

INDEPENDENT AUDITOR'S REPORT

To The Members of CREDO BRANDS MARKETING PRIVATE LIMITED Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of CREDO BRANDS MARKETING PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and its cash flows for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Financial Statements

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 financial 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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.

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

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

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 Section 143(3) of the Act, based on our audit 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 and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

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



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- i. The Company has disclosed the impact of pending litigations on its financial position in 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. A) The Management has represented that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities.

B) The Management has represented, that, to the best of it's knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities.

C) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Mr. Joe Pretto
(Partner)

(Membership No. 77491)
(UDIN: 22077491AWSISL1087)

Mumbai, 29 September, 2022



ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Credo Brands Marketing Private Limited ("the Company") as of 31 March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". 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.

Auditor's Responsibility

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2022, based on "the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For Deloitte Haskins and Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W-100018)



Joe Pretto
(Partner)
(Membership No. 77491)
(UDIN: 22077491AWSISL1087)

Mumbai, 29 September , 2022



ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that;

- i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and capital work in progress.
B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the Property, Plant and Equipment, capital work-in-progress, were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification

(c) Based on our examination of the registered sale deeds provided to us, we report that, the title deeds of all the immovable properties, other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company disclosed in the financial statements included in property, plant and equipment are held in the name of the Company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories (except for goods-in-transit) were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the monthly statements comprising (stock statements, book debt statements and other stipulated financial information) filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

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(iii) (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) of the Order is not applicable.

(b) The terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) In respect of loans granted and advances in the nature of loans provided by the Company, there is no amount overdue for more than 90 days at the balance sheet date.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under clause (iv) of the Order is not applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. We have been informed that the provisions of the Central Sales Tax Act 1956, Maharashtra Value Added Tax 2002, and the Central Excise Act 1944 are not applicable to the Company.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Custom Duty, cess and other material statutory dues in arrears as at 31 March, 2022 for a period of more than six months from the date they became payable except for :



Name of Statute	Nature of Dues	Period for which the amount relates	Amount (Rs)	Due Date	Date of Payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	FY 2018-19 to FY 2019-20 FY 2021-22	77,961	Various Dates (15th of every month starting from April 2018)	Not Paid
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	FY2021-22	37,500	15-June-2021	29-July-2022
Professional Tax	Professional Tax	FY 21-22	22,197	Various Date	Various Date

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March, 2022 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the Amount Relates	Forum where Dispute is Pending
Income Tax Act 1961	Income Tax	3,91,509	FY 2019	IT CPC (Central Processing Center)
Income Tax Act 1961	Income Tax	28,21,670	FY 2015-16	NFAC (National Faceless Appeal Center)

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

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- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31 March, 2022.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Company is not a part of a Group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

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- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Mr. Joe Pretto
(Partner)

(Membership No. 77491)
(UDIN: 22077491AWSISL1087)

Mumbai, 29 September, 2022



CREDO BRANDS MARKETING PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH 2022

(Figures in Crores)

	Note No.	As at 31 March 2022	As at 31 March 2021
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	3.19	3.19
(b) Reserves and Surplus	4	235.48	194.80
(2) Non-Current Liabilities			
(a) Long Term Borrowings	5	10.08	13.40
(b) Long Term Provisions	6	3.54	4.23
(c) Other Non-current liabilities	7	31.65	28.15
(3) Current Liabilities			
(a) Short-Term Borrowings	8	3.32	1.76
(b) Trade Payables:	9		
(i) Total outstanding dues of micro enterprises and small enterprises		8.51	5.73
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		28.14	28.95
(c) Other Current Liabilities	10	5.79	3.94
(d) Short-Term Provisions	11	6.15	8.30
Total		335.85	292.45
II.ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment and Intangible assets			
(i) Property, Plant and Equipment	12a	42.03	40.47
(ii) Intangible Assets	12a	0.14	0.19
(iii) Capital Work in Progress	12b	0.56	0.44
(b) Deferred Tax Assets (net)	13	13.57	10.04
(c) Long Term Loans and Advances	14	13.18	8.71
(d) Other Non-Current Assets	15	22.49	24.01
(2) Current Assets			
(a) Inventories	16	65.74	58.61
(b) Trade Receivables	17	123.59	122.43
(c) Cash and Bank Balances	18	51.33	25.88
(d) Short-Term Loans and Advances	19	2.57	1.64
(d) Other Current Assets	20	0.65	0.03
Total		335.85	292.45

See accompanying notes forming part of financial statements (1 to 39)

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm Registration No. 117366W/W-100018)

Joe Pretto

(Partner)

(Membership No. 77491)

Mumbai, 29 September 2022



For and on behalf of the board

Sd/-

Kamal Khushlani

(Director)

DIN: 00638929

Mumbai, 29 September 2022

Poonam Khushlani

(Director)

DIN: 01179171

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CREDO BRANDS MARKETING PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022

(Figures in Crores)

	Note No.	For Year Ended 31 March, 2022	For Year Ended 31 March, 2021
I. Revenue from Operations	21	369.56	293.40
II. Other Income	22	4.84	1.67
Total Income		374.40	295.07
III. Expenses:			
(a) Cost of materials consumed	23	15.77	15.09
(b) Purchases of Stock-in-Trade		139.81	107.39
(c) Changes in inventories of finished goods	24	(6.69)	0.09
(d) Employee benefit expenses	25	28.33	21.18
(e) Finance Costs	26	4.85	5.49
(f) Depreciation and amortisation expense	12	12.43	12.58
(g) Other expenses	27	125.78	121.19
Total Expenses		320.28	283.01
IV. Profit before tax		54.12	12.06
V. Tax expense:			
(1) Current tax		18.74	5.00
(2) (Excess)/Short provision for tax relating to prior years		(0.65)	(0.62)
(3) Deferred tax		(3.52)	(1.58)
VI. Profit for the year		39.55	9.26
VII. Earning per equity share: (Face value Rs.10/share) Basic and Diluted (In Rupees)	33	123.90	29.00

See accompanying notes forming part of financial statements (1 to 39)

In terms of our report attached.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm Registration No. 117366W/W-100018)

Joe Pretto

(Partner)

(Membership No. 77491)

Mumbai, 29 September 2022



For and on behalf of the board

Sd/-

Kamal Khushlani

(Director)

DIN: 00638929

Mumbai, 29 September 2022

Poonam Khushlani

(Director)

DIN: 01179171

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CREDO BRANDS MARKETING PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2022

(Figures in Crores)

Particulars	For the Year Ended 31 March 2022	For the Year Ended 31 March 2021
Profit before tax	54.12	12.06
Adjustments for:		
Depreciation and amortisation expense	12.43	12.58
Loss on fixed assets sold/written off (net)	0.63	1.16
Excess Provision written back	(0.35)	-
Provision for doubtful debts	10.39	-
Provision for Doubtful Deposits	2.77	-
Sundry balances written back	(0.01)	(0.00)
Share based payment costs	1.13	0.67
Interest expense	3.54	2.50
Interest income on fixed deposits	(1.68)	(0.34)
Rental Income	(0.27)	(0.15)
Operating profit before working capital changes	82.70	28.48
Changes in working capital:		
Adjustments for (Increase) / decrease in operating assets:		
Inventories	(7.13)	1.43
Trade receivables	(11.19)	20.24
Loans and advances	(5.94)	(0.14)
Trade payables and provisions	(17.73)	13.28
Other non-current liabilities	3.49	0.16
Other current liabilities	1.85	0.93
Other current assets	(0.62)	-
Other non-current assets	(1.25)	-
Cash generated from operations	44.18	64.38
Income tax paid (net)	(1.21)	(3.22)
Net cash flow generated from operating activities (A)	42.97	61.16
B. Cash flow from investing activities		
Purchase of Fixed Assets	(14.19)	(6.88)
Proceeds from sale of fixed assets	0.05	0.03
Fixed deposits placed with banks having original maturity over 3 months	(14.01)	(0.37)
Interest received	1.65	0.28
Rent income received	0.27	0.15
Net cash flow (used in) investing activities (B)	(26.23)	(6.79)
C. Cash flow from financing activities		
Proceeds from Long -term borrowings	-	0.52
Repayment of long-term borrowings	(1.76)	(2.37)
Repayment short-term borrowings	-	(26.37)
Interest paid	(3.57)	(2.52)
Net cash flow (used in) financing activities (C)	(5.33)	(30.74)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	11.41	23.63
Cash and cash equivalents at the beginning of the year	24.79	1.16
Cash and cash equivalents at the end of the year	36.20	24.79
Reconciliation		
Cash and cash equivalents at the end of the year	36.20	24.79
Add: Earmarked deposits held as margin money or security against quarantees and other commitments.	0.75	0.72
Add: In Demand Deposit Accounts having maturity more than 3 months.	14.38	0.37
Cash and bank balances at the end of the year as per Note 18	51.33	25.88

See accompanying notes forming part of financial statements (1 to 39)

In terms of our report attached.


For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Joe Pretto
(Partner)
(Membership No. 77491)
Mumbai, 29 September 2022



For and on behalf of the board

Sd/-


Kamal Khushiani
(Director)
DIN: 00638929
Mumbai, 29 September 2022


Poonam Khushiani
(Director)
DIN: 01179171
Mumbai, 29 September 2022





CREDO BRANDS MARKETING PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

NOTE 1. Corporate Information

The Company was incorporated in India on April 29, 1999 under the name of **Credo Brands Marketing Private Limited** and is mainly engaged in the business of trading of Fashion Casual Garments and accessories under the brand name **MUFTI**.

NOTE 2. Significant Accounting Policies

a. Basis of Accounting and preparation of financial statements:

The financial statements have been prepared in accordance with the generally accepted accounting principles in India ("Indian GAAP") under the historical cost convention on an accrual basis. These financial statements have been prepared to comply in all material aspects with the Accounting Standards specified under Section 133 of the Companies Act, 2013, as applicable and the relevant provisions of the Companies Act, 2013. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognised in the periods in which the results are known/materialise. Examples of such estimate include provision for doubtful debts, provision for income tax and useful life of depreciable fixed assets.

c. Tangible Assets:

Tangible assets are stated at cost of acquisition as reduced by accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure result in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gains or losses arising from disposal or retirement of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised net, within "Other Income" or "Other Expenses", as the case maybe, in the Statement of Profit and Loss in the year of disposal or retirement.

Capital work-in-progress are fixed assets which are not yet ready for their intended use. Such assets are carried at cost comprising direct cost and related incidental expenses.

Depreciation is provided on a pro-rata basis to fully depreciate the assets using the straight-line method over the estimated useful lives of the assets.



CREDO BRANDS MARKETING PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

For the following categories of assets, depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Asset	Estimated useful life
Computer Hardware	: 3 years
Office Equipment	: 5 years
Furniture and fixtures	: 10 years
Leasehold Improvements	: Based on period of lease
Electricals	: 10 years
Office premises	: 60 years
Plant and Machinery	: 15 years
Motor Car	: 8 years

Useful lives are reviewed at each financial year end and adjusted if appropriate.

d. Intangible Assets:

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation.

Cost of an intangible asset includes purchase price, non-refundable taxes and duties and any other directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset is charged to the Statement of Profit and Loss as an expense unless it is probable that such expenditure will enable the intangible asset increase the future benefits from the existing asset beyond its previously assessed standard of performance and such expenditure can be measured and attributed to the intangible asset reliably, in which case, such expenditure is capitalised.

Intangible assets are amortised on a straight-line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management. The amortisation period and the amortisation method are reviewed at least at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss in the year of disposal.

The estimated useful lives of intangible assets used for amortisation are:

Asset	Estimated useful life
Trademark and Brand Name	: 5 years
Software	: 3 years



CREDO BRANDS MARKETING PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

e. Inventories:

Finished Goods and Raw materials are valued at the lower of cost (determined using the First-in-First-out Method) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Net realizable value is estimated at the expected selling price less estimated selling cost.

f. Revenue Recognition:

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax.

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

g. Foreign Currency Transactions:

• Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

• Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

• Exchange differences

Exchange differences arising on reporting of long-term foreign currency monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, in so far as they relate to the acquisition of fixed assets they are adjusted to Profit and Loss Account as per AS-11 (revised).

Exchange difference arising on the settlement of monetary items not covered above, or on reporting such monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

h. Investments:

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalized and depreciated (where applicable) in accordance with policy stated for fixed assets. Impairment of investment property is determined in accordance with policy statement for impairment of assets.



CREDO BRANDS MARKETING PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

i. Employee Benefits:

Employee benefits include provident fund, gratuity fund (unfunded) and compensated absences.

- **Defined contribution plan**

The Company's contribution to provident fund and employees state insurance are considered as defined contribution plan and is charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

- **Defined benefit plan**

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses, if any, are recognized in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

- **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of such accumulated compensated absences is accounted as under when employees render the services that increase their entitlement of future compensated absences.

Provision for Bonus and Ex-Gratia is made on accrual basis.

j. Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the



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CREDO BRANDS MARKETING PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves is recognised in reserves and not in the Statement of Profit and Loss.

k. Impairment of Assets :

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:

(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

i. Leases:

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Company's Balance Sheet. Lease expenses on such operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.



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CREDO BRANDS MARKETING PRIVATE LIMITED

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

m. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of such obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities, if any, are not recognised but disclosed in the notes. Contingent Assets neither recognised nor disclosed in the financial statements.

n. Share – based payments:

Share-based payment transactions of the Company

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 29. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

o. Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and short term with banks with original maturities of three months or less and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

p. Cash flow statement

Cash flows are reported using the indirect method, whereby profit /(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

q. Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the year's presented.

r. Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating Cycle as 12 months for the purpose of classification of its assets and liabilities as current and non- current.



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CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Figures in Crores)

Note 3: Share Capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Rs.	Number	Rs.
Authorised Share Capital				
Equity Shares of 10/- each	50,00,000	5.00	32,50,000	3.25
	50,00,000	5.00	32,50,000	3.25
Issued, Subscribed and Paid-up				
Equity Shares of 10/- each	31,92,037	3.19	31,92,037	3.19
Total	31,92,037	3.19	31,92,037	3.19

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	31,92,037	3.19	31,92,037	3.19
Add: Shares Issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	31,92,037	3.19	31,92,037	3.19

b. Terms / Rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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 percent shares in the company:

Name of Shareholders	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mrs. Poonam Khuslani	9,08,219	28.45%	9,08,219	28.45%
Mr. Kamal Khuslani	11,13,021	34.87%	11,13,021	34.87%
M/S. Bennett, Coleman & Company Limited	3,00,000	9.40%	3,00,000	9.40%
M/s Bella Properties Private Limited	2,51,563	7.88%	2,51,563	7.88%

d. Shareholding of Promoters:

Name of Shareholders	As at 31 March 2022		As at 31 March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mrs. Poonam Khuslani	9,08,219	28.45%	9,08,219	28.45%
Mr. Kamal Khuslani	11,13,021	34.87%	11,13,021	34.87%

Note: There is no change in Shareholding of Promoters during the year.

Note 4: Reserves and Surplus

Particulars	As at 31 March 2022	As at 31 March 2021
a. Securities Premium Account		
Balance as per last balance sheet	14.79	14.79
Closing Balance	14.79	14.79
b. Surplus in Statement of Profit and Loss		
Opening balance	179.34	170.08
Add: Profit for the year	39.55	9.26
Closing Balance	218.89	179.34
c. Share options outstanding account		
Balance as per last balance sheet	1.80	0.67
Closing Balance	1.80	0.67
Total	235.48	194.80



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CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Figures in Crores)

Note 5: Long Term Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured Loans: From Bank (refer note below)	10.08	13.40
Total	10.08	13.40

Note:

1. Term loan taken from bank for Capital Expenditure towards New Outlets. The loan is repayable in six years till 2026 alongwith interest @ 6 Month MCLR + 0.20%. The term loan is secured against second pari passu hypothecation charge on all existing and future current assets of the company and exclusive hypothecation charge on moveable fixed assets of the company created.

2. Term loans taken from banks for purchase of vehicles and secured by hypothecation of specific vehicles which has been repaid in the current year. The loans were repayable in five years alongwith interest @ 9.50% per annum.

Note 6: Long Term Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Gratuity (unfunded)	3.54	4.23
Total	3.54	4.23

Note 7: Other Non-current Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposits received	31.65	28.15
Total	31.65	28.15

Note 8: Short Term Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021
Secured Loans: Current maturities of long-term debts (Refer note no.5)	3.32	1.76
Total	3.32	1.76



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CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Figures in Crores)

Note 9: Trade Payables

Particulars	As at 31 March 2022	As at 31 March 2021
Dues to Micro and Small Enterprises (see footnote)	8.51	5.73
Dues to entities other than Micro and Small Enterprises	20.23	22.93
	28.74	28.66
Accrued payroll and employee benefits	5.79	4.11
Accrued expenses	2.12	1.91
	7.91	6.02
Total	36.65	34.68

Footnote:

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information collected by the Management and relied upon by the Auditors.

(ii) The disclosures relating to Micro and Small Enterprises are as under:

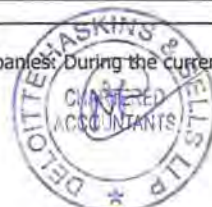
Particulars	As at 31 March 2022	As at 31 March 2021
(a) The principal amount remaining unpaid to any supplier as at the end of each accounting year.	8.30	5.70
(b) The interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	0.00	-
(c) The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	0.17	0.03
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.17	0.03
(f) 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.	0.04	0.00

Above information is prepared by the Management of the Company and relied upon by the Auditors.

(iii) Trade Payables ageing schedule:

Particulars	As at 31 March 2022	As at 31 March 2021
Outstanding for following period from the date of transaction:		
(i) MSME		
Less than 1 Year	8.46	5.68
1-2 years	0.00	0.02
2-3 years	-	-
More than 3 years	-	-
	8.46	5.70
(ii) Others		
Less than 1 Year	19.79	22.64
1-2 years	0.18	0.13
2-3 years	-	-
More than 3 years	-	-
	19.97	22.77
(iii) Disputed dues - MSME		
Less than 1 Year	-	-
1-2 years	-	-
2-3 years	0.02	0.02
More than 3 years	0.03	0.01
	0.05	0.03
(iv) Disputed dues - Others		
Less than 1 Year	-	-
1-2 years	-	-
2-3 years	0.11	0.08
More than 3 years	0.15	0.07
	0.26	0.15
Total	28.74	28.65

(iv) Relationship with Struck off Companies: During the current and previous financial year, Company doesn't have any transactions and outstanding balances with struck off Companies.



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CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Figures in Crores)

Note 10: Other Current Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Interest accrued but not due on borrowings	0.07	0.10
(b) Operating lease liabilities	-	0.09
(d) Other Payables		
(i) Statutory Remittances	2.94	1.81
(ii) Interest Accrued and due on Security Deposits	0.47	0.43
(iii) Payable on Purchase of Fixed Assets	0.50	0.47
(iv) Advances received from customers	1.81	1.04
Total	5.79	3.94

Note 11: Short Term Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Provision for employee benefits		
(i) Provision for gratuity	0.33	0.20
(ii) Provision for compensated absences	0.22	0.27
(b) Others		
(i) Provision for tax (net)	-	2.84
(ii) Provision for loyalty points	4.28	3.08
(iii) Provision for CSR	-	0.98
(iv) Provision for Contingencies	1.32	0.93
Total	6.15	8.30



CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 12a: Property Plant and Equipment

(Figures in Crores)

Description of Assets	Gross Block			Cost as at 31 March 2022	Depreciation				Net Block As at 31 March 2022
	Cost as at 31 March 2021	Additions during period	Deletion /adjustments during period		Depreciation as at 31 March 2021	Depreciation during period	Dep. due to deletion	Depreciation up to 31 March 2022	
Property, Plant and Equipment									
OFFICE EQUIPMENTS	9.24	1.51	0.86	9.89	5.69	1.35	0.81	6.23	3.66
	9.07	0.78	0.61	9.24	4.91	1.31	0.53	5.69	3.55
COMPUTERS	5.96	0.29	0.29	5.96	5.19	0.66	0.28	5.57	0.39
	6.02	0.18	0.24	5.96	4.42	0.99	0.22	5.19	0.77
FURNITURE & FIXTURES-Leasehold	53.28	9.88	5.25	57.91	32.43	6.40	4.70	34.13	23.78
	53.32	4.38	4.42	53.28	29.72	6.05	3.34	32.43	20.85
FURNITURE & FIXTURES-Non LH	28.78	2.37	0.06	31.09	17.17	3.52	0.01	20.68	10.41
	27.36	1.48	0.06	28.78	13.59	3.63	0.05	17.17	11.61
MOTOR CAR	2.58	0.50	-	3.08	1.64	0.31	-	1.95	1.13
	2.58	-	-	2.58	1.32	0.32	-	1.64	0.94
OFFICE PREMISES	2.27	-	-	2.27	0.53	0.04	-	0.57	1.70
	2.27	-	-	2.27	0.49	0.04	-	0.53	1.74
PLANT & MACHINERIES	1.40	0.06	0.01	1.45	0.40	0.09	0.00	0.49	0.96
	1.31	0.09	0.00	1.40	0.31	0.09	0.00	0.40	1.00
Total	103.51	14.61	6.47	111.65	63.05	12.37	5.80	69.62	42.03
<i>Previous Year</i>	<i>101.93</i>	<i>6.91</i>	<i>5.33</i>	<i>103.51</i>	<i>54.76</i>	<i>12.43</i>	<i>4.14</i>	<i>63.05</i>	<i>40.46</i>
Intangible Assets									
SOFTWARE	1.44	-	0.01	1.43	1.43	0.01	0.01	1.43	-0.00
	1.44	-	-	1.44	1.34	0.09	-	1.43	0.01
TRADE MARKS & BRAND NAME	0.29	0.00	-	0.30	0.10	0.05	-	0.15	0.14
	0.27	0.02	-	0.29	0.04	0.06	-	0.10	0.19
Total	1.73	0.00	0.01	1.72	1.53	0.06	0.01	1.58	0.14
<i>Previous year</i>	<i>1.71</i>	<i>0.02</i>	<i>-</i>	<i>1.73</i>	<i>1.38</i>	<i>0.15</i>	<i>-</i>	<i>1.53</i>	<i>0.20</i>
Grand total	105.24	14.62	6.48	113.37	64.58	12.43	5.81	71.20	42.17
<i>Previous Year</i>	<i>103.64</i>	<i>6.93</i>	<i>5.33</i>	<i>105.24</i>	<i>56.14</i>	<i>12.58</i>	<i>4.14</i>	<i>64.58</i>	<i>40.66</i>



CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Figures in Crores)

Note 12b: Capital Work in Progress ageing schedule

Particulars	As at 31 March 2022	As at 31 March 2021
(a). Projects in Progress		
Less than 1 year	0.56	0.44
1 - 2 years	-	-
2 - 3 years	-	-
More than 3 years	-	-
Total	0.56	0.44

Note 13: Deferred Tax Assets

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred Tax Assets		
(a) Depreciation	8.93	7.93
(b) Employee benefits	1.50	1.86
(c) Operating lease obligations	-	0.02
(d) Provision for doubtful debts	2.81	-
(e) Provision for contingencies	0.33	0.23
Total	13.57	10.04

Note 14: Long Term Loans and Advances

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
(a) Prepaid Expenses	0.23	0.54
(b) Balances with government authorities VAT/CST /GST receivables	10.39	7.92
(c) Advance Tax (Net)	1.88	0.11
(d) Capital Advance	0.68	0.14
Total	13.18	8.71

Note 15: Other Non-Current Assets

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Security Deposits (Considered Doubtful)		
To Others	0.77	-
To Related parties	2.00	-
Less: Provision for Doubtful Deposit	(2.77)	-
	-	-
(b) Security Deposits (Considered Good)		
To Others	22.48	22.01
To Related parties	-	2.00
	22.48	24.01
(c) Advance against Investments (Refer note below)	0.01	-
	0.01	-
Total	22.49	24.01

Note: The Company has purchased shares of KAPS MERCANTILE PRIVATE LIMITED on 31st March, 2022. The shares have been transferred in the Name of the Company on 27th April, 2022.



CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Figures in Crores)

Note 16: Inventories

(At lower of Cost and Net Realisable Value)

Particulars	As at 31 March 2022	As at 31 March 2021
(a) Raw Materials	1.50	2.37
Goods In Transit	1.31	0.35
(b) Finished Goods (Goods Acquired for Trading)	58.22	53.22
Goods In Transit	2.33	0.64
(c) Accessories	2.13	2.03
Goods In Transit	0.25	-
Total	65.74	58.61

Note 17: Trade Receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	123.59	122.43
Unsecured, considered doubtful	10.39	-
Less Provision for doubtful debts	(10.39)	-
Total	123.59	122.43

(i) Trade Receivables ageing schedule:

Particulars	As at 31 March 2022	As at 31 March 2021
<u>Outstanding for following period from the date of transaction:</u>		
<u>(a) Undisputed Trade Receivables - Considered Good</u>		
Less than 6 months	114.28	109.56
6 months - 1 year	8.42	6.83
1-2 years	0.44	5.78
2-3 years	-	-
More than 3 years	-	-
	123.14	122.17
<u>(b) Undisputed Trade Receivables - Considered Doubtful</u>		
Less than 6 months	6.86	-
6 months - 1 year	2.23	-
1-2 years	0.01	-
2-3 years	-	-
More than 3 years	-	-
	9.10	-
<u>(c) Disputed Trade Receivables - Considered Good</u>		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	0.27	0.12
More than 3 years	0.18	0.14
	0.45	0.26
<u>(d) Disputed Trade Receivables - Considered Doubtful</u>		
Less than 6 months	-	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	1.29	-
More than 3 years	-	-
	1.29	-
Less: Provision for Doubtful Debts	(10.39)	-
Total	123.59	122.43



CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Figures in Crores)

(iv) Relationship with Struck off Companies: The following table depicts the details of balances outstanding in respect of transaction undertaken with a Company struck off under section 248 of the Companies Act, 2013:

Name of struck off Company	Nature of transactions with struck off Company	Balance as at As at 31 March 2022	Balance as at As at 31 March 2021	Relationship with the struck off Company
Jasper Infotech Private Limited	Sale of Goods	0.02	0.02	Customer
Meenakshi India Limited	Sale of Goods	0.00	0.00	Customer

Note 18: Cash and Bank Balances

Particulars	As at 31 March 2022	As at 31 March 2021
1) Cash on Hand	0.44	0.49
2) Balances with banks		
i) In Current Accounts	5.75	4.30
ii) In Demand Deposit Accounts having maturity less than 3 months	30.01	20.00
iii) In Demand Deposit Accounts having maturity more than 3 months	14.38	0.37
iv) In Earmarked Accounts	0.75	0.72
Total	51.33	25.88

Footnote:

Of the above, the balances which meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statement:

36.20

24.79

Note 19: Short Term Loans and Advances

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good		
(a) Advance to Suppliers	1.44	0.42
(b) Advance to Employees	0.23	0.46
(c) Prepaid Expenses	0.90	0.76
Total	2.57	1.64

Note 20: Other Current Assets

Particulars	As at 31 March 2022	As at 31 March 2021
Accrued Interest on Fixed Deposits	0.65	0.03
Total	0.65	0.03



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CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Figures in Crores)

Note 21: Revenue from Operations

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Sales of Products (*)	369.56	293.40
Total	369.56	293.40

* net of returns

Note 22: Other Income

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Interest received	1.68	0.34
Interest received on Income Tax Refund	-	0.09
Rental Income	0.27	0.15
Sundry balances written back	0.01	0.00
Discount received	1.18	1.09
Other Income	0.44	0.00
Insurance claim received	1.26	-
Net gain on foreign currency transactions and translation other than considered as finance costs	0.00	0.00
Total	4.84	1.67

Note 23: Cost Of Materials Consumed

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Opening Stock of Raw Materials	4.75	6.09
Add: Purchase of Raw Materials	16.21	13.75
Less: Closing Stock of Raw Materials	(5.19)	(4.75)
Total	15.77	15.09

Note 24: Changes in Inventories

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Opening Stock of Finished Goods	53.86	53.95
Less: Closing Stock of Finished Goods	(60.55)	(53.86)
Total	(6.69)	0.09

Note 25: Employees Benefit Expense

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Salaries and wages	26.17	19.16
Contribution to Provident and other funds	0.44	0.56
Gratuity expenses	-	0.36
Share based payments	1.13	0.67
Staff Welfare Expenses	0.59	0.43
Total	28.33	21.18



CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 26: Finance Costs

(Figures in Crores)

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Interest Expenses	1.50	2.50
Other Borrowing Cost	1.31	1.02
Interest paid on deposits	2.04	1.97
Total	4.85	5.49

Note 27: Other Expenses

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Power and fuel	1.57	1.37
Rent	30.60	24.19
Repairs and Maintenance Expenses	0.44	0.30
Insurance Charges	0.63	0.62
Rates and Taxes	0.43	0.18
Duties & Taxes	1.57	1.94
Communication Expenses	0.53	0.67
Travelling and conveyance	2.14	1.45
Printing and Stationery Expenses	0.17	0.16
Freight and forwarding	3.57	3.04
Sales commission	12.17	10.28
Advertising Expenses	1.46	0.81
Business promotion Expenses	26.98	51.59
Expenditure on Corporate Social Responsibility (Refer note)	0.43	0.54
Legal and professional	2.97	3.05
Payments to auditors		
Statutory Audit fees	0.26	0.23
Other Services	0.03	0.01
Reimbursement of Expenses	0.02	0.02
Fixed Asset written off	0.60	0.60
Loss on sale of Assets	0.03	0.56
Computer and Software Charges	0.87	0.89
Labour charges	0.49	0.40
Security Charges	0.79	0.80
Store Expenses	7.18	5.75
Courier Charges	0.54	0.65
Manpower Expenses	15.37	10.67
Miscellaneous Expenses	0.78	0.42
Provision for Doubtful Debts	10.39	-
Provision for Doubtful Deposits	2.77	-
Total	125.78	121.19



CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Figures in Crores)

Note 28: Contingent Liabilities and Capital Commitments not provided for

i) Contingent Liabilities

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
a) Income Tax demands	0.32	-
a) Bonus liability for the FY 2014-15 pending settlement with judiciary authorities	0.39	0.39
Total	0.71	0.39

ii) Capital Commitments

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Estimated amount of pending contracts remaining to be executed on capital account and not provided for (net of advances)	1.17	0.44

Note 29(a): Expenditure in foreign currency

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Consultation Charges	0.06	0.05
Other Matters	-	0.02
Total	0.06	0.07

Note 29(b): CIF value of imports

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Purchase of Finished Goods	-	1.96
Total	-	1.96



CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Figures in Crores)

Note 30: Employee Benefit

a) Defined Contribution Plan:

The company makes provident fund and family pension scheme contribution to define contribution retirement benefits plan for qualifying employees. Under the scheme, the company is required to contribute a specified percentage of cost to fund the benefits and thereafter the company does not have any legal or informal obligation to pay additional sum. The contribution payable to these plans by the company are the rates specified in the rules of the schemes.

The company recognised Rs. 0.39 Crores (March 31, 2021: Rs. 0.49 Crores) for provident fund contribution in the statement of Profit & Loss.

b) Defined benefits plan:

Benefits under the gratuity plan (included as part of contribution to Gratuity fund in Note no. 25 Employee Benefit Expense) are typically based on years of service and the employees compensation (immediate before separation). A Gratuity scheme covers all permanent employees. Commitments are actuarially determined at year end. These commitments are valued at present value of expected future payments, with consideration for calculated future salaries increases using a discount rate corresponding to the interest rate estimated by actuary having regard to interest rate on government securities with remaining term that is almost equivalent to the average balance working period of the employee. Actuarial valuation is done based on "Projected unit credit" method. Gain and losses of changed actuarial assumption are charged to the statement of Profit and loss Account.

The Company operates unfunded post retirement defined benefit plans for gratuity.

The following table sets out the unfunded status of the gratuity plan and the amount recognised in the financial statement as at 31st March 2022.

(a) Present Value of Projected Benefit Obligation

Particulars	As at 31 March 2022	As at 31 March 2021
Opening Present Value of Benefit Obligation	4.43	5.05
Interest Cost	0.29	0.34
Current Service Cost	0.56	0.67
Benefit Paid Directly by the Employer	(0.50)	(0.97)
Actuarial (Gains)/Losses on obligation due to demographic assumptions	0.00	-
Actuarial (Gains)/Losses on obligation due to financial assumption	(0.21)	0.18
Actuarial (Gains)/Losses on obligation-due to experience	(0.70)	(0.84)
Closing Present Value of Benefit Obligation	3.87	4.43

(b) Amount Recognized in the Balance Sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of Benefit obligation at the end of year	3.87	4.43
Net Liability Recognized in the Balance Sheet	3.87	4.43

(c) Expenses Recognized in the Statement of Profit or Loss

Particulars	As at 31 March 2022	As at 31 March 2021
Current Service Cost	0.56	0.67
Net Interest Cost	0.29	0.34
Actuarial (Gains)/Losses	(0.91)	(0.66)
Expenses Recognized in the Statement of Profit or Loss	(0.06)	0.35

(d) Actuarial Assumptions

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Discount Rate	6.98%	6.44%
Salary Escalation Rate	10.00%	10.00%
Rate of Employee Turnover	For service 1 years and below 35.00% p.a. For service 2 years to 3 years 21.00% p.a. For service 4 years to 5 years 10.00% p.a. For service 6 years and above 5.00% p.a.	For service 1 years and below 35.00% p.a. For service 2 years to 3 years 21.00% p.a. For service 4 years to 5 years 10.00% p.a. For service 6 years and above 5.00% p.a.
Mortality	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality tables (2006-08) Ultimate

The estimates of future salary increase considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(e) Experience Adjustment

Particulars	2021-22	2020-21
Experience (gain)/loss adjustments on plan liabilities	(0.70)	(0.84)
Experience (gain)/loss adjustments on plan assets	-	-



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CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 31: Employee share option plan of the Company

a. The shareholders of the Company, vide special resolution dated November 5, 2020, authorised the Board to grant options under one or more stock option plans. Pursuant to the said approval from the shareholders the Board adopted Credo ESOP 2020 and granted options to the permanent employees of the company for the first time on November 6, 2020. Options granted would vest over a maximum period of 5 years, while the exercise period is 10 years from the date of grant. Options vest on account of passage of time as well as on fulfilling certain performance criteria. The options exercised would be settled in Equity.

The Company has used the Fair Value Method by applying Black Scholes Option Pricing Model to account for share-based payments plan.

b. During the year the company has granted 10,000 options to its employees, none of the options given have vested.

c. The Options granted are on account of vesting over passage of time as well as on fulfilling certain performance criteria including different exercise price. Methods & Assumptions of Black-Scholes Option pricing model including the weighted average fair values are mentioned below:

As at March 31, 2022

Particulars	Scheme 1	Scheme 2	Scheme 3	Scheme 4
Number of options outstanding at the end of the year:	23,057	92,074	37,962	NA as none of the options are vested .
Remaining contractual life	8.61	8.61	8.61	
Stock Price	508	508	508	525
Volatility*	15%	15%	15%	15%
Risk-free Rate	5.44%	5.58%	5.61%	6.12%
Exercise Price	10	627	627	627
Expected Life (Time to Maturity)	5.5	6.16	6.08	6.5
Dividend yield	0.39%	0.39%	0.39%	0.39%
Weighted average fair value	489.71	157.71	99.79	124.93

*- Expected volatility has been assumed at 15% considering the entity is an unlisted private entity.

As at March 31, 2021

Particulars	Scheme 1	Scheme 2	Scheme 3
Stock Price	508	508	508
Volatility*	15.00%	15.00%	15.00%
Weighted average Risk-free Rate	5.44%	5.58%	5.61%
Exercise Price	10.00	627.00	627.00
Weighted average Expected Life (Time to Maturity)	5.50	6.16	6.22
Dividend yield	0.39%	0.39%	0.39%
Weighted average fair value	489.71	157.71	99.79

*- Expected volatility has been assumed at 15% considering the entity is an unlisted private entity.



CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Figures in Crores)

Note 32: Segment Reporting

The company has been operating largely in one business segment viz trading of fashion casual garments and accessories, conducted only geographical segment viz. India. Therefore, the disclosure requirement of the Accounting standard 17 on segment reporting are not applicable. Since the company operates only in India, there is only single geographical segment.

Note 33: Earning Per Share

Particulars		Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Basic and Diluted EPS :			
Profit after tax as per Statement of Profit and Loss	A	39.55	9.26
Weighted Average Number of Shares outstanding during the year	B	31,92,037	31,92,037
Earning per share basis and diluted	A/B	123.90	29.00
Face value per equity share Rs 10/ each			

Note 34: Operating lease obligation

The Company has taken various premises and stores under lease and license agreements. The lease terms for different agreements are ranging from 18 months and 9 years. The Company has given refundable interest free security deposits under certain agreements.

Particulars	Year Ended 31 Mar, 2022	Year Ended 31 Mar, 2021
Operating lease payments recognized in the statement of profit and loss during the year	30.60	24.19
Minimum lease payments:		
Total of future minimum lease payments payable by the Company:		
- Not later than 1 year	3.35	3.48
- Later than 1 year but not later than 5 years	0.58	5.54
Total of future minimum lease payments under operating lease	3.93	9.02

Note 35: Related Party Disclosure

Related party disclosures are made as per the "Accounting Standard 18" issued by the Institute of Chartered Accountants of India.

a. The following are the names of related parties and description of relationship:

I) Key management personnel

- (a) Mr. Kamal Khushlani (Director)
(b) Mrs. Poonam Khushlani (Director)
(c) Mr. Rasik Mittal (CFO)

II) Relatives of Key management personnel

- (a) Miss Sonakshi Khushlani (Daughter of Kamal and Poonam Khushlani)
(b) Mr. Andrew Khushlani (Son of Kamal and Poonam Khushlani)

III) Company in which Director having significant influence

- (a) M/s Kaps Mercantile Private Limited

The Company has purchased the investment on 31st March, 2022, however the shares have been transferred in the Name of the Company on 27th April, 2022.

b. The following are the volume of transactions with related parties during the year and outstanding balances as at the period end disclosed in

Nature of transactions	Name of the Party	2021-22	2020-21
Remuneration	Kamal D Khushlani	2.96	0.73
	Poonam K Khushlani	0.72	0.28
	Sonakshi Khushlani	0.21	0.12
	Andrew Khushlani	0.06	0.02
	Rasik Mittal	1.00	0.63
Reimbursement of Expenses	Kamal D Khushlani	0.08	0.00
	Sonakshi Khushlani	-	0.00
Advance against Investment	Kaps Mercantile Private Limited	0.01	-
<u>Balance Outstanding</u>			
Security Deposits Given	Kaps Mercantile Private Limited	2.00	2.00
Provision for Doubtful Debt	Kaps Mercantile Private Limited	(2.00)	-
Advance against Investment	Kaps Mercantile Private Limited	0.01	-
Remuneration Payable	Kamal D Khushlani	0.89	0.01
	Poonam K Khushlani	0.15	0.03
	Sonakshi Khushlani	0.03	0.01
	Andrew Khushlani	0.00	0.00
	Rasik Mittal	0.12	0.06



CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

(Figures in Crores)

Note 36: Expenditure on Corporate Social Responsibility (CSR)

Particulars	2021-22	2020-21
(a) Amount required to be spent by the company during the year	0.42	0.51
(b) Amount of expenditure incurred	(0.43)	(0.54)
(c) Excess amount spent	(0.01)	(0.03)
(d) Nature of CSR Activities	Women empowerment and skill development	
(e) Details of related party transactions	NA	NA
(f) Where a provision is made with report to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	NA

Note 1: As per section 135 of the Companies Act, 2013, the amount required to be spent by the company during the year is disclosed above.

Note 2: The Board of Directors of the company had decided to spend amount of Rs. 0.43 Crore which has been spent during the year.



CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 37: Ratios

(Figures in Crores)

Ratio	2021-22	2020-21	% Variance	Reasons for Variance
<u>Current Ratio</u>				
Numerator	243.23	208.57		
Denominator	51.91	48.68		
	4.69	4.28	9.35%	
<u>Debt-Equity Ratio</u>				
Numerator	13.40	15.17		There is improvement in profitability due to Increase in sales for financial year 2021-22. Also the debt has reduced due to repayment and Company has not taken any fresh borrowings during the financial year 2021-22.
Denominator	238.68	197.99		
	0.06	0.08	-26.69%	
<u>Debt Service Coverage ratio</u>				
Numerator	54.11	25.49		There is improvement in profitability due to Increase in sales for financial year 2021-22. Also the debt has reduced due to repayment and Company has not taken any fresh borrowings during the financial year 2021-22.
Denominator	14.90	17.66		
	3.63	1.44	151.61%	
<u>Return on Equity Ratio</u>				
Numerator	39.55	9.26		There is improvement in profitability & Increase in sales as the impact of COVID reduced for financial year 2021-22.
Denominator	238.68	197.99		
	16.57%	4.67%	254.45%	
<u>Inventory Turnover Ratio</u>				
Numerator	148.90	122.56		
Denominator	62.17	59.33		
	2.39	2.07	15.93%	
<u>Trade Receivables Turnover Ratio</u>				
Numerator	247.93	193.04		There is Increase in sales as the impact of COVID reduced for financial year 2021-22. Also the company was able to make better collections keeping its debtors outstanding lower.
Denominator	123.01	132.55		
	2.02	1.46	38.40%	
<u>Trade Payables Turnover Ratio</u>				
Numerator	156.02	121.13		
Denominator	35.66	25.62		
	4.37	4.73	-7.47%	
<u>Net Capital Turnover Ratio</u>				
Numerator	369.56	293.40		
Denominator	175.60	152.69		
	2.10	1.92	9.52%	
<u>Net Profit Ratio</u>				
Numerator	39.55	9.26		There is improvement in profitability margin & Increase in sales as the impact of COVID reduced for financial year 2021-22.
Denominator	369.56	293.40		
	10.70%	3.15%	239.24%	
<u>Return on Capital Employed</u>				
Numerator	57.65	16.53		There is improvement in profitability & Increase in sales as the impact of COVID reduced for financial year 2021-22. Further the company was able to keep the requirement of capital under control
Denominator	280.40	239.54		
	20.56%	6.90%	198.05%	
<u>Return on Investment</u>				
Numerator	39.55	9.26		There is improvement in profitability & Increase in sales as the impact of COVID reduced for financial year 2021-22. Further the company was able to keep the requirement of investment under control.
Denominator	238.68	197.99		
	16.57%	4.67%	254.45%	

Note: Most of the ratios are better in financial year 2021-22 in comparison with financial year 2020-21 because financial year 2020-21 was affected by COVID19 pandemic, wherein business was hampered in the first half of the financial year.



CREDO BRANDS MARKETING PRIVATE LIMITED
NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 38:

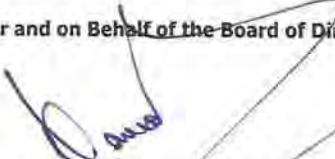
Additional Regulatory Information:

- (a). Title deeds of all immovable properties are held in the name of the Company.
- (b). The Company has not revalued its Property, Plant and Equipment during the current financial year.
- (c). No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder.
- (d). The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 except as disclosed.
- (e). The company has registered all its charges or satisfaction with Registrar of Companies within the statutory period.
- (f). The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (g). The Company has not advanced or loaned or invested funds to/in any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding that intermediary shall,
- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries)
or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries
- (h) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that it will,
- (i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate beneficiaries)
or
(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.
- (j). The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961.


Note 39:

- (a) Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification /disclosures.
- (b) "0.00" represents value less than Rs. 0.01 Crores.

For and on Behalf of the Board of Directors


Kamal Khushlani
(Director)
DIN: 00638929
Mumbai, 29 September 2022




Poonam Khushlani
(Director)
DIN: 01179171
Mumbai, 29 September 2022