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INDEPENDENT AUDITORS' REPORT

To the Members of Vaibhav Lifestyle Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Vaibhav Lifestyle Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021 and loss and other comprehensive income/loss, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

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

Other Information

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

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the period ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current period is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549
ICAI UDIN: 21094549AAAADJ9207

Place: Gurugram
Date: 05 July 2021

Annexure A referred to in the Independent Auditor’s Report to the members of Vaibhav Lifestyle Limited on the financial statements for the period ended 31 March 2021

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment).

(b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable included in property, plant and equipment.

(ii) The inventories have been physically verified, at reasonable intervals by management during the period. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. The discrepancies noted on verification between the physical stock and the book records were not material.

(iii) According to information and explanation to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us, and on the basis of our examinations of the records of the Company, there were no loans, investments, guarantee and securities, where provision of section 185 and 186 of the Act were required to be complied with. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of section 73 to 76 of the Act, any other relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of activities undertaken by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employee state insurance, income-tax, duty of customs, goods and services tax and other statutory dues to the extent applicable have generally been deposited during the current period by the Company with the appropriate authorities. As explained to us, the provisions relating to sales tax, service tax, duty of excise, value added tax and cess are not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee state insurance, income-tax, duty of customs, goods and services tax, and other statutory dues to the extent applicable were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no disputed dues of income tax, goods and services tax and duty of customs which have not been deposited by the Company with the appropriate authorities on account of any dispute as at 31 March 2021

(viii) According to the information and explanation given to us, the Company did not have any loans or borrowings from banks or financial institutions or government or any dues to debenture holders during the period.

(ix) In our opinion and according to the information and explanations given to us, the Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loans during the period. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period.

(xi) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) The provisions of Section 177 of the Act read with Rule 4 of The Companies (Appointment and Qualifications of Directors) Rules, 2014, are not applicable to the Company. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the transactions entered into by the Company with the related parties are in compliance with Section 188 of the Act, where applicable and have been disclosed in the accompanying financial statements of the Company in accordance with the applicable accounting standards.

(xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of its shares or fully or partly convertible debenture during the period. Accordingly, paragraph 3(xiv) of the order is not applicable to the Company.

(xv) According to information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner
Membership number: 094549
ICAI UDIN: 21094549AAAADJ9207

Place: Gurugram
Date: 05 July 2021

Annexure B to the Independent Auditors' report on the financial statements of Vaibhav Lifestyle Limited for the period ended 31 March 2021.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Vaibhav Lifestyle Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For B S R & Co. LLP
Chartered Accountants
ICAI Firm's Registration No. 101248W/W-100022

Rajiv Goyal
Partner
Membership No. 094549
ICAI UDIN: 21094549AAAADJ9207

Place: Gurugram
Date: 05 July 2021

Vaibhav Lifestyle Limited (CIN: U17299RJ2020PLC072409)
Balance Sheet as at 31 March 2021
(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	Note No.	31 March 2021
ASSETS		
Non-current assets		
Property, plant and equipment	4A	3.17
Capital work in progress	4B	2.54
Intangible assets	4C	0.61
Financial assets		
Others	5	1.50
Total non-current assets		**7.82**
Current assets		
Inventories	6	71.94
Financial assets		
Trade receivables	7	61.87
Cash and cash equivalents	8	7.15
Loans	9	0.02
Other current assets	10	16.57
Total current assets		**157.55**
Total assets		**165.37**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	11A	5.00
Other equity	11B	(14.00)
Total equity		**(9.00)**
Liabilities		
Current liabilities		
Financial liabilities		
Borrowings	12	112.00
Trade payables	13	
- total outstanding dues of micro enterprises and small enterprises		10.97
- total outstanding dues of creditors other than micro enterprises and small enterprises		31.66
Other financials liabilites	14	18.72
Other current liabilities	15	1.02
Total current liabilities		**174.37**
Total liabilities		**174.37**
Total equity and liabilities		**165.37**
Significant accounting policies	**3**	

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.: 101248W/W-100022

Rajiv Goyal
Partner
Membership No. : 094549
Place: Gurugram
Date: 5 July 2021

For and on behalf of the Board of Directors of
Vaibhav Lifestyle Limited

Manoj Jain
Director
DIN Number: 08984861
Place: Jaipur
Date: 5 July 2021

Vineet Ganeriwala
Director
DIN Number: 00995965
Place: Jaipur
Date: 5 July 2021

Vaibhav Lifestyle Limited (CIN: U17299RJ2020PLC072409)
Statement of Profit and Loss for the period 05 December 2020 to 31 March 2021
(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	**Note No.**	**For the period 05 December 2020 to 31 March 2021**
Revenue from operations	16	78.78
Other income	17	1.32
Total income		**80.10**
EXPENSES		
Cost of material consumed	18	52.02
Purchases of Stock-in-trade	19	18.06
Changes in inventories of finished goods, stock-in-trade and work-in-progress	20	(48.51)
Employee benefits expense	21	16.29
Finance costs	22	1.43
Depreciation and amortisation expense	23	0.02
Other expenses	24	54.79
Total expense		**94.10**
Loss before tax		**(14.00)**
Tax expense	25	
Current tax		-
Deferred tax		-
		-
Loss for the period		**(14.00)**
Total comprehensive loss for the period		**(14.00)**
Loss per equity share	26	
Basic and diluted		(28.00)
Significant accounting policies	**3**	

The accompanying notes are an integral part of the financial statements

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Vaibhav Lifestyle Limited

Rajiv Goyal
Partner
Membership No. : 094549
Place: Gurugram
Date: 5 July 2021

Manoj Jain
Director
DIN Number: 08984861
Place: Jaipur
Date: 5 July 2021

Vineet Ganeriwala
Director
DIN Number: 00995965
Place: Jaipur
Date: 5 July 2021

Vaibhav Lifestyle Limited (CIN: U17299RJ2020PLC072409)
Cash Flow Statement for the period 05 December 2020 to 31 March 2021
(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

Particulars	For the period 05 December 2020 to 31 March 2021
A Cash flow from operating activities	
Loss for the year	(14.00)
Adjustment for :	
Depreciation and amortisation expense	0.02
Unrealised foreign exchange difference (net)	(1.05)
Finance costs	1.43
Operating loss before working capital changes:	**(13.60)**
Working capital adjustments :	
(Increase) / decrease in trade receivable	(60.82)
(Increase) / decrease in inventories	(71.94)
(Increase) / decrease in other assets	(18.09)
Increase / (decrease) in trade payables, provisions, other current liabilities	59.12
Net cash used in operating activities (A)	**(105.33)**
B Cash flow from investing activities	
Purchase of property, plant and equipment and intangible assets	(3.09)
Net cash used in investing activities (B)	**(3.09)**
C Cash flow from financing activities	
Proceeds from issue of share capital	5.00
Proceeds from short term borrowings	112.00
Interest paid	(1.43)
Net cash generated from financing activities (C)	**115.57**
Net increase in cash and cash equivalents (A+B+C)	**7.15**
Closing balance of cash and cash equivalents	**7.15**
Cash and cash equivalents comprises	
Cash on hand	0.42
Balance with bank in current accounts	6.73
	7.15

Significant accounting policies **3**

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

Significant accounting policies

1. The Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS-7 "Statement of Cash Flows", as specified under section 133 of the Companies Act, 2013.

2. Change in financial liabilities arising from financial activities

Particulars	for the period 05 December 2020 to 31 March 2021
Movement in short term borrowings	112.00
Closing balance of short term borrowings	112.00

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Vaibhav Lifestyle Limited

Rajiv Goyal
Partner
Membership No. : 094549
Place: Gurugram
Date: 5 July 2021

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Director
DIN Number: 08984861
Place: Jaipur
Date: 5 July 2021

Vineet Ganeriwala
Director
DIN Number: 00995965
Place: Jaipur
Date: 5 July 2021

Vaibhav Lifestyle Limited (CIN: U17299RJ2020PLC072409)
Statement of changes in equity for the period 05 December 2020 to 31 March 2021
(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

A Equity share capital:

Equity shares of Rs.10 each issued, subscribed and fully paid	**for the period 05 December 2020 to 31 March 2021**	
	No. of shares	**Amount**
Shares issued during the period	50,000	5.00
Balance at the end of the period	**50,000**	**5.00**

B Other equity:

Particulars	**for the period 05 December 2020 to 31 March 2021**	
	Retained earnings	**Total**
Loss for the period	(14.00)	(14.00)
Other comprehensive income / loss	-	-
Total comprehensive loss	**(14.00)**	**(14.00)**
Balance as at 31 March 2021	**(14.00)**	**(14.00)**

Significant accounting policies **3**

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

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Vaibhav Lifestyle Limited

Rajiv Goyal
Partner
Membership No. : 094549
Place: Gurugram
Date: 5 July 2021

Manoj Jain
Director
DIN Number: 08984861
Place: Jaipur
Date: 5 July 2021

Vineet Ganeriwala
Director
DIN Number: 00995965
Place: Jaipur
Date: 5 July 2021

1. Reporting entity

Vaibhav Lifestyle Limited (hereinafter referred to as 'the Company' or 'VLL') is a company domiciled in India, with its registered office situated at K-6B, Fateh Tiba, Adarsh Nagar, Jaipur - 302004. The Company was incorporated on 05 December 2020 under the provisions of Indian Companies Act. The Company is a subsidiary of Vaibhav Global Limited ("VGL"). The Company deals in Garments & textile products.

2. Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on XX July 2021.

Details of the Company's accounting policies are included in Note 3.

b. Functional and presentation currency

The financial statements are presented in Indian Rupees (Rs.) which is also the Company's functional currency. All amounts have been rounded off to the nearest lacs, except share data and as stated otherwise.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities -	Fair value

d. Use of estimates and judgements.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

e. Measurement of fair value

The Company records certain financial assets and liabilities at fair value on a recurring basis.

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

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

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

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

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

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

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

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

In accordance with Ind AS 113, assets and liabilities are to be measured based on the following valuation techniques:

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting methodology.

c) Cost approach – Replacement cost method.

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

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

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 33 and 34 – financial instruments

f. Current and non-current classification

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3. Significant accounting policies

a. Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in Statement of Profit and Loss.

b. Financial Instruments

i. Recognition and initial measurement

Trade receivables issued 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 or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost; and
- 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.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition

Financial assets: subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

iii. De-recognition

Financial assets

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

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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

iv. Offsetting

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

c. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

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

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the Statement of Profit and Loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	**Estimated useful life (in years)**	**Useful life as per schedule II (in years)**
Plant and machinery	15	15
Furniture and fixtures	10	10

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

d. Intangible assets

i. Recognition and measurement

Intangible assets include computer software. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in Statement of Profit and Loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	**Estimated useful life (in years)**
Computer software	3-5

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realisable value or cost whichever is lower. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The comparison of cost and net realisable value is made on an item-by-item basis.

Identification of a specific item and determination of estimated net realizable value involve technical judgments of the management which is also supported by valuation from an independent valuer, wherever required.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

f. Impairment

i. Impairment of financial instruments

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, andtrade receivables,. The cash resources of the Company are invested in banks and liquid funds after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company follows 'simplified approach'. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the Statement of Profit and Loss. This amount is reflected in a separate line in the Statement of Profit and Loss as an impairment gain or loss. In balance sheet ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

g. Employee benefits

i. Short-term employee benefits

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

ii. Defined contribution plans

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

h. Provision (other than for employee benefits)

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, and commitments are reviewed at each balance sheet date.

i. Revenue

Sale of products

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, expected returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from net revenue in the Statement of Profit and Loss.

Other operating revenues

Duty benefits are recognized on accrual basis and when the right to entitlement has been established.

j. Recognition of interest income or expense

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

k. Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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 accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the leases if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and Statement of Profit and Loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in Statement of Profit and Loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

l. Tax Expense

Tax expenses comprises current and deferred tax.

i. Current tax

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

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

ii. Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously**.**

m. Goods and services tax (GST)

Expenses and assets are recognised net of the amount of sales/ value added taxes/ goods and services tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and

- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

n. Borrowing cost

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

o. Cash and short-term deposits

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value.

p. Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the parent company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

q. Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The 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 / period, are described below. The Company based its assumptions and estimates on parameters available when the 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. Such changes are reflected in the assumptions when they occur.

4A Property, plant and equipment

Reconciliation of carrying amount

Particulars	Plant and equipment	Furniture and fixtures	Total
Cost or deemed cost			
Additions during the period	2.80	0.39	3.19
Balance as at 31 March 2021	**2.80**	**0.39**	**3.19**
Accumulated depreciation			
Depreciation charge for the period *	0.02	-	0.02
Balance as at 31 March 2021	**0.02**	**-**	**0.02**
Carrying amount (net)			
Balance as at 31 March 2021	**2.78**	**0.39**	**3.17**

* The total amount of depreciation on furniture and fixtures for the period is Rs. 181. However,for reporting purpose rounded upto Rs. 0.00 Lacs

4B Capital work in progress

Reconciliation of carrying amount

Particulars	Capital work in progress
Additions during the period	2.54
Balance as on 31 March 2021	**2.54**

4C Intangible assets

Reconciliation of carrying amount

Particulars	Softwares
Cost or deemed cost	
Additions during the period	0.61
Balance as at 31 March 2021	**0.61**
Accumulated amortisation	
Amortisation charge for the period *	-
Balance as at 31 March 2021	**-**
Carrying amount (net)	
Balance as at 31 March 2021	**0.61**

* The total amount of amortisation charge for the period is Rs. 402. However,for reporting purpose rounded upto Rs. 0.00 Lacs

5 Financial assets - Non- Current - Others

Particulars	31 March 2021
Security deposits, unsecured and considered good	1.50
	1.50

6 Inventories

Particulars	31 March 2021
Raw material	20.65
Semi finished goods	16.69
Finished goods	31.82
Stores and consumables	2.78
Total inventories at the lower of cost and net realisable value	**71.94**

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

7 Financial assets - Trade receivables

Particulars	31 March 2021
Current	
Unsecured, considered good	61.87
	61.87

8 Financial assets - cash and cash equivalents

Particulars	31 March 2021
Cash and cash equivalents	
Balances with bank:	
- Balances with bank - current account	6.73
Cash on hand	0.42
	7.15

9 Financial assets - loans

Particulars	31 March 2021
Current	
Other receivables	0.02
	0.02

10 Other current assets

Particulars	31 March 2021
Unsecured, considered good	
Advances other than capital advances	
Advance to suppliers	5.54
Others	
Balances with tax authorities	9.10
Prepaid expenses	0.15
Other receivables	1.78
	16.57

11A Equity share capital

Particulars	31 March 2021
Authorised shares	
20,000,00 equity shares of Rs. 10 each	200.00
	200.00
Issued, subscribed and fully paid-up shares	
50,000 equity shares of Rs. 10 each	5.00
Total issued, subscribed and fully paid-up share capital	**5.00**

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

a) Reconciliation of the number of shares outstanding at the end of the reporting period.

Equity shares of Rs. 10 each issued, subscribed and fully paid	31 March 2021	
	No. of shares	Amount
Shares issued during the period	50,000	5.00
Balance at the end of the period	**50,000**	**5.00**

b) Terms / rights attached to equity shares

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

c) Details of shareholding more than 5% shares in the Company

	31 March 2021	
Name of the shareholder	**% of Holding**	**No. of shares**
Vaibhav Global Limited along with 4 nominees	75.00%	37,500
Manoj Jain and Vandana Jain	25.00%	12,500

d) Vaibhav Global Limited is the Immediate Holding Company of the Company and Brett Enterprises Private Limited is the Ultimate Holding Company.

e) There are no bonus shares, shares issued for consideration other than cash or shares bought back during the period.

11B Other equity

Particulars	31 March 2021
Retained earnings:	
Net loss for the period	(14.00)
Closing balance	**(14.00)**

11C Nature of reserve

a. Retained earnings

Retained earnings comprises of undistributed earnings after taxes.

12 Borrowings

Particulars	31 March 2021
Loan from Related parties	
Unsecured loan from Immediate Holding Company	112.00
	112.00

13 Trade payables

Particulars	31 March 2021
Trade payables	
- Total outstanding dues of micro enterprises and small enterprises (refer note 30)	10.97
- Total outstanding dues of creditors other than micro enterprises and small enterprises	31.66
	42.63

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Notes to financial statements for the period 05 December 2020 to 31 March 2021
(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

14 Other financial liabilities

Particulars	31 March 2021
Employee benefit payables	5.26
Capital creditors	3.25
Other payables	10.21
	18.72

15 Other current liabilities

Particulars	31 March 2021
Statutory dues payable	1.02
	1.02

16 Revenue from operations

Particulars	For the period 05 December 2020 to 31 March 2021
Sale of products	77.00
Other operating revenues	1.78
	78.78

17 Other income

Particulars	For the period 05 December 2020 to 31 March 2021
Foreign exchnage gain (net)	1.32
	1.32

18 Cost of material consumed

Particulars	For the period 05 December 2020 to 31 March 2021
Purchases during the period	72.67
	72.67
Less: Raw material at the end of the period	(20.65)
	52.02

19 Purchases of stock-in-trade

Particulars	For the period 05 December 2020 to 31 March 2021
Purchases of stock-in-trade	18.06
	18.06

20 Changes in inventories of finished goods, stock-in-trade and work in progress

Particulars	For the period 05 December 2020 to 31 March 2021
Inventory at the end of the period	
Semi finished goods	16.69
Finished goods *	31.82
	48.51
	(48.51)

* Include stock-in-trade, since they are stocked together

21 Employee benefits expense

Particulars	For the period 05 December 2020 to 31 March 2021
Salaries and wages	14.72
Contribution to provident and other funds	1.04
Staff welfare expenses	0.53
	16.29

22 Finance costs

Particulars	For the period 05 December 2020 to 31 March 2021
Interest on debts and borrowings	1.42
Other borrowing costs	0.01
	1.43

23 Depreciation and amortisation expense

Particulars	For the period 05 December 2020 to 31 March 2021
Depreciation of property, plant and equipment	0.02
Amortisation of intangible assets *	-
	0.02

* The total amount of amortisation charge for the period is Rs. 402. However,for reporting purpose rounded upto Rs. 0.00 Lacs

24 Other expenses

	Particulars	For the period 05 December 2020 to 31 March 2021
a	**Manufacturing and direct expenses**	
	Job work charges	24.83
	Stores and consumables	0.68
	Power and fuel	1.15
	Repair and maintenance- machinery	0.16
	Other manufacturing and direct expenses	1.05
		27.87
b	**Administrative and selling expenses**	
	Rent	3.40
	Rates and taxes	3.16
	Insurance	0.01
	Travelling and conveyance	0.33
	Legal and professional fees (refer note 24A)	1.20
	Payment to auditor for statutory audit	1.50
	Repairs and maintenance - others	0.01
	Advertising and sales promotion	0.42
	Packing and forwarding	15.45
	Postage and telephone	0.05
	Printing and stationery	0.12
	Security expenses	0.48
	Information technology expenses	0.08
	Miscellaneous expenses	0.71
		26.92
		54.79

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

25 Tax expense

(a) Tax expense charged to statement of profit or loss

Particulars	**For the period 05 December 2020 to 31 March 2021**
Current tax	-
Deferred tax	-
	-

(b) Reconciliation of effective tax rate

Particulars	**For the period 05 December 2020 to 31 March 2021**
Loss before tax	(14.00)
Enacted tax rate	17.16%
Tax expense as per statutory income tax rate	(2.40)
Less: Deferred tax asset not recognised (refer below note)	2.40
Income tax reported in statement of profit and loss and effective tax rate	**-**

As at 31 March 2021, the Company has unabsorbed business losses and depreciation as per Income Tax Act, 1961. In the absence of probable certainty of sufficient future taxable profits, deferred tax assets has been recognised only to the extent of deferred tax liability.

26 Loss per share

	Particulars	**For the period 05 December 2020 to 31 March 2021**
A	**Basic and diluted loss per share**	
	The calculation of loss attributable to equity shareholders and weighted average numbers of equity shares outstanding for purpose of basic and diluted loss per share calculation are as follows-	
i.	Loss for the period, attributable to equity holders	-14.00
ii.	Weighted average number of equity shares for basic and diluted EPS	50,000
	Weighted average number of equity shares	50,000
iii.	**Basic and diluted loss per share**	**(28.00)**

27 Employee benefit obligation

Defined contribution plan

The Company has recognised the following amount in the Statement of profit and loss:

Particulars	**For the period 05 December 2020 to 31 March 2021**
Employer's contribution to employee's provident fund	0.86
Employer's contribution to employee's state insurance	0.17
	1.03

28 The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021.

29 Segment reporting

The Company is engaged in business of Lifesyle products, which constiute a single business segment, accordingly, disclosure requirements of Ind AS 108, "Operating Segments" are not required to be given.

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

30 Dues to micro and small suppliers

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the said Memorandum. Accordingly, the disclosures in below respect of the amounts payable to such enterprises as at the year-end has been made based on information received and available with the Company.

S. No.	Particulars	31 March 2021
i)	The principal amount and the interest due thereon remaining unpaid to any supplier at the end of accounting year; - Principal amount - Interest thereon	 10.97 Nil
ii)	the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil
iii)	the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	Nil
iv)	The amount of interest accrued and remaining unpaid at the end of accounting year; and	Nil
v)	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil

31 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and the market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders. The board of directors seeks to maintain a balance between the higher returns that might be possible with the higher level of borrowings and the advantages and security afforded by a sound capital position. The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing short term borrowing less cash and cash equivalents. Adjusted equity comprises of all components of equity. The Company's adjusted net debt to equity ratio as at 31 March 2021 is as follows:

Particulars	**31 March 2021**
Borrowings (refer note 12)	112.00
Cash and cash equivalents (refer note 8)	(7.15)
Net debt	**104.85**
Equity share capital (refer note 11A)	5.00
Other equity (refer note 11B)	(14.00)
Net debt to equity ratio	**(9.00)**
Net debt to equity ratio	**-1165.00%**

32 Related party transactions

Ultimate Holding Company
Brett Enterprises Private Limited

Immediate Holding Company
Vaibhav Global Limited

Non -Executive Directors
Mr. Vineet Ganeriwala
Mr. Raj Kumar Singh

Executive Directors
Mr. Manoj Kumar Jain

Fellow subsidiary entities
Shop TJC Limited, UK
Shop LC Global Inc., USA
Shop LC GmbH, Germany

Enterprise over which director has significant influence
Uma enterprises

(All amount in lacs of Indian Rupees, except share data and as stated otherwise)

32 Related party transactions (Continued)

Details of related party transactions and balances at period end:

Particulars	Holding Company	Enterprise over which director has significant influence	Fellow subsidiary entities		
	Vaibhav Global Limited	Uma Enterprises	Shop TJC Limited	Shop LC Global Inc.	Shop LC GmbH
Transactions during the period:					
Sale of goods	-		13.53	52.63	3.78
Purchase of goods	-	24.72	-	-	-
Expenses reimbursement	5.69	-	-	-	-
Interest expenses	1.42	-	-	-	-
Borrowing taken	112.00	-	-	-	-
Balances as at period end:					
Amount receivable (net)	-	3.29	13.74	37.16	3.76
Amount payable (net)	6.28	-	-	-	-
Borrowings from immediate Holding Company	112.00	-	-	-	-

Details of related party transactions with director:

Type of transaction	Mr. Manoj Kumar Jain
Transaction during the period :	
Remuneration	3.62

33 Fair value measurements

(i) Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at 31 March 2021	Note No.	FVTPL	FVTOCI	Amortised cost	Total carrying value
Financial assets					
Cash and cash equivalents	8	-	-	7.15	7.15
Loans- current	9	-	-	0.02	0.02
Trade receivables	7	-	-	61.87	61.87
Other non current financial asset	5	-	-	1.50	1.50
		-	**-**	**70.54**	**70.54**
Financial liabilities					
Borrowings- current	12	-	-	112.00	112.00
Trade payables	13	-	-	42.63	42.63
Other financial liabilities	14	-	-	18.72	18.72
		-	**-**	**173.35**	**173.35**

34 Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 5,7,8,9,12,13 and 14.

Risk management framework

Company is being driven by the market forces, its businesses are subject to several risks and uncertainties including financial risks. The Company's documented risk management policies act as an effective tool in mitigating the various financial risks to which the business is exposed to, in the course of their daily operations. The risk management policies cover areas around all identified business risks including commodity price risk, foreign exchange risk etc., Risks are identified through a formal risk management programme with active involvement of senior management personnel and business managers. The Company has in place risk management processes in line with the Company's policy. Each significant risk has an owner, who coordinates the risk management process.

The risk management framework aims to:
- Better understand our risk profile;
- Understand and better manage the uncertainties which impact our performance;
- Contribute to safeguarding Company value and interest of various stakeholders;
- Ensure that sound business opportunities are identified and pursued without exposing the business to an unacceptable level of risk;
- Improve compliance with good corporate governance guidelines and practices as well as laws & regulations; and
- Improve financial returns

Treasury management
Treasury management focuses on capital protection, liquidity maintenance and yield maximization. The treasury operates as per the delegation of authority from the Board. Day-to-day treasury operations are managed by Company's finance team. Long-term fund raising including strategic treasury initiatives are handled by a Treasury team. A monthly reporting system exists to inform senior management of investments, debt, currency and interest rate derivatives. The Company has a strong system of internal control which enables effective monitoring of adherence to Company's policies.

Commodity price risk
Fluctuation in commodity price in market affects directly or indirectly the price of raw material and components used by the Company. The Company sells its products mainly to its Group Companies whereby there is a regular negotiation / adjustment of prices on the basis of changes in the commodity prices.

Financial risk
The Company's Board approved financial risk policies comprise liquidity, currency, interest rate and counterparty risk. The Company does not engage in speculative treasury activity but seeks to manage risk and optimize interest through proven financial instruments.

34 Financial risk management objective and policies (Contd..)

Liquidity

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects. The Company is not able to generate sufficient cash flows from the current operations and therefore obtained short term borrowings from the Immediate Holding Company.

Financial liabilities	As at 31 March 2021			
	< 1 year	1-3 Years	> 3 Years	Total
Current borrowings	112.00	-	-	**112.00**
Trade and other payables	42.63	-	-	**42.63**
Other financials liabilities	18.72	-	-	**18.72**
Total	**173.35**	**-**	**-**	**173.35**

Foreign exchange risk

The Company operates internationally and exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollar and GBP. The Company is subject to the risk that changes in foreign currency values impact the Company exports revenue.

The exchange rate between Indian Rupee and foreign currencies has impact on results of the Company's operations. Consequently, the results of the Company's operations get effected as the Rupee appreciates/depreciates against these foreign currencies.

Particulars	31 March 2021		
	USD	GBP	EURO
Financial assets	37.16	13.74	3.76

Foreign currency sensitivity

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure with a simultaneous parallel foreign exchange rates shift in the currencies by 5% against the functional currency of the Company. A 5% appreciation / depreciation of the respective foreign currencies with respect to the functional currency would result in net decrease / increase in the Company's profit or loss and equity for the fiscal year 2021 by Rs. 2.73 lacs.

Trade Receivable

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. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale or end-user customer, their geographic location, trade history with the Company. An impairment analysis is performed on an individual basis for customers. The calculation is based on historical experience/ current facts available in relation to default and delays in collection thereof.

Concentration of credit risk with respect to trade receivables are limited. The management historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets. Refer note 7 for exposure to trade receivables and note 3 for accounting policy on financial instruments.

Financial assets other than trade receivables

With regards to other financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from which these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for excepted credit loss has been provided on these financial assets. Defined limits are in place for exposure to individual counterparties in case of mutual funds schemes. The carrying value of other financial assets other than cash and bank represents the maximum credit exposure. The Company's maximum exposure to credit risk at 31 March 2021 is Rs. 1.81 lacs.

35 Subsequent to the year end, the Board of Directors in their meeting held on 29 April 2021 have approved the issue of 550,000 shares having face value of Rs. 10 each to the existing shareholders. Accordingly the Company has issued the said shares to the shareholders in their existing ratio.

36 The Company was incorporated on 05 December 2020 and hence, the financial statements pertain to the period from 05 December 2020 to 31 March 2021. Being the first year of incorporation previous year figures are not available.

As per our attached report of even date

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Vaibhav Lifestyle Limited

Rajiv Goyal
Partner
Membership No. : 094549
Place: Gurugram
Date: 5 July 2021

Manoj Jain
Director
DIN Number: 08984861
Place: Jaipur
Date: 5 July 2021

Vineet Ganeriwala
Director
DIN Number: 00995965
Place: Jaipur
Date: 5 July 2021