT credit entitlement *	-	82.93
Deferred tax liabilities	206.31	155.59
Total deferred tax asset/(liabiities) (net)	**(78.79)**	**69.24**

(All amounts in ₹ lakhs, unless otherwise stated)

Movement in deferred tax liabilities (net)	As at April 01, 2019	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As at March 31, 2020
Deferred tax assets relates to the following:				
Provision for employee benefits	59.83	1.70	1.83	63.36
Deferred income on security deposit received	2.33	18.55	-	20.88
Bought forward losses and unabsorbed depreciation	76.57	(33.93)	-	42.64
Preliminary expenses	1.47	(1.47)	-	-
Others	1.69	(1.05)	-	0.64
	141.89	**(16.20)**	**1.83**	**127.52**
Deferred tax liability relates to the following:				
Property, plant and equipment	125.56	31.59	-	157.15
Others	30.03	19.13	-	49.16
	155.59	**50.72**	**-**	**206.31**
Minimum alternate tax credit*	82.94	82.94	-	-
Total deferred tax assets/(liabilities) (net)	**69.24**	**(149.86)**	**1.83**	**(78.79)**

	As at April 01, 2018	Recognised in Statement of Profit and Loss	Recognised in Statement of Other Comprehensive Income	As at March 31, 2019
Deferred tax assets relates to the following:				
Provision for employee benefits	26.08	33.66	0.09	59.83
Loss allowance for debts and advances	15.26	(15.12)	-	0.14
Deferred income on security deposit received	2.71	(0.52)	-	2.19
Bought forward losses and unabsorbed depreciation	-	76.57	-	76.57
Preliminary expenses	1.56	(0.09)	-	1.47
Others	0.03	1.66	-	1.69
	45.64	**96.16**	**0.09**	**141.89**
Deferred tax liability relates to the following:				
Property, plant and equipment	98.55	27.01	-	125.56
Others	4.17	25.86	-	30.03
	102.72	**52.87**	**-**	**155.59**
Minimum alternate tax credit*	70.26	12.68	-	82.94
Total deferred tax assets/(liabilities) (net)	**13.18**	**55.97**	**0.09**	**69.24**

* The Company has decided to exercise the option permitted under Sector 115BBA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act. 2019. Accordingly. the Company derecognised the MAT credit entitlement of ₹ 82.94 lakhs recorded on MAT paid earlier and re-measured its deferred tax liabilities (net) as at March 31, 2019 and full Impact of this was recognised the Statement of Profit and Loss during the year ended March 31, 2020. The Company has recognised provision for income tax and deferred tax for the year ended March 31, 2020, on the basis of the rate prescribed in the said section.

Note 23 : Revenue from operations	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of services		
- Corporate and sourcing support services (refer note 33)	3,884.18	3,844.74
Sale of products	-	33.13
Other operating income		
- Rental income (refer note 33)	228.25	42.96
Total	**4,112.43**	**3,920.83**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 24 : Other income	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
- On fixed deposits	0.11	0.12
- On loan to related party (refer note 33)	24.57	18.90
Service tax refund	-	18.74
Unwinding of discount on deposits	2.55	2.44
Foreign exchange fluctuation (net)	2.22	-
Loss allowance for Advances and receivables written back	0.55	54.84
Profit on sale of asset	-	0.33
Export incentives	31.39	-
Miscellaneous income (refer note 33)	13.75	-
Total	**75.14**	**95.37**

Note 25 : Purchase of stock in trade	For the year ended March 31, 2020	For the year ended March 31, 2019
Purchase of stock-in-trade	-	29.87
Total	**-**	**29.87**

Note 26 : Employee benefits expense	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus (refer note 33)	2,072.74	2,165.73
Compensated absences (refer note 33)	61.25	29.77
Contribution to provident and other fund *	48.08	42.03
Gratuity expense (refer note 32 and 33)	49.97	46.18
Staff welfare expenses	23.64	29.03
Total	**2,255.68**	**2,312.74**

* Refer note 32

Note 27 : Finance cost	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense		
- on term loans	91.61	121.09
- on unwinding of discount on security deposit received	7.34	-
- on loan from related party (refer note 33)	30.00	30.00
- on loan from others	43.42	44.25
- on MSME	-	0.62
- on vehicle loan	2.07	1.09
Total	**174.44**	**197.05**

Note 28 : Depreciation and amortization expense	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property plant and equipment	172.69	182.62
Depreciation of investment property	40.95	38.64
Amortization of intangible assets	40.34	32.87
Total	**253.98**	**254.13**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 29 : Other expenses	For the year ended March 31, 2020	For the year ended March 31, 2019
Electricity charges	39.16	55.44
Rent	73.16	71.82
Rates and taxes	15.09	16.10
Insurance	12.37	13.71
Repair and maintenance		
- Building	31.94	17.08
- Others	66.87	77.63
Recruitment expense	26.87	-
Security expenses	19.21	17.49
Sampling and designing	34.86	56.35
Advertisement and business promotion	4.62	10.32
Information technology expenses	62.88	60.67
Legal and professional	179.35	105.50
Postage and courier	61.99	58.33
Commission and brokerage	17.96	0.90
Travelling and conveyance	261.17	293.61
Communication costs	32.11	30.60
Printing and stationery	22.45	24.31
Auditor's remuneration (refer note 'a' below)	58.32	20.38
Bad debts written off	0.29	41.34
Foreign exchange fluctuation (net)	-	107.99
Loss on sale of property, plant and equipment	4.95	0.82
Miscellaneous expenses	60.50	76.24
Total	**1,086.12**	**1,156.63**

a) **Details of payment made to auditors is as follows:(excluding taxes)**

	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor:		
- Statutory audit fee	39.00	10.75
- Limited review Fee (including ₹ 7 paid to S.R. Dinodia & Co. LLP)	17.00	-
- Tax audit fee	1.00	2.25
- Reimbursement of expenses	1.32	7.38
Total	**58.32**	**20.38**

Note 30 : Earnings per share (EPS)

Earning per share (EPS) is determined based on the net profit attributable to the shareholder before other comprehensive income. Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year whereas diluted earnings per share is computed using the weighted average number of common and dilutive equivalent shares except for the case where the result becomes anti- dilutive.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to the equity holders	267.50	109.08
Weighted average number of equity shares for basic and diluted EPS	26,046,724	26,046,724
Basic and diluted earnings per share(in ₹) (face value ₹ 10 per share)	**1.03**	**0.42**

(All amounts in ₹ lakhs, unless otherwise stated)

Note 31: Income Tax

Income tax expense in the Statement of Profit and Loss

The major components of income tax expense for the years ended March 31, 2020 and March 31, 2019 are:

Statement of profit and loss:	For the year ended March 31, 2020	For the year ended March 31, 2019
Tax expense:		
a) Current tax	-	12.68
b) MAT credit reversal/ (entitlement)	82.94	(12.68)
c) Deferred tax charge/(credit)	66.91	(43.30)
Income tax expense reported in the Statement of Profit and Loss	**149.85**	**(43.30)**

Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate for March 31, 2020 and March 31, 2019

Particulars		
Accounting profit before tax	**417.35**	**65.78**
At Company's statutory income tax rate of 25.168% (March 31, 2019: 26.00%)	105.04	17.10
MAT credit reversed	82.94	-
Deferred tax impact due to change in tax rate	-	(53.66)
Tax impact on utilisation of bought forward business loss	(33.93)	-
Others	(4.20)	(6.74)
At the effective income tax rate	**149.85**	**(43.30)**

Income tax recognised in other comprehensive income

Deferred tax related to items recognised in OCI during the year:		
Net loss/(gain) on remeasurements of defined benefit plans	1.83	(0.09)
Net amount charged to OCI	**1.83**	**(0.09)**

Note 32 : Employee benefit plans

a) Defined contribution plans

The Company makes contribution towards Employees Provident Fund and Employee's State Insurance scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognised the following amounts in the Statement of Profit and Loss under Company's contribution to defined contribution plans.

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employer's contribution to provident fund/ pension fund	47.75	41.50
Employer's contribution to employee state insurance	0.33	0.53
Total	**48.08**	**42.03**

The contribution payable to these schemes by the Company are at the rates specified in the rules of the schemes.

b) Defined benefit plans

In accordance with Ind AS 19 "Employee benefits", an actuarial valuation on the basis of "Projected unit credit method" was carried out, through which the Company is able to determine the present value of obligations. "Projected unit credit method" recognizes each period of service as giving rise to additional unit of employees benefit entitlement and measures each unit separately to built up the final obligation.

i) Gratuity scheme

The Company has defined benefit gratuity plan. Gratuity is calculated as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination/ resignation. The benefit vests on completing 5 years of service by the employee. The Company makes provision of such gratuity liability in the books of account on the basis of acturial valuation as per projected unit credit method.

c) The following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and amounts recognised in the Balance Sheet for the defined benefit plan (viz. gratuity). These have been provided on accrual basis, based on year end actuarial valuation.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Change in benefit obligation		
1) Opening defined benefit obligation	130.81	47.27
2) Acquisition/(transfer) adjustment*	(26.23)	64.10
3) Add: Interest cost	10.06	8.57
4) Add: Current service cost	39.91	37.61
5) Add: Past Service cost	-	-
6) Less: Benefits paid	(5.50)	(27.10)
7) Add: Actuarial (gain) / loss	7.28	0.36
Present value of obligation as at the end of the year	**156.33**	**130.81**

* During the year, the Company has transferred 38 employees to its Subsidiary Technocian Fashions Private Limited. Consequently, there is a transfer of respective Gratuity liability of the employees to the subsidiary which is shown as transfer adjustment above.

* During the year 2018-19, the Company has acquired 82 employees from branch in India of its step down subsidiary Norwest Industries Limited. Consequently, there is a transfer of respective Gratuity liability of the employees from the step down subsidiary to the Company which is shown as acquisition adjustment above.

d) The Company expects to contribute ₹ 58.29 during the financial year 2020-2021.

e) **The following tables summarise the net benefit expense recognised in the statement of profit and loss :**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Service cost	39.91	37.61
Interest cost	10.06	8.57
Components of defined benefit costs recognised in statement of profit and loss	**49.97**	**46.18**
Actuarial losses on defined benefit plans*	7.28	0.36
Components of defined benefit costs recognised in other comprehensive income	**7.28**	**0.36**
Total	**57.25**	**46.54**

* Transferred to other comprehensive income

f) **Bifurcation of actuarial loss on gratuity:**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Remeasurement due to:		
Effect of change in financial assumptions	12.20	0.11
Effect of change in demographic assumption	(0.08)	(3.23)
Effect of experience adjustment	(4.84)	3.48
Total amount recognised in other comprehensive income	**7.28**	**0.36**

g) **Principal actuarial assumptions at the balance sheet date are as follows:**

Particulars		
Economic assumptions		
1) Discount rate	6.80%	7.69%
2) Future salary growth rate	5.50%	5.50%
Demographic assumptions		
1) Retirement age	58 years	58 years
2) Mortality rate	**Indian Assured Lives Mortality (2012-14) (modified) ultimate**	**Indian Assured Lives Mortality (2006-08) (modified) ultimate**
3) Employee turnover / attrition rate		
Ages up to 30	3.00%	3.00%
Ages from 31-44	2.00%	2.00%
Above 44	1.00%	1.00%

(All amounts in ₹ lakhs, unless otherwise stated)

h) **Net liabilities recognized in the balance sheet for benefit obligation**

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of obligation	156.33	130.81
Less: Fair value of plan assets	-	-
Net liability	**156.33**	**130.81**

i) **A quantitative sensitivity analysis for significant assumption as is as shown below:**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Discount rate		
0.5% increase in discount rate	(7.45)	(6.56)
0.5% decrease in discount rate	8.09	7.11
B. Salary escalation rate		
0.5% increase in salary escalation rate	7.79	6.86
0.5% decrease in salary escalation rate	(7.22)	(6.37)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

Sensitivities due to morality and withdrawals are not expected to be significant.

j) **Description of Risk Exposures:**

Salary Increase	Actual salary increase will increase the defined benefit liability. Increase in salary increase rate assumption in future valuations also increase the liability.
Discount Rate	Reduction in discount rate in subsequent valuations can increase the liability.
Morality and disability	Actual details and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawals rates at subsequent valuations can impact defined benefit liability.

k) The weighted average duration of the defined obligation as at March 31, 2020 on an average is 16.43 years.

l) **Maturity profile of defined benefit obligation is as follows:**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1 year	12.81	3.15
2 to 6 years	37.90	16.76
More than 6 years	105.61	110.90

m) The estimates of future salary increases considered in acturial valuation take account of factors, such as supply and demand in the employment market.

Note 33 : Related Party

a) **List of related parties**

Name of related party	Nature of relationship
Multinational Textiles Group Limited	Wholly owned subsidiary Company
Poeticgem International Limited	Step Down subsidiary Company
Techno Design GMBH	Step Down subsidiary Company
Blue Print Designs Limited	Step Down subsidiary Company
Design Arc Asia Limited	Step Down subsidiary Company
Technocian Fashions Private Limited	Subsidiary Company
Digital Ecom Techno Private Limited	Joint venture
Pearl Global Industries Limited	Enterprise over which KMP exercise control and significant influence.

(All amounts in ₹ lakhs, unless otherwise stated)

Name of related party	Nature of relationship
Mrs. Payal Seth (Director)**	Key Managerial Personnel
Mr. Deepak Seth (Director)	
Mr. Pallak Seth (Director)	
Mr. Ashok Kumar Sanghi (Independent Director)	
Mr. Ashutosh Prabhudas Bhupatkar (Independent Director)	
Ms. Saraswathy Venkateswaran (Independent Director)	
Mr. Ashok Kumar Chhabra (Independent Director)	
Mr. Chandra Shekhar Reddy (Company Secretary)	
Mr. Ajai Singh (Chief Financial Officer)	
Mr. Omprakash Makam Suryanarayan Setty (Chief Executive Officer)	

b) **Transactions with related parties**

Name of Related Party	Relationship	Nature of Transaction	Year ended March 31, 2020	Year ended March 31, 2019
Multinational Textiles Group Limited	Wholly owned subsidiary company	Service income	1,990.28	1,688.11
Poeticgem International Limited	Step down subsidiary company	Service income	81.77	42.70
Techno Design GMBH	Step down subsidiary company	Service income	35.99	533.51
Blue Print Designs Limited	Step down subsidiary company	Service income	160.22	122.27
Design Arc Asia Limited	Step Down Subsidiary Company	Service income	1,224.88	1,182.99
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Interest expense	30.00	30.00
Parc Designs Private Limited *	Subsidiary Company	Investment in shares	-	120.24
		Disinvestment in shares	96.00	-
		Loan given	-	253.50
		Interest income	12.71	18.46
Technocian Fashions Private Limited	Subsidiary Company	Rental income/other charges	50.00	-
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives	Loan given	-	37.00
		Loan received back	-	37.00
		Rental income	0.47	12.00
		Interest income	-	0.43
Mrs. Payal Seth**	Key managerial personnel	Salary	-	21.00
Ashok Kumar Sanghi	Key managerial personnel	Director sitting fees	6.00	2.64
Ashutosh Prabhudas Bhupatkar	Key managerial personnel	Director sitting fees	6.00	1.98
Ashok Kumar Chhabra	Key managerial personnel	Director sitting fees	6.00	2.64
Mr. Chandra Shekar Reddy	Key managerial personnel	Salary	53.47	50.30
	Key managerial personnel	Other employee benefits	10.39	7.32
Mr. Omprakash Makam Suryanarayan Setty	Key managerial personnel	Salary	81.91	81.91
	Key managerial personnel	Other employee benefits	22.52	19.45

* The investment in Parc Design Investment Limited ("Parc Design") has been sold during the year as a result of which the percentage holding has reduced to 19% from 51% in the previous year. The investment was sold on September 30, 2019, post which Parc Design ceased to be a subsidiary of the Company. Consequently, the transactions with Parc Design from the period April 01, 2020 till September 30, 2020 only has been disclosed as related party transactions.

**Mrs. Payal Seth was Managing Director till October 31, 2018 and became Non-Executive Director w.e.f. November 01, 2018

(All amounts in ₹ lakhs, unless otherwise stated)

c) **Year end payable balances of related parties**

Name of Related Party	Relationship	Nature of Transaction	As at March 31, 2020	As at March 31, 2019
Multinational Textile Group Limited	Wholly owned subsidiary company	Advance from customer	667.81	991.45
Design Arc Asia Limited	Step down subsidiary company	Advance from customer	315.50	490.02
Pearl Global Industries Limited	Enterprises owned or significantly influenced by KMP or their relatives	Loan outstanding	300.00	300.00
		Interest accrued	6.71	6.66
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives	Security deposit received	-	12.57
Technocian Fashions Private Limited	Subsidiary company	Security deposit received	25.87	-
		Leave encashment and gratuity transfer	46.08	-
Techno Design GMBH	Step down subsidiary company	Advance from customer	-	11.46

d) **Year end receivable balances of related parties**

Name of Related Party	Relationship	Nature of Transaction	As at March 31, 2020	As at March 31, 2019
Techno Design GMBH	Step down subsidiary company	Accounts receivable	17.83	17.83
Blue Print Designs Limited	Step down subsidiary company	Accounts receivable	27.98	14.23
		Unbilled revenue	1.06	-
Digital Ecom Techno Private Limited	Enterprises owned or significantly influenced by KMP or their relatives.	Accounts receivable	-	1.76
Poeticgem International Limited	Step down subsidiary company	Accounts receivable	5.60	8.39
		Unbilled revenue	0.17	-
Multinational Textile Group Limited	Wholly owned subsidiary company	Unbilled revenue	15.56	-
Design Arc Asia Limited	Step down subsidiary company	Unbilled revenue	17.26	-
Parc Designs Private Limited	Subsidiary Company	Loan outstanding and interest accured	-	270.11

e) **Other transaction**

The Company has taken unsecured loan from bank guaranteed by stand by documentory credit limit of its step down subsidiary namely Norwest Industries Limited - Hong Kong with HSBC Bank.

f) **Terms and conditions of transactions with related parties:** All the transaction with the related parties are made on terms equivalent to those that prevail in arm's length transactions.

Note 34: Capital Management

The Company's objective for managing capital is to ensure:

- ability to continue as a going concern, so that the Company can continue to provide returns to shareholders and benefits for other stakeholders, and
- maintain optimal capital structure to reduce the cost of capital.

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

(All amounts in ₹ lakhs, unless otherwise stated)

The Company monitors capital structure using gearing ratio, which is calculated as under:

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings (refer note 17 and 18)	1,510.98	1,779.96
Less: Cash and Cash Equivalents (refer note 13)	(230.82)	(245.72)
Less: Bank balances other than cash and cash equivalents (refer note 14)	(1.15)	(1.15)
Adjusted net debt (A)	**1,279.01**	**1,533.09**
Equity share capital (refer note 15)	2,604.67	2,604.67
Other equity (refer note 16)	8,502.26	8,240.21
Total capital (B)	**11,106.93**	**10,844.88**
Capital and net debt **(A+B)**	**12,385.94**	**12,377.97**
Gearing ratio (D = A/C)	**10.33%**	**12.39%**

a) No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

b) For the purpose of capital management, capital includes issued equity capital and all other reserves attributable to the equity holders of the Company.

Note 35 : Fair values disclosure

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments,carrying value of financial assets and financial liabilities including trade receivable, cash and cash equivalent, other bank balances, other financial assets, trade payables, borrowings, other financial liabilities etc. represent the best estimate of fair value.

The management assessed that fair value of these financial assets and liabilities significantly approximate their carrying amount.

a) Fair value of financial assets:

Particulars	Carrying values		Fair values	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets measured at amortised cost				
Investment in subsidiary	10,053.00	10,203.25	10,053.00	10,203.25
Security deposits	35.72	42.38	35.72	42.38
Unbilled revenue	34.05	-	34.05	-
Loan receivable	213.50	253.49	213.50	253.49
Deposits with original maturity of more than 12 months	1.00	1.00	1.00	1.00
Interest accrued but not due on fixed deposit	0.41	0.30	0.41	0.30
Interest due on loans	16.42	16.62	16.42	16.62
Trade receivable	79.92	100.51	79.92	100.51
Cash and cash equivalents	230.82	245.72	230.82	245.72
Bank balance other than cash and cash equivalents	1.15	1.15	1.15	1.15
Total (A)	**10,665.99**	**10,864.42**	**10,665.99**	**10,864.42**
Financial assets measured at FVTPL				
Investments	57.00	-	57.00	-
Total (B)	**57.00**	**-**	**57.00**	**-**
Total (A+B)	**10,722.99**	**10,864.42**	**10,722.99**	**10,864.42**

(All amounts in ₹ lakhs, unless otherwise stated)

b) **Fair value of financial liabilities:**

Particulars	Carrying values		Fair values	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial liabilities measured at amortised cost				
Borrowings	1,166.18	1,473.59	1,166.18	1,473.59
Current maturity of long term borrowings	344.80	306.37	344.80	306.37
Trade payables	262.42	319.25	262.42	319.25
Security deposit received	80.30	55.13	80.30	55.13
Interest accrued and due on borrowings	16.42	35.98	16.42	35.98
Interest accrued but not due on borrowings from bank	0.74	1.57	0.74	1.57
Creditor for capital goods	2.25	-	2.25	-
Dues to related party	46.08	-	46.08	-
Employee payable	146.46	-	146.46	-
Total	**2,065.65**	**2,191.89**	**2,065.65**	**2,191.89**

Note 36 : Fair Value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on the fair value measurement is not based on observable market data.

The fair value hierarchy of financial assets and financial liabilities as at March 31, 2020 is as follows

	As at March 31, 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial assets measured at FVTPL				
Investments	57.00	-	-	57.00
Total	**57.00**	**-**	**-**	**57.00**

i) **Valuation technique used to determine fair value:**

Investment in Parc design investment limited: The investment (19%) has been valued at fair value based on exit price as per Ind AS 113, Further, the value of investment is based on a firm commitment by a buyer, secured by an agreement.

ii) There have been no transfers between level 1, level 2 and level 3 category during the years ended on March 31, 2020 and March 31, 2019.

Note 37: Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables, borrowings, current maturity of borrowings, security deposit received, interest accrued, employees payable, dues to related party and capital creditors. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations.

The Company's principal financial assets includes investment in subsidiaries, joint ventures, associates, security deposits, loan receivable, trade receivables, Cash and cash equivalents and other bank balances.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior level personnel oversees the management of these risks.

A. **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 applicable in case of the Company primarily includes interest rate risk and currency risk.

i) **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 relates primarily to the Company's interest bearing debt obligations.

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Variable rate borrowings	755.71	1,020.09
Fixed rate borrowings	755.27	759.87
	1,510.98	**1,779.96**

Particulars	Increase or decrease in basis points	Effect on profit before tax
March 31, 2020		
INR	+50	(4.44)
	-50	4.44
March 31, 2019		
INR	+50	(5.85)
	-50	5.85

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in exchange rates. The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rate, with all other variables held constant.

Particulars	Change in FC exchange rate by	Impact on profit or loss and equity (in lakhs)			
		Increase in FC exchange rates		Decrease in FC exchange rates	
		Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
USD sensitivity	5%	2.63	2.02	(2.63)	(2.02)

B. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in finance loss to the Company. The Company continuously monitors defaults of customers and other counterparties and incorporate this information into its credit risk control. The Company also uses expected credit loss model to assess the impairment loss in trade receivables and makes an allowance of doubtful trade receivables using this model.

i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating. Outstanding customer receivables are regularly monitored.

The ageing analysis of trade receivables as of the reporting date is as follows:

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets is disclosed in note 35. The Company does not hold any collateral as security.

Particulars	Less than 30 days	30 to 90 days	More than 90 days	Total
Trade receivables as of March 31, 2020	62.09	-	17.83	**79.92**
Trade receivables as of March 31, 2019	100.42	0.09	-	**100.51**

'The total impairment loss amounting to Nil (March 31, 2019: ₹ 0.55) on trade receivables.

C. Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, maintain optimum levels of liquidity to meet its cash and collateral requirements. It maintains adequate sources of financing including loans from banks at an optimised cost.

(All amounts in ₹ lakhs, unless otherwise stated)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2020	Less than 12 months	1 to 5 years	> 5 years	Total
Borrowings	1,078.80	432.18	-	1,510.98
Trade payables	262.42	-	-	262.42
Other financial liabilities	211.95		80.30	292.25
Total	**1,553.17**	**432.18**	**80.30**	**2,065.65**

As at March 31, 2019	Less than 12 months	1 to 5 years	> 5 years	Total
Borrowings	1,040.37	739.59	-	1,779.96
Trade payables	319.25	-	-	319.25
Other financial liabilities	37.55		55.13	92.68
Total	**1,397.17**	**739.59**	**55.13**	**2,191.89**

Note 38 : Segment Reporting

In accordance with Accounting Standard Ind As 108 'Operating Segment ', segment information has been disclosed in the consolidated financial statements of PDS Multinational Fashions Limited, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

a. Information about geographical areas

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	228.25	76.09
Outside India	3,884.18	3,844.74
Total	**4,112.43**	**3,920.83**

The Company is domiciled in India and all its non-current assets are located in/relates to India except following:

(i) Investment in foreign subsidiary of ₹ 10,050.25 as at March 31, 2020 (March 31, 2019 : ₹ 10,050.25)

There is 2 customers during year ended March 31, 2020 and 3 customers during year ended March 31, 2019 who has contributed 10% or more to the Company's revenue.

b. Revenue by nature of products / services

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Sale of services		
- Corporate and sourcing services (refer note 33)	3,884.18	3,844.74
Sale of products	-	33.13
Other operating income		
- Rental income (refer note 33)	228.25	42.96
	4,112.43	**3,920.83**

Note 39: Revenue from contracts with customers

(i) Disaggregated revenue information

In the following table, revenue is disaggregated by major products/service lines and timing of revenue recognition:

Particulars	Timing of revenue recognition	Year ended March 31, 2020	Year ended March 31, 2019
Sale of services	Over time	3,884.18	3,844.74
Sale of products	At point in time	-	33.13
Total		**3,884.18**	**3,877.87**

(All amounts in ₹ lakhs, unless otherwise stated)

(ii) Contract balances

Assets and liabilities related to contracts with customers:

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables (refer note 12)	79.92	100.51
Contract asset - Unbilled revenue (refer note 9)	34.05	-
Contract liability - Advance from customers (refer note 21)	983.30	1,492.93

Trade receivables are non-interest bearing and are generally on terms of not more than 60 days. The Company has recognised Nil provision for expected credit loss on trade receivables during the year 2019-20 (2018-19: ₹ 0.55).

Contract assets primarily relate to the Company's right to consideration for work completed but not yet billed at reporting date for services rendered to customers. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Company's obligation to transfer goods or services to customer for which the Company has invoiced the customer or received advances from the customer for rendering of services. Contract liabilities are recognised as revenue as the Company performs under the contract.

Particulars	As at March 31, 2020	As at March 31, 2019
Contract assets at the beginning of the year	-	-
Accrued revenue during the year	34.05	-
Contract assets at the end of the year	**34.05**	**-**
Contract liabilities at the beginning of the year	1,492.93	733.90
Advance received/(adjusted) from customers during the year, net	(509.63)	759.03
Contract liabilities at the end of the year	**983.30**	**1,492.93**
Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
Revenue as per contract	3,884.18	3,877.87
Adjustments	-	-
Revenue from contract with customers	**3,884.18**	**3,877.87**

Note 40 : Leases

a) As a lessee

The Company has adopted Ind AS 116, 'Leases' effective April 01, 2019, using modified retrospective approach. The Company has certain leases of office premises with lease terms of 12 months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases as per Ind AS 116. The adoption of this standard did not have any material impact on these standalone financial statements for the year ended March 31, 2020.

<u>Assets taken on lease</u>

The Company has taken leases for office building. The lease rent paid for short term lease is recognised as an expense in Statement of Profit and Loss.

<u>Short term lease payments:</u>

The expense relating to short term lease payments is ₹ 73.16 (March 31, 2019: ₹ 71.82)

b) As a lessor

The Company has entered into operating leases on its Investment property located at Gurugram. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. refer note 5 for rental income and future minimum rentals receivable under non-cancellable operating leases as at March 31, 2020 and March 31, 2019.

Note 41 : Commitments and Contingencies

a) Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and which have not been provided for in the standalone financial statements amounts to Nil (March 31, 2019: Nil). The Company does not have any other long term commitments or material non cancellable contractual committments which may have a material impact on the standalone financial statements.

(All amounts in ₹ lakhs, unless otherwise stated)

b) **Contingent Liabilities (to the extent not provided for)**

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against company not acknowledged as debt:		
- On account of stamp duty on demerger	148.20	148.20
Disputed liability under income tax (net of ₹ 0.51 paid under protest) (AY 2014 - 2015)	-	2.85
	148.20	**151.05**

(i) Pending resolution of the respective proceedings, the Company is unable to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

c) The Hon'ble Supreme Court of India has passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on February 28, 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier period, the Company has made provision for provident fund contribution from the date of order. The Company will evaluate its position and update provision, if required, after receiving further clarity in this regard.

Note 42: Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Particulars	As at March 31, 2020	As at March 31, 2019
a) Investments in subsidiaries and associates		
- Investment in wholly owned subsidiary : Multinational Textile Group Limited	10,050.25	10,050.25
- Investment in Subsidiary : Technocian Fashions Private Limited	2.75	-
- Investment in Subsidiary : Parc Designs Private Limited (Upto 30 September 2019) *	-	153.00
b) Loan to: Parc Designs Private Limited		
Balance as at the year end (including interest outstanding) *	-	270.11

* The investment in Parc Design Investment Limited ("Parc Design") has been sold during the year as a result of which the percentage holding has reduced to 19% from 51%. The investment was sold on September 30, 2019, post which Parc Design ceases to be a related party to the Company.

Note 43: The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company regularly updates the documentation for the International transactions entered into with the associated enterprises during the period as required under law. The Management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note 44: No material events have occurred between the balance sheet date to the date of issue of these standalone financial statements that could affect the values stated in the standalone financial statements as at March 31, 2020.

Note 45: Figures have been rounded off to the nearest lakhs except otherwise stated.

Note 46: The previous year's figure have been regrouped/rearranged wherever necessary, to make them comparable to those of the current year.

(All amounts in ₹ lakhs, unless otherwise stated)

Note 47: Covid-19

With the onset of Covid-19 since the beginning of the year 2020 which was declared to be a pandemic by World Health Organisation in March 2020, the Group's businesses across the globe was impacted with lockdown in most of the markets. Consequently, the Company's business was also impacted as the Company is enagaged in providing corporate and support services to its group companies on a cost plus basis. The Company has assessed the impact of this pandemic on its standalone business operations and has considered relevant internal business projections and cash flows and external information available up to the date of approval of these standalone financial statements. The impact of this pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Company's standalone financial statements, which may differ from that considered as at the date of approval of these standalone financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business and believes that it has sufficient funds to operate for the next 12 months.

Note 48 : These standalone financial statements of the Company for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on July 10, 2020.

For Walker Chandiok & Co. LLP
Chartered Accountants
Firm's Registration Number: 001076N/N500013

Aasheesh Arjun Singh
Partner
Membership Number: 210122

Bengaluru
July 10, 2020

For and on behalf of Board of Directors of PDS Multinational Fashions Limited

Payel Seth
Director
DIN: 00003035

Deepak Seth
Director
DIN: 00003021

Omprakash Makam S. Setty
Chief Executive Officer

Ajai Singh
Chief Financial Officer

B. Chandra Sekhara Reddy
Company Secretary
M. No. A14609

Bengaluru
July 10, 2020