

Ankit International

Balance Sheet as at 07 February 2020

(All amounts in INR lakhs unless otherwise stated)

	Note No.	As at 07 Feb 2020	As at 31 March 2019
A. CONTRIBUTION AND LIABILITIES			
1. Partner's capital			
a. Partners' capital	2	19.85	5,848.79
		19.85	5,848.79
2. Non-current liabilities			
a. Long-term borrowings	3	-	592.50
b. Long-term provisions	4	35.71	18.98
		35.71	611.48
3. Current liabilities			
a. Short-term borrowings	5	3,995.88	4,060.53
b. Trade payables	6	3,232.47	2,113.74
c. Other current liabilities	7	1,655.79	277.16
d. Short-term provisions	8	1,545.75	445.49
		10,429.89	6,896.92
Total		10,485.45	13,357.19
B. ASSETS			
1. Non - current assets			
a. Property, plant and equipment	9	2,126.75	2,151.68
b. Capital work in progress	10	-	-
c. Long-term loans and advances	11	14.18	16.70
		2,140.93	2,168.38
2. Current assets			
a. Inventories	12	2,387.65	2,304.80
b. Trade receivables	13	4,337.44	5,205.57
c. Cash and cash equivalents	14	3.80	5.26
d. Short-term loans and advances	15	1,615.63	3,673.18
		8,344.52	11,188.81
Total		10,485.45	13,357.19

Background and significant accounting policies

1

The notes referred to above form an integral part of the financial statements.

As per our report u/s 44AB of Income Tax Act, 1961 of even date attached

For BSR & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

SHARMA

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SHARMA GAJENDRA
Date: 2020.12.30
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GAJENDRA

Gajendra Sharma

Partner

Membership Number: 064440

For and on behalf of Ankit International

Dimple
MirchandaniDigitally signed by Dimple
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Dimple Mirchandani

Partner

Nikhil Aggarwal

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Campus Activewear Private Limited

Partner/ Authorised Signatory

Place : Gurugram

Date : 30 December 2020

Place : New Delhi

Date : 30 December 2020

Ankit International

Profit and loss account for the period ended 07 February 2020
(All amounts in INR lakhs unless otherwise stated)

	Note No.	Period ended 07 Feb 2020	Year ended 31 March 2019
1. Revenue from operations	16	23,886.95	19,634.93
2. Other income	17	18.87	50.36
3. Total revenue (1+2)		<u>23,905.82</u>	<u>19,685.29</u>
4. Expenses			
Cost of materials consumed	18	13,198.83	12,474.60
Purchases of stock-in-trade	19	171.26	127.49
Changes in inventory of finished goods	20	553.03	(436.60)
Employee benefits expense	21	371.11	372.22
Finance costs	22	307.89	465.41
Depreciation expense	9	193.83	221.25
Other expenses	23	3,360.63	3,036.95
Total expenses		<u>18,156.58</u>	<u>16,261.32</u>
5. Profit before tax (3-4)		5,749.24	3,423.97
6. Tax expenses			
Current tax		(2,182.34)	(936.60)
For earlier years		(10.69)	-
7. Profit after tax (5-6)		<u>3,556.21</u>	<u>2,487.37</u>

The notes referred to above form an integral part of financial statements

As per our report u/s 44AB of Income Tax Act, 1961 of even date attached

For BSR & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

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GAJENDRA

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Date: 2020.12.30
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Gajendra Sharma

Partner

Membership Number: 064440

For and on behalf of Ankit International

Dimple
Mirchandani

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Dimple Mirchandani
Partner

Nikhil
Aggarwal

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Aggarwal
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Campus Activewear Private Limited
Partner/ Authorised Signatory

Place : Gurugram
Date : 30 December 2020

Place : New Delhi
Date : 30 December 2020

Ankit International

Cash flow statement for the year ended 31 March 2019

(All amounts in INR lakhs unless otherwise stated)

	Period ended 07 Feb 2020	Year ended 31 March 2019
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	5749.24	3,423.97
Adjustment for:		
Depreciation expense	193.83	221.25
Profit on sale of fixed assets	-	(0.26)
Finance costs	307.89	465.41
Partners' capital waived off	274.37	-
Provision for gratuity	13.69	-
Provision for leave encashment	3.24	-
Provision for inventory	21.45	-
Provision for doubtful debts	87.25	-
Operating profit before working capital change	6,650.96	4,110.37
Adjustment for changes in following assets and liabilities:		
Decrease in trade receivables	780.88	2,543.63
Decrease/(increase) in short term loans and advances	2,057.56	(3,482.99)
(Increase) in inventories	(104.29)	(431.70)
Increase/ (decrease) in trade payables	1,118.73	(1,381.46)
Increase in short term borrowings	0.00	0.00
(Decrease)/ increase in long term provisions	(0.19)	7.52
Increase in short term provisions	0.19	0.01
Increase/ (decrease) in other current liabilities	865.70	(35.40)
Cash generated from operations	11,369.54	1,329.98
Net income tax paid	(1,177.19)	(631.21)
Net cash flow generated from operating activities	10,192.35	698.77
B CASH FLOW FROM/ USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(96.73)	(435.18)
Proceeds from sale of property, plant and equipment	0.30	7.41
Long term loans and advances given	-	-
Net cash flow used in investing activities	(96.43)	(427.77)
C CASH FLOW FROM FINANCING ACTIVITIES		
Finance cost paid	(215.21)	(428.54)
Proceeds from borrowings (net)	(222.65)	153.81
Addition of capital by partners	0.10	-
Withdrawal of capital by partners	(9,659.62)	-
Net cash flow (used in) financing activities	(10,097.38)	(274.73)
Net decrease in cash and cash equivalents	(1.46)	(3.73)
Cash and cash equivalents as at the beginning of the period	5.26	8.99
Cash and cash equivalents as at the end of the period	3.80	5.26

Notes:

1. The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in the Accounting Standard 3 on "Cash Flow Statements"

2. The Firm has presented the cash flow statement as required under AS-3 "Cash flow statement" for the first time. Accordingly, the previous year numbers have been presented for comparative purpose only and have not been subject to audit in the current year.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For BSR & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

SHARMA
GAJENDRA

Gajendra Sharma

Partner

Membership Number: 095037

For and on behalf of Ankit International

Dimple
Mirchandani

Dimple Mirchandani

Partner

Nikhil Aggarwal

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Date: 2020.12.30 14:52:30 +05'30'

Campus Activewear Private Limited
Partner/ Authorised Signatory

Place : Gurugram
Date : 30 December 2020

Place : New Delhi
Date : 30 December 2020

Ankit International

Notes to the financial statements for the period ended 07 February 2020
(All amounts in INR lakhs unless otherwise stated)

1 A. Background

Ankit International is a partnership firm domiciled in India with its registered office situated at Plot No. 62, Batoli Kalan, Baddi, Dist. Solan, Himachal Pradesh-173205. It was formed on 4 October 2005. The firm is primarily engaged in the business of manufacturing of footwear and accessories through its wholesale network.

B. Basis of Preparation

The financial statements of the Firm have been prepared and presented under the historical cost convention on a going concern basis, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards (to the extent applicable) notified by the Institute of Chartered Accountants of India (ICAI).

As mentioned, in note 28 Ankit International has been converted into private limited company, Campus AI Private Limited at end of closing business hours on 7 February 2020. As a part of conversion the closing balances of Ankit International as at 7 February 2020 have been carried forward to Campus AI Private Limited.

The financial statements are presented in India Rupees in Lakhs.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

C. Significant Accounting Policies

a) Use of Estimates

The preparation of the financial statements in conformity with the Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Difference between the actual result and estimates are recognized in the year in which the results are known/ materialized.

b) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Firm's normal operating cycle.

Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the Firm's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

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

- it is expected to be settled in the Firm's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Firm does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Firm considers its operating cycle to be within a year.

c) Property, plant and equipment

Items of property, plant and equipment are stated at the cost of acquisition or construction, less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any attributable costs of bringing the item to its working condition for its intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date, if any, are shown under long-term loans and advances.

Subsequent expenditure related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Modification or extension to an existing item of property, plant and equipment, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that item of property, plant and equipment.

Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the profit and loss account.

d) Capital work-in-progress

Costs of assets not ready for use before the year-end and expenditure during construction period that is directly or indirectly related to construction, including borrowing costs are included under capital work-in-progress.

e) Depreciation

Depreciation on property, plant and equipment is provided on written down value basis the useful life of asset.

Block of asset	Depreciation allowance as % of written down value (rate p.a.)
Leasehold land	Over the period of lease or their useful lives, whichever is shorter.
Buildings	10%
Plant and machinery	15%
Moulds	30%
Computers	40%
Furniture and fixtures	10%

Ankit International

Notes to the financial statements for the period ended 07 February 2020

(All amounts in INR lakhs unless otherwise stated)

f) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted at their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

g) Inventories

Raw materials, finished goods, trading stock and packing materials are valued at the lower of cost and net realizable value. Scrap is valued at net realizable value.

Cost of inventories is ascertained on the FIFO basis.

h) Retirement and other employee benefits**A) Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus / ex-gratia are recognized in the period in which the employee renders the related service.

B) Post employment benefits**Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Firm makes specified monthly contributions to the Regional Provident Fund Commissioner towards provident fund and employee state insurance scheme ('ESI') which are defined contribution plans. The Firm's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

C) Defined benefit plans

The Firm's gratuity benefit scheme is a defined benefit plan. The Firm's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on government securities as at the Balance Sheet date.

Actuarial gains and losses are recognized immediately in profit and loss account.

i) Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Firm and the revenue can be readily measured.

Sales of goods and services

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales include excise duty, sale of scrap and net of sale tax, GST and quantity discount.

Other income

Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates and is disclosed in "other income".

Management fees are recognized on an accrual basis as and when the services are rendered in accordance with the terms of the underlying contract.

j) Taxation**Current tax:**

Provision for income tax is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax:

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income tax and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax asset is recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax asset is recognized only if there is a virtual certainty of realization of such asset. Deferred tax asset is reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

k) 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, if any 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.

l) Foreign currency transactions

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the profit and loss account for the period.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end are translated at the year end at the closing exchange rate and the resultant exchange differences are recognized in the profit and loss account. Non-monetary foreign currency items are carried at historical cost denominated in a foreign currency and reported using the exchange rate at the date of transaction.

m) Provisions

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

Ankit International

Notes to the financial statements for the period ended 07 February 2020

(All amounts in INR lakhs unless otherwise stated)

n) Contingent liabilities and contingent assets

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

o) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand, demand deposits with original maturities of 3 months or less and highly liquid investments.

p) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all the attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is netted off with the respective asset.

The Firm is entitled to "Scheme of budgetary support" under GST regime in respect of eligible manufacturing unit located in specified region. Such a grant is measured at amount receivable from the government and is recognized as other operating revenue when there is a reasonable assurance that the Firm will comply with all necessary conditions attached to that. Income from such grant is recognized on a systematic basis over the periods to which they relate.

Ankit International

Notes to the financial statements for the period ended 07 February 2020

(All amounts in INR lakhs unless otherwise stated)

2. Partners' capital

Opening Balance

Add: Additions

Less: Withdrawals

Add: Share in profit for the year (refer breakup below)

Closing Balance

As at
07 Feb 2020As at
31 March 2019

5,848.79

0.10

(9,385.25)

3,556.21

19.85

3,361.43

-

-

2,487.36

5,848.79

Hari Krishan Agarwal
(share in profit 0.5%)Nikhil Aggarwal (share in
profit 0.5%)Dimple Mirchandani (share in
profit 0.10%)Campus Activewear Private
Limited (share in profit
99.90%)

Opening Balance as on 1 April 2019

(151.94)

(150.57)

-

6,151.30

Add: (Withdrawal)/addition

137.87

136.50

0.10

9,659.62

Add: Share in profit for the year

14.07

14.07

0.27

3,527.80

Closing Balance

-

-

0.37

19.48

Ankit International

Notes to the financial statements for the period ended 07 February 2020

(All amounts in INR lakhs unless otherwise stated)

	As at 07 Feb 2020	As at 31 March 2019
3. Long-term borrowings		
Secured		
Term loans*		
From banks	592.50	750.50
Less: Current maturities of above long term borrowings (shown as a part of other current liabilities)	(592.50)	(158.00)
	<u>-</u>	<u>592.50</u>
 *Term loan from bank secured against		
- exclusive charge on property at Plot No. 63 Bhatoli Kalan, Baddi, District Solan, Himachal Pradesh and Plant & Machinery		
- personal guarantee of Mr. Hari Krishan Agarwal and Mr. Nikhil Aggarwal		
 4. Long-term provisions		
Provision for gratuity	32.52	18.98
Provision for compensated absences	3.19	-
	<u>35.71</u>	<u>18.98</u>
 5. Short-term borrowings		
Secured		
Cash credit from bank*	2,442.65	3,010.04
Channel financing -Debtors**	1,553.23	1,050.49
	<u>3,995.88</u>	<u>4,060.53</u>
 *Cash credit from bank secured against		
- exclusive charge on current assets,		
- exclusive charge on movable fixed assets except exclusively charged on term loan facility		
- exclusive charge on property at Plot No. 62 Bhatoli Kalan, Baddi, District Solan, Himachal Pradesh		
- exclusive charge on property at Plot No. 39-40, Sector-8A, I.I.E., BHEL, Haridwar, Uttarakhand (owned by Campus Activewear Private Limited, property also cross-collateralised for facilities of Campus Activewear Private Limited)		
- personal guarantee of Mr. Hari Krishan Agarwal and Mr. Nikhil Aggarwal		
- corporate guarantee of Campus Activewear Private Limited (holding 99% in firm)		
- immovable fixed assets- extension of charge on Industrial property bearing no. J-17, Udyog nagar, Rohtak road, new delhi- 110041 (owned by Hari Krishan Agrawal, property also cross- collateralised for facilities of Campus Activewear Private Limited)		
 **The Firm has entered into first loss guarantee agreement with Yes Bank Limited wherein the Firm has guaranteed the repayment of the amounts due by its dealers to the bank. The liability of guarantor under this guarantee is an amount equal to 100% of the program limit. The bank shall be entitled to without notice to the guarantor, adjust, appropriate or set-off all monies held by the bank to the credit or for the benefit of the guarantor on any account or otherwise howsoever towards the discharge and satisfaction of the liability of the guarantor under these presents.		
 6. Trade payables		
Trade payables	3,232.47	2,113.74
	<u>3,232.47</u>	<u>2,113.74</u>
 7. Other current liabilities		
Current maturities of long term borrowings	592.50	158.00
Advances from customers	66.01	60.75
TDS payable	5.18	9.37
PF and ESI payable	4.45	3.95
GST payable	9.15	1.46
Employee benefit payable	33.57	43.63
Partners' capital payable	475.44	-
Payable for capital goods	69.94	-
Interest accrued but not due on borrowings	5.23	-
Deferred revenue	391.09	-
Other payables	3.23	-
	<u>1,655.79</u>	<u>277.16</u>
 8. Short-term provisions		
Provision for income tax	1,545.53	445.47
Provision for compensated absences	0.05	-
Provision for gratuity	0.17	0.02
	<u>1,545.75</u>	<u>445.49</u>

Ankit International

Notes to the financial statements for the period ended 07 February 2020

(All amounts in INR lakhs unless otherwise stated)

	As at 07 Feb 2020	As at 31 March 2019
10. Capital work in progress		
Opening balance	-	245.69
Add: Additions during the year	-	-
Less: Capitalisation during the year	-	(245.69)
Closing Balance	-	-
11. Long-term loans and advances (Unsecured, considered good)		
Security deposits	7.91	7.91
Capital advances	6.27	8.79
	14.18	16.70
12. Inventories (valued at lower of cost and net realisable value)		
Raw materials *	1,980.92	1,339.99
Finished goods *	350.74	903.77
Packing material	92.89	76.49
Less: Provision for inventory	(36.90)	(15.45)
	2,387.65	2,304.80
* During the year, the Firm has provided for INR 36.67 lakhs on raw materials (31 March 2019 - 9.30 lakhs) and INR 0.22 lakhs on finished goods (31 March 2019 - 6.15 lakhs) for slow moving and non-moving inventory.		
13. Trade receivables (Unsecured, considered good)	4,337.44	5,205.57
Unsecured, considered doubtful	165.93	78.68
Less: Provision for doubtful debts	(165.93)	(78.68)
	4,337.44	5,205.57
14. Cash and cash equivalents		
Balances with bank		
- in current account	1.73	3.19
Cash in hand	2.07	2.07
	3.80	5.26
15. Short-term loans and advances (Unsecured, considered good)		
Advance to suppliers	13.56	2,908.89
Loans and advances to employees	44.51	50.02
Balance with tax authorities	1,537.75	698.07
Other Receivables	9.85	-
Prepaid expenses	9.96	16.20
	1,615.63	3,673.18

Ankit International

Notes to the financial statements for the period ended 07 February 2020

(All amounts in INR lakhs unless otherwise stated)

9. Property, plant and equipment

Particulars	Gross carrying amount				Accumulated depreciation				Net carrying value	
	As at 01 April 2019	Additions	Deletions	As at 07 Feb 2020	As at 01 April 2019	Depreciation for the period	Deletions	As at 07 Feb 2020	As at 07 Feb 2020	As at 01 April 2019
Leasehold land	373.07	-	-	373.07	-	-	-	-	373.07	373.07
Buildings	1,371.85	7.76	-	1,379.61	294.18	92.52	-	386.70	992.91	1,077.67
Plant and machinery	953.88	146.81	(0.30)	1,100.39	441.01	82.20	-	523.21	577.18	512.87
Moulds	15.53	-	-	15.53	10.26	1.35	-	11.61	3.92	5.27
Computers	14.29	1.43	-	15.72	9.96	1.93	-	11.89	3.83	4.33
Furniture and fixtures	228.53	13.20	-	241.73	50.06	15.83	-	65.89	175.84	178.47
Total	2,957.15	169.20	(0.30)	3,126.05	805.47	193.83	-	999.30	2,126.75	2,151.68

Ankit International

Notes to the financial statements for the period ended 07 February 2020

(All amounts in INR lakhs unless otherwise stated)

	For the period ended 07 Feb 2020	For the Year ended 31 March 2019
16. Revenue from operations		
Sale of goods	23,868.12	19,609.20
Other operating income	18.83	25.73
Scrap sales	<u>23,886.95</u>	<u>19,634.93</u>
17. Other income		
Profit on sale of property, plant and equipment	-	0.26
Management fee income	15.70	3.56
Balances written back	0.84	46.54
Interest received	0.56	-
Bad debts recovered	1.77	-
	<u>18.87</u>	<u>50.36</u>
18. Cost of materials consumed		
Raw material purchases	13,856.16	12,485.15
Add: Opening stock	1,416.48	1,405.93
Less: Closing stock	(2,073.81)	(1,416.48)
	<u>13,198.83</u>	<u>12,474.60</u>
19. Purchases of stock-in-trade		
Purchases of finished goods	171.26	127.49
	<u>171.26</u>	<u>127.49</u>
20. Changes in Inventory of finished goods		
Add: Opening stock		
-Finished goods	903.77	467.17
Less: Closing stock		
-Finished goods	(350.74)	(903.77)
	<u>553.03</u>	<u>(436.60)</u>
21. Employee benefits expense		
Salaries, wages and bonus	323.26	332.20
Contribution to provident and other funds	21.67	20.75
Gratuity	13.69	7.53
Staff welfare expenses	12.49	11.74
	<u>371.11</u>	<u>372.22</u>
22. Finance costs		
Interest expenses on :		
- Borrowings	204.24	415.70
- Interest expenses on micro, small and medium enterprises	3.23	-
- processing fee	16.20	12.84
- Interest on delayed payment of income tax	84.22	36.87
	<u>307.89</u>	<u>465.41</u>
23. Other expenses		
Advertising and sales promotion	792.77	596.47
Contractor charges	1,069.48	1,045.29
Freight outwards	504.34	621.23
Legal and professional	222.49	333.54
Power and fuel	115.05	116.04
Travelling and conveyance	23.25	30.85
Bad debts	-	17.79
Consumables	77.08	34.45
Balances written off	-	5.09
Repairs and maintenance		
- Plant and machinery	52.14	31.68
- Buildings	16.42	21.96
- Others	1.82	2.60
Provision for slow moving inventory	21.45	15.45
Provision for doubtful debts	87.25	78.68
Partners' capital waived off	274.37	-
Miscellaneous expenses	102.72	85.83
	<u>3,360.63</u>	<u>3,036.95</u>
*Payment to auditors (included in Legal and professional expenses above)		
As auditor		
For Tax audit	5.00	10.00
Other services	-	-
Reimbursement of expenses	-	-
	<u>5.00</u>	<u>10.00</u>

Ankit International

Notes to the financial statements for the period ended 07 February 2020
(All amounts in INR lakhs unless otherwise stated)

24. Retirement Benefits

The disclosures as per the Revised AS 15 on "Employee Benefits", are as follows:

The Firm has classified various benefits provided to employees as under :

- a) Defined Contribution Plan and amount recognized in profit and loss account.

	As at 07 Feb 2020	As at 31 March 2019
Employer's Contribution to Provident Fund & ESI	21.67	20.75

- b) Defined Benefit Plans

Gratuity: Actuarial valuation is done in accordance with Accounting Standard - 15 (Revised), details of the same are given:

Actuarial Assumptions

	As at 07 Feb 2020	As at 31 March 2019
Mortality Rate (% of IALM 06-08)	100%	100%
Discounting Rate (per annum)	6.95%	7.70%
Salary Growth Rate (per annum)	10.00%	10.00%
Withdrawal Rates, based on age (per annum)		
Upto 30 Years	3%	3%
31-44 Years	2%	2%
Above 44 Years	1%	1%

Changes in the Present Value of Obligation

	As at 07 Feb 2020	As at 31 March 2019
Present value of obligation as at the beginning of the period	19.00	11.47
Current service cost	9.88	9.36
Interest cost	1.25	0.89
Curtailment cost/(credit)	-	-
Settlement cost/(credit)	-	-
Benefits paid	-	-
Actuarial (gain)/loss arising from:		
- change in demographic assumptions	0.04	-
- change in financial assumptions	4.68	0.40
- experience variance	(2.16)	(3.12)
Present value of obligation as at the end of period	32.69	19.00
Expense recognized in profit and loss account	7 Feb 2020	31 March 2019
Current service cost	9.88	9.36
Interest cost	1.25	0.89
Expected return on plan assets	-	-
Curtailment cost / (credit)	-	-
Settlement cost / (credit)	-	-
Net actuarial (gain)/ loss recognized in the period	2.56	(2.72)
Expenses recognized in profit and loss account	13.69	7.53

25. Related Party Disclosures

Related party disclosures as required under Accounting Standard - 18 on "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as given below as on 07 Feb 2020:

- a) **Subsidiary Company** Not Applicable

- b) **Holding Company** Not Applicable

c) Partners:

Name	Relation
Nikhil Aggarwal	Partner
Hari Krishan Agarwal	Partner
Campus Activewear Private Limited	Partner

- d) **Enterprise over which personnel referred in (C) aforementioned exercise significant influence :-**

Name	Relation
Action Shoes Private Limited	Partner's and their relatives significant influence
Action Footwear Private Limited	Partner's relative significant influence
Nikhil Udyog	Partner's relative significant influence

Ankit International

Notes to the financial statements for the period ended 07 February 2020
(All amounts in INR lakhs unless otherwise stated)

e Related Party Transactions

Nature of Transactions	Year ended	Partners	Enterprises over which partners or their relatives have significant influence
Sale of goods			
Action Footwear Private Limited	07-Feb-20	-	516.71
	31-Mar-19	-	593.01
Campus Activewear Private Limited	07-Feb-20	5,735.85	-
	31-Mar-19	811.37	-
Purchases			
Campus Activewear Private Limited	07-Feb-20	7,317.90	-
	31-Mar-19	5,752.68	-
Goods in transit			
Campus Activewear Private Limited	07-Feb-20	-	-
	31-Mar-19	13.65	-
Purchase of property, plant and equipment			
Campus Activewear Private Limited	07-Feb-20	-	-
	31-Mar-19	36.70	-
Sale of property, plant and equipment			
Campus Activewear Private Limited	07-Feb-20	0.30	-
	31-Mar-19	-	-
Re-imbursement of expenses incurred by other party			
Campus Activewear Private Limited	07-Feb-20	1,124.88	-
	31-Mar-19	841.18	-
Re-imbursement of expenses incurred on behalf of other party			
Campus Activewear Private Limited	07-Feb-20	-	-
	31-Mar-19	300.03	-
Guarantees received			
Campus Activewear Private Limited	07-Feb-20	4,588.38	-
	31-Mar-19	4,808.67	-
Nikhil Aggarwal and	07-Feb-20	4,588.38	-
Hari Krishan Agarwal	31-Mar-19	4,811.03	-
Withdrawal of capital by partners			
Campus Activewear Private Limited*	07-Feb-20	9,659.62	-
	31-Mar-19	-	-

* Out of INR 9,659.62 lakhs, INR 475.43 lakhs were payable as on 7th February, 2020.

Related party balances as at the year end:

Nature of the Balance	Related party	As at 7 Feb 2020	As at 31 March 2019
Trade payables	Campus Activewear Private Limited	589.82	-
Short-term loans and advances	Campus Activewear Private Limited		2,884.18
Other current liabilities	Campus Activewear Private Limited	475.43	-
Trade receivables	Action Footwear Private Limited	131.81	237.15

26. The Firm's business activity falls within a single geographical & single business segment, viz, "Footwear & Related products" therefore segment information is not required to be disclosed under Accounting Standard 17,'Segment Reporting issued by the Institute of Chartered Accountants of India.

Ankit International

Notes to the financial statements for the period ended 07 February 2020
(All amounts in INR lakhs unless otherwise stated)

27. Details of dues to micro and small enterprises as defined under MSMED Act, 2006

Particulars	As at 7 Feb 2020	As at 31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year reported in Current Trade Payables		
Principal amount unpaid	-	133.10
Interest due	3.23	-
The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year		
Payment made beyond the Appointed Date	-	-
Interest Paid beyond the Appointed Date	-	-
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 MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, 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 of the MSMED Act, 2006	-	-

28. Ankit International got converted into Campus AI Private Limited on 7 February 2020. The management has initiated/ completed all necessary administrative formalities with tax authorities whereby upon conversion all tangible (movable or immovable) and intangible properties, assets, interests, rights, privileges, liabilities, obligations and whole of undertaking of Ankit International are transferred to and now vest in Campus AI Private Limited. In addition, outstanding unclaimed income tax balances as on 7 February 2020 which are transferred to Campus AI Private Limited have not been claimed by Ankit International in its income tax return.

29. Previous year figures have been regrouped and reclassified wherever necessary.

The notes referred to above form an integral part of the financial statements.

As per our report u/s 44AB of Income Tax Act, 1961 of even date attached

For **BSR & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

SHARMA Digitally signed by
GAJENDRA SHARMA GAJENDRA
Date: 2020.12.30
20:32:40 +05'30'

Gajendra Sharma

Partner

Membership Number: 064440

For and on behalf of **Ankit International**

Dimple
Mirchandani

Digitally signed by Dimple
Mirchandani
Date: 2020.12.30 14:55:14
+05'30'

Dimple Mirchandani
Partner

Nikhil Aggarwal

Digitally signed by Nikhil
Aggarwal
Date: 2020.12.30 14:53:09
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Campus Activewear Private Limited
Partner/ Authorised Signatory

Place : Gurugram
Date : 30 December 2020

Place : New Delhi
Date : 30 December 2020