

B S R & Associates LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Campus AI Private Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's board report, but does not include the financial statements and our auditors' 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 in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - 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;



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

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

The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 197(16) of the Act are not applicable to the Company.

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm's Registration No. 116231W/W-100024



Gajendra Sharma

Partner

Membership No.: 064440

UDIN: 21064440AAAADR3384

Place: Gurugram

Date: 24 September 2021

Annexure A referred to in our Independent Auditors' Report of even date on the financial statements of Campus AI Private Limited

The Annexure A referred to in our independent Auditor's report to the members of the Company on the financial statements for the period ended 31 March 2021, we report that

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment; and other intangible assets).
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets in a phased manner over a period of three years. In accordance with this programme, part of the fixed assets was physically verified by the Company during the current year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except goods-in-transit has been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3 (iii) of the Order is not applicable.
- (iv) According to the information and explanations given to us, the Company has not given any loans, or made any investments or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013. Accordingly, the provisions of paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits covered under Section 73 to 76 or any other provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the activities carried out by the Company. Accordingly, the provisions of paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Goods and Services tax, cess and other material statutory dues have generally been regularly deposited during the period by the Company with the appropriate authorities though there has been a slight delay in a few cases in payment of Income-tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of excise, Value added tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, duty of Customs, duty of excise and Value added tax which have not been deposited by the Company with the appropriate authorities on account of disputes.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any banks. The Company did not have any outstanding debentures or dues on account of loans or borrowings to any financial institution or government during the period.
- (ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the company has not raised any term loan during the year ended 31 March 2021. Accordingly, paragraph 3(ix) of the Order is not applicable
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit for the year.
- (xi) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited Company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. According to the information and explanations given to us, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him covered by Section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration No.: 116231W / W-100024



Gajendra Sharma

Partner

ICAI Membership No.: 064440

UDIN: 21064440AAAADR3384

Place: Gurugram

Date: 24 September 2021

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Annexure B to the Independent Auditors' report on the financial statements of Campus AI Private Limited for the year ended 31 March 2021.

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

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

Opinion

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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



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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.: 116231W/W-100024



Gajendra Sharma

Partner

Membership No.: 064440

UDIN: 21064440AAAADR3384

Place: Gurugram

Date: 24 September 2021

CAMPUS AI PRIVATE LIMITED**Balance Sheet as at 31 March 2021***(All amounts are in INR millions unless otherwise stated)*

| | Notes | As at 31 March 2021 | As at 31 March 2020 |
|--|-------|------------------------|------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 165.56 | 172.34 |
| Right-of-use assets | 4 | 36.73 | 37.25 |
| Financial assets | | | |
| (i) Loans | 5 | 0.79 | 0.79 |
| Deferred tax assets (net) | 6 | 8.69 | 9.72 |
| Other non-current assets | 7 | 0.46 | 0.63 |
| Total non-current assets | | 212.23 | 220.73 |
| Current assets | | | |
| Inventories | 8 | 262.08 | 245.08 |
| Financial assets | | | |
| (i) Trade receivables | 9 | 190.22 | 288.80 |
| (ii) Cash and cash equivalents | 10 | 2.98 | 1.17 |
| (iii) Loans | 11 | 2.26 | 4.44 |
| (iv) Other current financial assets | 12 | 0.05 | 1.10 |
| Other current assets | 13 | 298.20 | 139.07 |
| Total current assets | | 755.79 | 679.66 |
| Total assets | | 968.02 | 900.39 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 14 | 1.99 | 1.99 |
| Other equity | 15 | 525.57 | 49.66 |
| Total equity | | 527.56 | 51.65 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 16 | - | - |
| Provisions | 17 | 3.36 | 3.83 |
| Total non-current liabilities | | 3.36 | 3.83 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 16 | - | 243.03 |
| (ii) Trade payables | 18 | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | | 29.50 | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 318.82 | 452.46 |
| (iii) Other current financial liabilities | 19 | 50.21 | 123.21 |
| Other current liabilities | 20 | 1.62 | 7.95 |
| Provisions | 17 | 0.06 | 0.02 |
| Current tax liabilities (net) | 21 | 36.89 | 18.24 |
| Total current liabilities | | 437.10 | 844.91 |
| Total liabilities | | 440.46 | 848.74 |
| Total equity and liabilities | | 968.02 | 900.39 |
| Significant accounting policies | 2 | | |

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024


Gajendra Sharma

Partner

Membership Number: 064440

For and on behalf of the Board of Directors of
Campus AI Private Limited


Hari Krishan Agarwal
Director
DIN : 00172467



Nikhil Aggarwal
Director
DIN : 01877186
Place: Gurugram
Date: 24 September 2021Place: New Delhi
Date: 24 September 2021Place: New Delhi
Date: 24 September 2021

CAMPUS AI PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31 March 2021
(All amounts are in INR millions unless otherwise stated)

| | Notes | For the year ended 31 March 2021 | For the period 7 February 2020 to 31 March 2020 |
|---|-------|-------------------------------------|---|
| Revenue | | | |
| Revenue from operations | 22 | 2,536.68 | 300.23 |
| Other income | 23 | 12.18 | 0.94 |
| Total income (I) | | 2,548.86 | 301.17 |
| Expenses | | | |
| Cost of materials consumed | 24 | 1,510.46 | 175.74 |
| Purchases of stock-in-trade | 25 | 53.44 | 2.50 |
| Changes in inventory of finished goods, stock-in-trade & work in progress | 26 | (28.51) | 0.52 |
| Employee benefits expenses | 27 | 36.87 | 5.95 |
| Finance costs | 28 | 13.49 | 4.48 |
| Depreciation and amortisation expenses | 29 | 26.55 | 3.90 |
| Other expenses | 30 | 298.35 | 49.90 |
| Total expenses (II) | | 1,910.65 | 242.99 |
| Profit before tax | | 638.21 | 58.18 |
| Tax expenses: | | | |
| Current tax | | (162.93) | (18.24) |
| Deferred tax | 6 | (0.60) | 9.71 |
| Profit after tax (A) | | 474.68 | 49.65 |
| Other comprehensive income | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Remeasurement of defined benefit plans | 31 | 1.65 | (0.02) |
| Income tax relating to remeasurement of defined benefit plans | 31 | (0.42) | 0.01 |
| Total other comprehensive income for the year, net of tax (B) | | 1.23 | (0.01) |
| Total comprehensive income for the year (A + B) | | 475.91 | 49.64 |
| Earnings per equity share (face value of INR 10 each) | 32 | | |
| Basic (INR) | | 2,385.31 | 249.51 |
| Diluted (INR) | | 2,385.31 | 249.51 |

Significant accounting policies

2

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024

For and on behalf of the Board of Directors of

Campus AI Private Limited

Gajendra Sharma

Partner

Membership Number: 064440


Hari Krishan Agarwal

Director

DIN : 00172467


Nikhil Aggarwal

Director

DIN : 01877186

Place: Gurugram

Date: 24 September 2021

Place: New Delhi

Date: 24 September 2021

Place: New Delhi

Date: 24 September 2021



CAMPUS AI PRIVATE LIMITED**Statement of Changes in Equity for the year ended 31 March 2021***(All amounts are in INR millions unless otherwise stated)***(a) Equity share capital (refer note 14)**

| | <u>Amount</u> |
|---|---------------|
| Balance as at 7 Feb 2020 | - |
| Shares issued during the period | 1.99 |
| Balance as at 31 March 2020 | <u>1.99</u> |
| Changes in equity share capital during the year | - |
| Balance as at 31 March 2021 | <u>1.99</u> |

(b) Other equity (refer note 15)

| | Reserves and surplus (Retained earnings) | Other comprehensive income | Total |
|--|---|---|---------------|
| Balance as at 7 Feb 2020 | - | - | - |
| Profit for the period | 49.67 | - | 49.67 |
| Other comprehensive income for the period | - | (0.01) | (0.01) |
| Total comprehensive income for the period | 49.67 | (0.01) | 49.66 |
| Transfer to retained earnings | (0.01) | 0.01 | - |
| Balance as at 31 March 2020 | 49.66 | - | 49.66 |
| Profit for the year | 474.68 | - | 474.68 |
| Other comprehensive income for the year | - | 1.23 | 1.23 |
| Total comprehensive income for the year | 474.68 | 1.23 | 475.91 |
| Transfer to retained earnings | 1.23 | (1.23) | - |
| Balance as at 31 March 2021 | 525.57 | - | 525.57 |

As per our report of even date attached

For B S R & Associates LLP*Chartered Accountants*

ICAI Firm Registration Number: 116231W/W-100024

For and on behalf of the Board of Directors of
Campus AI Private Limited**Gajendra Sharma**

Partner

Membership Number: 064440

**Hari Krishan Agarwal**

Director

DIN : 00172467

**Nikhil Aggarwal**

Director

DIN : 01877186

Place: Gurugram

Date: 24 September 2021

Place: New Delhi

Date: 24 September 2021

Place: New Delhi

Date: 24 September 2021



CAMPUS AI PRIVATE LIMITED
Statement of Cash Flows for the year ended 31 March 2021
(All amounts are in INR millions unless otherwise stated)

| | For the year ended 31 March 2021 | For the period 7 February 2020 to 31 March 2020 |
|---|-------------------------------------|---|
| A. Cash flows from operating activities | | |
| Profit for the year before tax | 638.21 | 58.18 |
| Adjustments for: | | |
| Depreciation and amortization expenses | 26.55 | 3.90 |
| Finance costs | 13.49 | 4.48 |
| Trade receivables written off | 0.49 | - |
| Allowance for expected credit loss | - | 7.86 |
| Allowance for credit impaired trade receivables | 2.14 | 2.63 |
| Advances written off | 1.28 | - |
| Liabilities/ provisions no longer required written back | (0.26) | (0.17) |
| Advances to creditors written back | (1.45) | - |
| Provision for doubtful debts written back | (7.09) | - |
| Provision for compensated absences | - | (0.14) |
| Provision for gratuity | 1.43 | 0.35 |
| Provision for obsolete inventory | (3.38) | 1.33 |
| Operating profit before changes in assets and liabilities | 671.41 | 78.42 |
| Adjustments for changes in assets and liabilities | | |
| (Increase) in inventories | (13.62) | (7.65) |
| Decrease in trade receivables | 103.05 | 134.46 |
| (Increase)/ decrease in other current assets | (160.41) | 17.04 |
| Decrease in loans | 2.18 | 0.01 |
| Decrease/ (increase) in other financial assets | 1.05 | (0.11) |
| (Decrease)/ increase in trade payables | (102.69) | 129.23 |
| Increase in provisions | 0.04 | 0.03 |
| (Decrease) in other financial liabilities | (56.14) | (149.82) |
| (Decrease) in other current liabilities | (6.33) | (39.46) |
| Cash generated from operating activities | 438.55 | 162.15 |
| Less: Income tax paid (net of refunds) | (144.26) | - |
| Net cash generated from operating activities (A) | 294.29 | 162.15 |
| 3. Cash flows from investing activities | | |
| Purchase of property, plant and equipment including capital-work-in-progress, intangible assets, capital advances and capital creditors | (21.73) | (0.81) |
| Proceeds from sale of property, plant and equipment | 1.20 | - |
| Net cash (used in) investing activities (B) | (20.53) | (0.81) |
| C. Cash flows from financing activities | | |
| Borrowings obtained / (repaid) - non-current borrowings | (15.80) | - |
| Borrowings obtained / (repaid) - current borrowings | (243.03) | (156.56) |
| Finance costs paid | (13.12) | (3.99) |
| Net cash (used in) financing activities (C) | (271.95) | (160.55) |
| Net increase in cash and cash equivalents (A+B+C) | 1.81 | 0.79 |
| Cash and cash equivalents at the beginning of the year | 1.17 | - |
| Cash and cash equivalents transferred from erstwhile entity | - | 0.38 |
| Cash and cash equivalents at the end of the year/ period | 2.98 | 1.17 |



CAMPUS AI PRIVATE LIMITED**Statement of Cash Flows for the year ended 31 March 2021***(All amounts are in INR millions unless otherwise stated)***Notes to statement of cash flows :****(i) Components of cash and cash equivalents:**

Cash on hand

Balance with banks:

- In current account

| | As at 31 March 2021 | As at 31 March 2020 |
|----------------------|------------------------|------------------------|
| Cash on hand | 0.21 | 0.21 |
| Balance with banks: | | |
| - In current account | 2.77 | 0.96 |
| | 2.98 | 1.17 |

(ii) Change in liabilities arising from financing activities

| Particulars | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---|-------------------------------------|-------------------------------------|
| Opening balance | | |
| Term loans (including current maturities) | 59.25 | 59.25 |
| Current borrowings | 243.03 | 399.59 |
| Cash flows | | |
| Repayment of term loans | (15.80) | - |
| Proceeds from term loans | - | - |
| (Decrease) in current borrowings | (243.03) | (156.56) |
| Net cash flow changes | (258.83) | (156.56) |
| Closing Balance | | |
| Term loan (including current maturities) | 43.45 | 59.25 |
| Current borrowings | - | 243.03 |

(iii) The statement of cash flows has been prepared in accordance with the 'Indirect method' as set out in the Ind AS 7 on "Statement of Cash flows".

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024


Gajendra Sharma

Partner

Membership Number: 064440

For and on behalf of the Board of Directors of
Campus AI Private Limited


Hari Krishan Agarwal

Director

DIN : 00172467

**Nikhil Aggarwal**

Director

DIN : 01877186

Place: Gurugram

Date: 24 September 2021

Place: New Delhi

Date: 24 September 2021

Place: New Delhi

Date: 24 September 2021

Campus AI Private Limited
Notes to financial statements for the year ended 31 March 2021
(All amounts are in INR Million unless otherwise stated)

1. Corporate information

Campus AI Private Limited is a private limited company domiciled in India with its registered office situated at J-17, Udyog Nagar, main Rohtak road New Delhi- 110041. It was incorporated on 7th February 2020 under the Companies Act, 2013 vide Corporate Identification Number (CIN) U19129DL2020PTC361605.

Company is primarily engaged in the business of manufacturing and trading of footwear and accessories through its retail and wholesale network.

2 (a) Basis of preparation

A. Statement of compliance

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

The financial statements of the Company for the year ended 31 March 2021 were approved for issue in accordance with the resolution of the Board of Directors on 24th September 2021.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, unless otherwise indicated.

B. Basis of measurement

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

| | |
|--|---|
| (a) Certain financial assets and liabilities (including derivatives instruments) | Fair value |
| (b) Net defined benefit (asset)/ liability | Fair value of plan assets less present value of defined benefit obligations |

C. Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements is included in the following notes: -

- Leases; whether an arrangement contains a lease.
- Lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties made in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements is included in the following notes:

- Impairment test of non-financial assets: Key assumptions underlying recoverable amounts
- Measurement of defined benefit obligations: key actuarial assumptions
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Impairment of financial assets
- Estimation of current tax expense and recognition of deferred tax asset.



D. Measurement of fair values

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

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

The principal or the most advantageous market is accessible by the Company.

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

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer. Discussions of valuation processes and results are held between the Chief Financial Officer and the finance team at least once every year in line with the Company's reporting periods.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 36— financial instruments.

2 (b) Significant accounting policies

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

(i) Foreign currency transactions:

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVTOCI);
- qualifying cash flow hedges to the extent that the hedges are effective.



(ii) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one Company and a financial liability or equity instrument of another Company.

Recognition and initial measurement

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

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

Classification and subsequent measurement and gain and losses

Financial assets

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

- Amortised cost
- FVTOCI - debt investment
- FVTOCI - equity investment or
-

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

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment-by-investment basis.

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

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

Impairment of financial assets:

The Company applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

- (i) Financial assets measured at amortized cost
- (ii) Financial assets measured at fair value through profit and loss (FVTPL)
- (iii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.



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In case of other assets (listed as ii and iii above), the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Company reverts to recognizing impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Company uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

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

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

Financial liabilities

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

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

Offsetting

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



(iii) Current versus non-current classification

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

An asset is treated as current when it is:

- (a) expected to be realised in, or is intended to be sold or consumed in Company's normal operating cycle;
- (b) held primarily for the purpose of being traded;
- (c) expected to be realised within 12 months after the reporting date; or
- (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

- (a) it is expected to be settled in Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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 Company has identified twelve months as its operating cycle.

(iv) Property, plant and equipment

Recognition and measurement

Property, plant and equipment is stated at cost net of accumulated depreciation and impairment loss, if any. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable of future economic benefits.

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

Property, plant and equipment which are not ready for intended use as on date of reporting period, are disclosed as Capital work in progress.

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

Subsequent expenditure

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

Depreciation

Depreciation is provided on pro-rata basis on written down value method based on estimated useful life as prescribed under schedule-II of Companies Act, 2013. Freehold land is not depreciated.

The estimated useful life of assets is considered as under:-

| Asset Category | Useful lives as per Schedule II of Companies Act, 2013 |
|------------------------|--|
| Buildings | 30 years |
| Plant and machinery | 15 years |
| Computers | 3 years |
| Office equipment | 5 years |
| Furniture and fixtures | 10 years |



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| | |
|------------------------|----------|
| Electric installations | 10 years |
|------------------------|----------|

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

(v) Impairment

Impairment of non-financial assets

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

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

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

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(vi) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs, 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.

(vii) Leases

The Company's lease asset classes primarily consist of leases for land for factories. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset,
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.



Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs.

They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as operating cash flows.

(viii) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is computed on FIFO.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Finished goods: Cost includes cost of direct materials and labour and a proportion of fixed manufacturing overheads based on the normal operating capacity. Cost is determined on a FIFO basis.

Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories in transit are valued at cost.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

(ix) Revenue recognition

The Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue is recognised upon transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which coincides with the performance obligation under the contract with the customer.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue from related party is recognised based on transaction price which is at arm's length.

Use of significant judgments in revenue recognition: -

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance



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obligations in the contract. Identification of distinct performance obligation involves judgments to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgment is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that the pertain to one or more distinct performance obligations.

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.

(x) 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.

(xi) Provisions (other than employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive 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 determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Contingencies

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

(xii) Operating segments:

The Operating Segment is the level at which discrete financial information is available. Business segments are identified considering:

- a) the nature of products and services
- b) the differing risks and returns
- c) the internal organisation and management structure, and
- d) the internal financial reporting systems.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Exceptional items and other expenses which are not attributable or allocable to segments are disclosed separately. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities.



(xiii) Employee benefits

Short term employee benefits

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

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 Company makes specified monthly contributions towards employee provident fund and employee's state insurance corporation which is a defined contribution plan. The Company'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.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan 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. The fair value of plan assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits, in the nature of voluntary retirement benefits or termination benefits arising from restructuring, are recognised in the Statement of Profit and Loss. The Company recognises termination benefits at the earlier of the following dates:

- (a) when the Company can no longer withdraw the offer of those benefits; or
- (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits.

Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

Compensated absences

Compensated absences are provided for based on actuarial valuation on projected unit credit method carried by an actuary, at each year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.



(xiv) Income taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

Current tax

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

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

Deferred tax

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable profit or loss at the time of the transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is recognized based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted, or substantially enacted by the end of the reporting period.

Deferred tax assets are recognized only to the extent that is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

(xv) Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The dilutive potential equity shares are deemed to be converted as of the beginning of the period, unless they have been issued at a later date.

(xvi) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(xvii) Cash Flow Statement

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

(xviii) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the



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obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

(xix) Recent Accounting Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property help etc..

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

Further on June 18, 2021, the MCA through a notification, issued Companies (Indian Accounting Standards) Amendment Rules 2021 which includes amendments in 21 standards. The amendments to IndASs are in terms of insertion of certain paragraphs, substituting definition of certain terms used in the standard along with aligning the bare text of Standards with Conceptual Framework of Financial reporting under Ind ASs. The amendments are effective from 18 June 2021. The Company does not expect any significant impact of these amendments on its financial statements.



CAMPUS AI PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in INR millions unless otherwise stated)
3. Property, plant and equipment

| Particulars | Gross block | | | | | Accumulated depreciation | | | | Net block |
|------------------------|-----------------------|---|--------------|---------------|---------------------------|--------------------------|-----------------|---------------|------------------------|------------------------|
| | As at 1 April 2020 | Acquired as a part of business succession | Additions | Deletions | As at 31 March 2021 | As at 1 April 2020 | For the year | Deletions | As at 31 March 2021 | As at 31 March 2021 |
| Buildings | 99.29 | - | - | - | 99.29 | 1.33 | 9.04 | - | 10.37 | 88.92 |
| Plant and machinery | 54.56 | - | 20.06 | (1.25) | 73.37 | 1.28 | 9.05 | (0.02) | 10.31 | 63.06 |
| Furniture and fixtures | 6.35 | - | 0.18 | - | 6.53 | 0.27 | 1.76 | - | 2.03 | 4.50 |
| Office equipment | 5.63 | - | 0.01 | (0.01) | 5.63 | 0.47 | 2.98 | - | 3.45 | 2.18 |
| Computers | 0.42 | - | 0.11 | - | 0.53 | 0.04 | 0.24 | - | 0.28 | 0.25 |
| Electric installations | 9.93 | - | 0.13 | - | 10.06 | 0.45 | 2.96 | - | 3.41 | 6.65 |
| Total | 176.18 | - | 20.49 | (1.26) | 195.41 | 3.84 | 26.03 | (0.02) | 29.85 | 165.56 |

| Particulars | Gross block | | | | | Accumulated depreciation | | | | Net block |
|------------------------|---------------------|---|-------------|-----------|---------------------------|--------------------------|-------------------|-----------|------------------------|------------------------|
| | As at 7 Feb 2020 | Acquired as a part of business succession | Additions | Deletions | As at 31 March 2020 | As at 7 Feb 2020 | For the period | Deletions | As at 31 March 2020 | As at 31 March 2020 |
| Buildings | - | 99.29 | - | - | 99.29 | - | 1.33 | - | 1.33 | 97.96 |
| Plant and machinery | - | 53.95 | 0.61 | - | 54.56 | - | 1.28 | - | 1.28 | 53.28 |
| Furniture and fixtures | - | 6.35 | - | - | 6.35 | - | 0.27 | - | 0.27 | 6.08 |
| Office equipment | - | 5.46 | 0.17 | - | 5.63 | - | 0.47 | - | 0.47 | 5.16 |
| Computers | - | 0.38 | 0.04 | - | 0.42 | - | 0.04 | - | 0.04 | 0.38 |
| Electric installations | - | 9.93 | - | - | 9.93 | - | 0.45 | - | 0.45 | 9.48 |
| Total | - | 175.36 | 0.82 | - | 176.18 | - | 3.84 | - | 3.84 | 172.34 |

For assets given as security- refer note 16.

4. Right-of-use assets
Gross block

| | Leasehold land | Total |
|------------------------------------|----------------|--------------|
| Balance as on 7 Feb 2020 | 37.31 | 37.31 |
| Addition for new leases | - | - |
| Deletions for terminated leases | - | - |
| Balance as on 31 March 2020 | 37.31 | 37.31 |
| Addition for new leases | - | - |
| Deletions for terminated leases | - | - |
| Balance as on 31 March 2021 | 37.31 | 37.31 |

Accumulated depreciation

| | | |
|------------------------------------|-------------|-------------|
| Balance as on 7 Feb 2020 | - | - |
| Depreciation charge for the period | 0.06 | 0.06 |
| Deletions for terminated leases | - | - |
| Balance as on 31 March 2020 | 0.06 | 0.06 |
| Depreciation charge for the year | 0.52 | 0.52 |
| Deletions for terminated leases | - | - |
| Balance as on 31 March 2021 | 0.58 | 0.58 |

Net block as on 31 March 2021

| | | |
|--|--------------|--------------|
| | 36.73 | 36.73 |
|--|--------------|--------------|

Net block as on 31 March 2020

| | | |
|--|--------------|--------------|
| | 37.25 | 37.25 |
|--|--------------|--------------|

For assets given as security- refer note 16.



CAMPUS AI PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in INR millions unless otherwise stated)
5 Non-current financial assets
(i) Loans
(unsecured, considered good unless otherwise stated)

Security deposits at amortised cost

Sub-classification of Loans:

Loan receivables considered good- Secured

Loan receivables considered good- Unsecured

Refer note 36 for information about credit risk and market risk of financial assets.

| | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| | 0.79 | 0.79 |
| | 0.79 | 0.79 |
| | - | - |
| | 0.79 | 0.79 |

6 Deferred tax assets
A. Movement in deferred tax balances
Deferred tax assets/ (liabilities)

Provision for employee benefits

Property, plant and equipment and Intangible assets

Provision for doubtful debts and advances

Provision for inventory

| As at 1 April 2020 | Recognized in statement of profit and loss | Recognized in other comprehensive income | As at 31 March 2021 |
|-----------------------|--|--|------------------------|
| 1.69 | 0.40 | (0.42) | 1.67 |
| (0.04) | 1.08 | - | 1.04 |
| 6.81 | (1.24) | - | 5.57 |
| 1.26 | (0.85) | - | 0.41 |
| 9.72 | (0.61) | (0.42) | 8.69 |

Deferred tax assets/ (liabilities)

Provision for employee benefits

Property, plant and equipment and Intangible assets

Provision for doubtful debts and advances

Provision for inventory

| | Recognized in statement of profit and loss | Recognized in other comprehensive income | As at 31 March 2020 |
|--|--|--|------------------------|
| | 1.68 | 0.01 | 1.69 |
| | (0.04) | - | (0.04) |
| | 6.81 | - | 6.81 |
| | 1.26 | - | 1.26 |
| | 9.71 | 0.01 | 9.72 |

B. Amounts recognised in profit or loss
Current tax expense

Current year/ period

Adjustment for prior period

Deferred tax expense

Origination and reversal of temporary differences

Total tax expense

| | For the year ended 31 March 2021 | For the period 7 February 2020 to 31 March 2020 |
|--|-------------------------------------|---|
| | (162.25) | (18.24) |
| | (0.68) | - |
| | (162.93) | (18.24) |
| | (0.60) | 9.71 |
| | (0.60) | 9.71 |
| | (163.53) | (8.53) |



CAMPUS AI PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in INR millions unless otherwise stated)
C. Amounts recognised in other comprehensive income

Items that will not be reclassified subsequently to profit or loss

| | For the year ended 31 March 2021 | | | For the period 7 February 2020 to 31 March 2020 | | |
|---|-------------------------------------|-----------------------------|-------------|---|--------------------------|---------------|
| | Before tax | Tax (expense)/ income | Net of tax | Before tax | Tax (expense)/ income | Net of tax |
| Remeasurements of defined benefit liability | 1.65 | (0.42) | 1.23 | (0.02) | 0.01 | (0.01) |
| | <u>1.65</u> | <u>(0.42)</u> | <u>1.23</u> | <u>(0.02)</u> | <u>0.01</u> | <u>(0.01)</u> |

D. Reconciliation of effective tax rate

| | For the year ended 31 March 2021 | | For the period 7 February 2020 to 31 March 2020 | |
|---|-------------------------------------|---------------|---|-------------|
| | Rate | Amount | Rate | Amount |
| Profit before tax from continuing operations | 25.17% | 638.21 | 25.17% | 58.18 |
| Tax using the Company's domestic tax rate | | 160.62 | | 14.64 |
| Tax effect of: | | | | |
| Non-deductible expenses | 0.32% | 2.07 | 0.60% | 0.35 |
| Tax adjustment for earlier year | 0.11% | 0.68 | 0.00% | - |
| DTA related to transferred assets | 0.02% | 0.15 | -11.12% | (6.47) |
| Other adjustments | | | | |
| | <u>25.62%</u> | <u>163.52</u> | <u>14.65%</u> | <u>8.53</u> |
| As per Statement of profit and loss | | 163.53 | | 8.53 |

7 Other non-current assets
(unsecured, considered good unless otherwise stated)

| | As at 31 March 2021 | As at 31 March 2020 |
|------------------|------------------------|------------------------|
| Capital advances | 0.46 | 0.63 |
| | <u>0.46</u> | <u>0.63</u> |

8 Inventories
(valued at lower of cost or net realisable value)

| | | |
|---|---------------|---------------|
| Raw materials * | 185.14 | 205.01 |
| Finished goods * | 63.06 | 34.55 |
| Packing material | 15.52 | 10.54 |
| Less: Provision for inventory ** | (1.64) | (5.02) |
| | <u>262.08</u> | <u>245.08</u> |
| Carrying amount of inventories pledged as security for borrowings | 262.08 | 245.08 |

* Includes goods in transit raw material INR 5.18 million (31 March 2020: INR 0.74 million).

The Company has recorded provision of INR 1.45 million (31 March 2020: INR 4.97 million) on raw material and INR 0.19 million (31 March 2020: 0.05 million) on finished goods for slow moving and non-moving inventory.

* Finished goods include both Stock in trade and manufactured goods, as both are stocked together.

** Provision for inventory includes INR 3.69 million transferred from erstwhile entity as on 7 February 2020 (refer note-39).

9 Trade receivables

| | | |
|--|---------------|---------------|
| Trade receivables considered good- secured | - | - |
| Trade receivables- considered good unsecured | 202.34 | 308.02 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables- credit impaired | 10.00 | 7.86 |
| | <u>212.34</u> | <u>315.88</u> |
| Less: Allowance for expected credit loss | (12.12) | (19.22) |
| Less: Allowance for credit impaired trade receivables** | (10.00) | (7.86) |
| | <u>190.22</u> | <u>288.80</u> |

*Refer note 35 for related party balances.

** includes INR 16.59 million transferred from erstwhile entity as on 7 February 2020 (refer note-39).

Refer note 36 for information about credit risk and market risk of trade receivables.



CAMPUS AI PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2021***(All amounts are in INR millions unless otherwise stated)*

| | <u>As at</u> <u>31 March 2021</u> | <u>As at</u> <u>31 March 2020</u> |
|--|--------------------------------------|--------------------------------------|
| 10 Cash and cash equivalents | | |
| Cash in hand | 0.21 | 0.21 |
| Balance with banks: | | |
| - In current account | 2.77 | 0.96 |
| | <u>2.98</u> | <u>1.17</u> |
| 11 Loans | | |
| <i>(unsecured, considered good unless otherwise stated)</i> | | |
| Loans to employees | 2.26 | 4.44 |
| | <u>2.26</u> | <u>4.44</u> |
| Sub-classification of Loans: | | |
| Loan receivables considered good- Secured | - | - |
| Loan receivables considered good- Unsecured | 2.26 | 4.44 |
| Refer note 36 for information about credit risk and market risk of financial assets. | | |
| 12 Other current financial assets | | |
| <i>(unsecured, considered good unless otherwise stated)</i> | | |
| Other receivables | 0.05 | 1.10 |
| | <u>0.05</u> | <u>1.10</u> |
| Refer note 36 for information about credit risk and market risk of financial assets. | | |
| 13 Other current assets | | |
| Advances to suppliers | 0.22 | 0.14 |
| Balance with government authorities | 86.62 | 56.18 |
| GST refund | 211.11 | 82.11 |
| Prepaid expenses | 0.25 | 0.64 |
| | <u>298.20</u> | <u>139.07</u> |



CAMPUS AI PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2021***(All amounts are in INR millions unless otherwise stated)***14 Share capital****Authorised equity share capital**

200,000 (as at 31 March 2020: 200,000) equity shares of INR 10 each

| As at 31 March 2021 | As at 31 March 2020 |
|------------------------|------------------------|
|------------------------|------------------------|

| | |
|------|------|
| 2.00 | 2.00 |
|------|------|

| | |
|-------------|-------------|
| 2.00 | 2.00 |
|-------------|-------------|

Issued, subscribed and fully paid-up

198,583 (as at 31 March 2020: 198,583) equity shares of INR 10 each

| | |
|------|------|
| 1.99 | 1.99 |
|------|------|

| | |
|-------------|-------------|
| 1.99 | 1.99 |
|-------------|-------------|

Rights, preferences and restrictions attached to equity shares

(a) The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

(b) 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 shareholders.

Reconciliation of equity shares outstanding at the beginning and end of the year:

Outstanding as at 7 Feb 2020

Shares issued during the period

Outstanding as at 31 March 2020

Shares issued during the year

Outstanding as at 31 March 2021

| No. of Shares | Amount |
|-----------------|-------------|
| - | - |
| 1,99,000 | 1.99 |
| 1,99,000 | 1.99 |
| - | - |
| 1,99,000 | 1.99 |

Details of shareholders holding more than 5% shares in the Company:**Equity shares of INR 10 each fully paid up held by-**

-Campus Activewear Private Limited

(including shares held by nominee on behalf of the Company)

| | | |
|---------------|----------|----------|
| No. of shares | 1,98,583 | 1,98,583 |
| Percentage | 100.00% | 100.00% |

15 Other equity

Retained earnings

| As at 31 March 2021 | As at 31 March 2020 |
|------------------------|------------------------|
| 525.57 | 49.66 |
| 525.57 | 49.66 |

(i) Retained earnings

Balance at the beginning of the year

Add: Profit for the year/ period

Add: Transfer from other comprehensive income

Balance at the end of the year

| As at 31 March 2021 | As at 31 March 2020 |
|------------------------|------------------------|
| 49.66 | - |
| 474.68 | 49.67 |
| 1.23 | (0.01) |
| 525.57 | 49.66 |

(ii) Other comprehensive income

Balance at the beginning of the year

Add: Addition during the year/ period

Less: Transfer to retained earnings

Balance at the end of the year

| As at 31 March 2021 | As at 31 March 2020 |
|------------------------|------------------------|
| - | - |
| 1.23 | (0.01) |
| (1.23) | 0.01 |
| - | - |

Nature and purpose of other reserves

Retained earnings is the profit/loss accumulated as on Balance Sheet date.

Items of other comprehensive income

Remeasurements of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

(a) actuarial gains and losses

(b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and

(c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).



CAMPUS AI PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in INR millions unless otherwise stated)
16 Borrowings
Non-current borrowings
Secured
Term loans (refer note-(i))

From Banks

Less: Current maturities of above non current borrowings (shown as a part of other current financial liabilities)

Current borrowings
Secured

Cash credit from bank (refer note-(ii))

Channel financing

The Company's exposure to currency and liquidity risk related to financial liabilities is disclosed in note 36.

Notes
(i) Term loans from banks are secured by:-

1. Exclusive charge on property at Plot No. 63 Bhatoli Kalan, Baddi, District Solan, Himachal Pradesh and Plant & Machinery
2. Personal guarantee of Mr. Hari Krishan Agarwal and Mr. Nikhil Aggarwal

(ii) Cash credit from banks are secured by:-

1. Exclusive charge on current assets,
2. Exclusive charge on movable fixed assets except exclusively charged on term loan facility
3. Exclusive charge on property at Plot No. 62 Bhatoli Kalan, Baddi, District Solan, Himachal Pradesh
4. 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)
5. Personal guarantee of Mr. Hari Krishan Agarwal and Mr. Nikhil Aggarwal
6. Corporate guarantee of Campus Activewear Private Limited
7. Immovable fixed assets- extension of charge on Industrial property bearing no. J-17, Udyog Nagar, Rohtak Road, New Delhi- 110041.

(iii) Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

| Particulars | Currency | No. of remaining instalments as on 31 March 2021 | Nominal Interest Rate (p.a.) | Year of maturity | Carrying amount | |
|-------------------------|----------|--|------------------------------|------------------|---------------------|---------------------|
| | | | | | As at 31 March 2021 | As at 31 March 2020 |
| Secured bank loan- HDFC | INR | 11 | 8.65-10% | Immediate | 43.45 | 59.25 |

| | As at 31 March 2021 | | As at 31 March 2020 | |
|--|---------------------|-------------|---------------------|-------------|
| | Non-current | Current | Non-current | Current |
| 17 Provisions | | | | |
| Provision for employee benefits (refer note 34) | | | | |
| - Gratuity * | 3.36 | 0.06 | 3.64 | 0.02 |
| - Compensated absences** | - | - | 0.19 | 0.00 |
| | 3.36 | 0.06 | 3.83 | 0.02 |

*Includes INR 3.27 million transferred from erstwhile entity as on 7 February 2020 (refer note-39).

**Includes INR 0.19 million transferred from erstwhile entity as on 7 February 2020 (refer note-39).



CAMPUS AI PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2021***(All amounts are in INR millions unless otherwise stated)*

| | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| 18 Trade payables | | |
| Trade payables | | |
| - Total outstanding dues of micro enterprises and small enterprises* | 29.50 | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 318.82 | 452.46 |
| | <u>348.32</u> | <u>452.46</u> |

* The disclosure in respect of the amounts payable to enterprises covered by Micro, Small and Medium Enterprises Development Act, 2006 (Act) have been made in the financial statements based on information received and available with the Company. The Company has accrued an interest amount of INR 0.87 million (31 March 2020: INR 0.32 million) on delayed payment to micro and small enterprises. (also refer note 40).

The Company's exposure to currency and liquidity risk related to trade payable is disclosed in note 36.

*Refer note 35 for related party balances.

19 Other current financial liabilities

| | | |
|--|--------------|---------------|
| Employee benefits payable | 5.52 | 5.75 |
| Current maturities of non current borrowings (refer note-16) | 43.45 | 59.25 |
| Payable for capital goods | 0.05 | 1.49 |
| Interest accrued but not due | 0.32 | 0.49 |
| Current tax liabilities of erstwhile entity | - | 55.91 |
| Other payables | 0.87 | 0.32 |
| | <u>50.21</u> | <u>123.21</u> |

The Company's exposure to currency and liquidity risk related to financial liabilities is disclosed in note 36.

20 Other current liabilities

| | | |
|--|-------------|-------------|
| Statutory dues | | |
| TDS | 0.66 | 0.77 |
| Goods and service tax payable | 0.34 | 1.18 |
| PF payable | 0.26 | 0.30 |
| ESI payable | 0.04 | 0.05 |
| Others | 0.32 | 0.00 |
| Advances from customers - contract liabilities | - | 5.65 |
| | <u>1.62</u> | <u>7.95</u> |

21 Current tax liabilities

| | | |
|--|--------------|--------------|
| Provision for Income tax [Net of advance tax of INR 131.39 million and 31 March 2020: Nil] | 36.89 | 18.24 |
| | <u>36.89</u> | <u>18.24</u> |



CAMPUS AI PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in INR millions unless otherwise stated)

| | For the year ended 31 March 2021 | For the period 7 February 2020 to 31 March 2020 |
|-----------------------------------|-------------------------------------|---|
| 22 Revenue from operations | | |
| Sale of goods | 2,535.34 | 300.04 |
| | 2,535.34 | 300.04 |
| Other operating revenue | | |
| Scrap sales | 1.34 | 0.20 |
| | 1.34 | 0.20 |
| | 2,536.68 | 300.24 |

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography and timing of recognition.

For details of revenue by geography refer Note 38

Performance obligation

(a) Revenues are recognised at a point in time when control of the goods passes to the customer, upon delivery of the goods.

Revenue by time

| | | |
|-------------------------------------|-----------------|---------------|
| Revenue recognised at point in time | 2,535.34 | 300.04 |
| Revenue recognised over time | - | - |
| Total | 2,535.34 | 300.04 |

(b) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year. Same has been disclosed as below:

| | | |
|---|------|---|
| Revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year | 5.65 | - |
|---|------|---|

(c) Contract balances

| | | |
|----------------------|--------|--------|
| Trade receivables | 190.22 | 288.80 |
| Contract liabilities | - | 5.65 |

Contract liabilities primarily relate to advance consideration received from customers against supply of goods and services which is

Trade receivables are net of expected credit loss and loss allowance on credit impaired assets. The detail is as given below:-

| | | |
|---|-------|-------|
| Provision for expected credit loss | 12.12 | 19.22 |
| Provision for credit impaired trade receivables | 10.00 | 7.86 |

(d) Reconciliation of revenue recognised in statement of profit and loss with contract price

| | | |
|--|-----------------|---------------|
| Contracted price | 2,793.51 | 329.07 |
| Less: Trade discounts, volume rebates etc. | 258.17 | 29.03 |
| Sale of products | 2,535.34 | 300.04 |

Movement of unearned revenue

| | | |
|---|----------|----------|
| Transfer | - | 39.11 |
| Revenue recognised during the period | - | (1.45) |
| Settled during the period | - | (37.66) |
| Balance at the end of the period | - | - |



CAMPUS AI PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in INR millions unless otherwise stated)

| | For the year ended 31 March 2021 | For the period 7 February 2020 to 31 March 2020 |
|--|-------------------------------------|---|
| 23 Other income | | |
| Liabilities / provisions no longer required written back | 12.18 | 0.69 |
| Miscellaneous income | - | 0.25 |
| | <u>12.18</u> | <u>0.94</u> |
| 24 Cost of materials consumed | | |
| Raw material purchases | 1,495.57 | 183.91 |
| Add-Inventories at the beginning of the period | 215.55 | - |
| Add-Transfer | - | 207.38 |
| Less-Inventories at the end of the period | (200.66) | (215.55) |
| | <u>1,510.46</u> | <u>175.74</u> |
| 25 Purchases of stock-in-trade | | |
| Purchases of finished goods | 53.44 | 2.50 |
| | <u>53.44</u> | <u>2.50</u> |
| 26 Changes in inventory of finished goods, stock-in-trade & work in progress | | |
| Inventories at the beginning of the year | | |
| -Finished goods* | 34.55 | - |
| Transfer | | |
| -Finished goods* | - | 35.07 |
| Inventories at the end of the year | | |
| -Finished goods* | (63.06) | (34.55) |
| Decrease in inventories | <u>(28.51)</u> | <u>0.52</u> |
| * Finished goods include both Stock in trade and manufactured goods, as both are stocked together. | | |
| 27 Employee benefits expenses | | |
| Salaries, wages and bonus | 32.35 | 5.21 |
| Contribution to provident and other funds (refer note 34) | 2.20 | 0.33 |
| Gratuity (refer note 34) | 1.43 | 0.35 |
| Staff welfare | 0.89 | 0.06 |
| | <u>36.87</u> | <u>5.95</u> |
| 28 Finance costs | | |
| Interest on | | |
| - Borrowings | 6.69 | 3.02 |
| - Interest on delayed payment of income tax | 6.06 | 1.39 |
| - Interest expenses on micro, small and medium enterprises | 0.54 | - |
| Other borrowing costs | | |
| Bank processing fees | 0.20 | 0.07 |
| | <u>13.49</u> | <u>4.48</u> |



CAMPUS AI PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in INR millions unless otherwise stated)

| | For the year ended 31 March 2021 | For the period 7 February 2020 to 31 March 2020 |
|---|---|--|
| 29 Depreciation and amortisation expenses | | |
| Depreciation on property, plant and equipment | 26.03 | 3.84 |
| Depreciation of right-of-use asset | 0.52 | 0.06 |
| | 26.55 | 3.90 |
| 30 Other expenses | | |
| Advertising and sales promotion | 89.87 | 8.29 |
| Contractor charges | 138.05 | 17.42 |
| Freight outwards | 10.16 | 0.41 |
| Legal and professional (refer note below)* | 14.77 | 6.28 |
| Power and fuel | 11.70 | 1.79 |
| Travelling and conveyance | 1.15 | 0.50 |
| Consumables | 1.85 | 1.09 |
| Advances written off | 1.28 | - |
| Repairs and maintenance | | |
| Plant and machinery | 4.77 | 0.24 |
| Buildings | 0.51 | 0.06 |
| Others | 1.27 | 0.17 |
| Provision for obsolete inventory | - | 1.33 |
| Trade receivables written off | 0.49 | - |
| Allowance for expected credit loss | - | 7.86 |
| Allowance for credit impaired trade receivables | 2.14 | 2.63 |
| Corporate social responsibilities expenses | 0.28 | - |
| Commission | 7.34 | - |
| Miscellaneous expenses | 12.72 | 1.83 |
| | 298.35 | 49.90 |
| *Payment to auditors (included in Legal and professional expenses above) | | |
| As auditor (net of taxes) | | |
| For Statutory audit | 0.50 | 0.50 |
| For Tax audit | 0.20 | 0.20 |
| Other services | 0.15 | - |
| Reimbursement of expenses | 0.02 | - |
| | 0.87 | 0.70 |
| 31 Other comprehensive income | | |
| Re-measurement gains/(losses) on defined benefit plans | 1.65 | (0.02) |
| Tax effect on above | (0.42) | 0.01 |
| | 1.23 | (0.01) |



CAMPUS AI PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2021***(All amounts are in INR millions unless otherwise stated)***32 Earnings per share (EPS)**

Basic EPS amounts are calculated by dividing the profit for the period attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS are calculated by dividing the profit for the period attributable to the equity holders of the Company by weighted average number of equity shares outstanding during the period plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

| | For the year ended 31 March 2021 | For the period 7 February 2020 to 31 March 2020 |
|---|---|--|
| Profit attributable to equity shareholders | 474.68 | 49.65 |
| Weighted average number of equity shares of INR 10 each | 1,99,000.00 | 1,99,000.00 |
| EPS - Basic | 2,385.31 | 249.51 |
| Profit attributable to equity shareholders | 474.68 | 49.65 |
| Weighted average number of equity shares of INR 10 each | 1,99,000.00 | 1,99,000.00 |
| Add: Employee stock options outstanding | - | - |
| Weighted average number of equity shares (to be considered for dilutive EPS) | 1,99,000.00 | 1,99,000.00 |
| EPS - Diluted (INR) | 2,385.31 | 249.51 |

33 Contingent liabilities, contingent assets and commitments**A. Commitments**

- a. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is Nil.

34 Employee benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined contribution plans:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance (ESI) which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue.

| | For the year ended 31 March 2021 | For the period 7 February 2020 to 31 March 2020 |
|--|---|--|
| Contribution to provident fund and ESI | 2.20 | 0.33 |

(ii) Defined benefit plan:**Gratuity**

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive 15 day's salary for each year of completed service at the time of retirement/exit.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of the present value of the defined benefit obligation for gratuity was carried out as at 31 March 2021. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.



CAMPUS AI PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in INR millions unless otherwise stated)

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

| | As at 31 March 2021 | As at 31 March 2020 |
|---|------------------------|------------------------|
| Net defined benefit liability | | |
| Provision for gratuity | 3.43 | 3.66 |
| Total employee benefit liabilities | 3.43 | 3.66 |
| Non-current | 3.36 | 3.64 |
| Current | 0.06 | 0.02 |

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

| Particulars | As at 31 March 2021 Net defined benefit (asset)/ liability |
|--|---|
| (a) Balance as at 1 April 2020 | 3.66 |
| (a) Transfer | - |
| (b) Included in profit or loss | |
| Current service cost | 1.18 |
| Past service cost | - |
| Interest cost (income) | 0.25 |
| Total (b) | 1.43 |
| (c) Included in OCI | |
| Remeasurements loss (gain) | |
| - Actuarial loss (gain) arising from: | |
| - financial assumptions | 0.08 |
| - demographic assumptions | (0.65) |
| - experience adjustment | (1.09) |
| - on plan assets | - |
| Total (c) | (1.66) |
| (d) Other | |
| Contributions paid by the employer | - |
| Benefits paid | - |
| Total (d) | - |
| Balance as at 31 March 2021 (a+b+c+d) | 3.43 |

| Particulars | As at 31 March 2020 Net defined benefit (asset)/ liability |
|---------------------------------------|---|
| (a) Balance as at 1 April 2019 | - |
| (a) Transfer | 3.28 |
| (b) Included in profit or loss | |
| Current service cost | 0.32 |
| Past service cost | - |
| Interest cost (income) | 0.03 |
| Total (b) | 0.35 |



CAMPUS AI PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2021***(All amounts are in INR millions unless otherwise stated)***(c) Included in OCI**

Remeasurements loss (gain)

– Actuarial loss (gain) arising from:

– financial assumptions

– demographic assumptions

– experience adjustment

– on plan assets

0.08

-

(0.05)

-

0.03**Total (c)****(d) Other**

Contributions paid by the employer

Benefits paid

Total (d)

-

-

-**Balance as at 31 March 2020 (a+b+c+d)****3.66****C. Actuarial assumptions****a)**

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account inflation, seniority, promotion and other relevant factors on long term basis. Valuation assumptions are as follows which have been selected by the company.

| | <u>As at 31 March 2021</u> | <u>As at 31 March 2020</u> |
|--|--------------------------------|--------------------------------|
| Discount rate (p.a.) | 6.75% | 6.85% |
| Expected rate of future salary increase (p.a.) | 10.00% | 10.00% |

b) Demographic assumptions

| | <u>As at 31 March 2021</u> | <u>As at 31 March 2020</u> |
|---|--------------------------------|--------------------------------|
| i) Retirement age (years) | 58 | 58 |
| ii) Mortality rates | 100% | 100% |
| iii) Withdrawal (rate of employee turnover) | | |
| Up to 30 years | 3.00% | 3.00% |
| 31-44 years | 2.00% | 2.00% |
| Above 44 years | 1.00% | 1.00% |

D. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| | <u>As at 31 March 2021</u> | | <u>As at 31 March 2020</u> | |
|---|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | <u>Liability due to Increase</u> | <u>Liability due to decrease</u> | <u>Liability due to Increase</u> | <u>Liability due to decrease</u> |
| Discount rate (1% movement) | (0.47) | 0.57 | (0.68) | 0.87 |
| Expected rate of future salary increase (1% movement) | 0.55 | (0.46) | 0.83 | (0.66) |

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.



CAMPUS AI PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2021***(All amounts are in INR millions unless otherwise stated)***E. Expected maturity analysis of the defined benefit plans in future years****Particulars****Duration of defined benefit payments**

1 year

2 to 5 years

6 to 10 years

More than 10 years

Total

| As at 31 March 2021 | As at 31 March 2020 |
|--------------------------------|--------------------------------|
| 0.06 | 0.02 |
| 0.53 | 0.03 |
| 1.07 | 0.17 |
| 10.05 | 18.81 |
| 11.71 | 19.03 |

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 16 years (31 March 2020: 22 years).

F. Characteristics of gratuity plan

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow -

A. Market volatility

B. Changes in inflation

C. Changes in interest rates

D. Rising longevity

E. Changing economic environment

F. Regulatory changes

(iii) Compensated absences**Movement of compensated absences**

Opening

Arising during the year

Utilised

Closing

| As at 31 March 2021 | As at 31 March 2020 |
|--------------------------------|--------------------------------|
| 0.19 | - |
| - | 0.19 |
| (0.19) | - |
| - | 0.19 |



CAMPUS AI PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in INR millions unless otherwise stated)
35 Related parties
A. Related parties and their relationships
i. Related parties where control exists

Holding Company

Campus Activewear Private Limited

iii. Key Managerial Personnel (KMP)
Name

Nikhil Aggarwal

Hari Krishan Agarwal

Relation

Director

Director

B. Transactions with the above in the ordinary course of business

| Particulars | Period ended | Holding Company | Key Managerial Personnel | Relatives of Key Managerial Personnel | Enterprises owned or significantly influenced by Key managerial Personnel or their relatives |
|--|--------------|-----------------|--------------------------|---------------------------------------|--|
| Sale of goods | | | | | |
| Campus Activewear Private Limited | 31-Mar-21 | 2,409.47 | - | - | - |
| | 31-Mar-20 | 300.04 | - | - | - |
| Purchases | | | | | |
| Campus Activewear Private Limited | 31-Mar-21 | 841.75 | - | - | - |
| | 31-Mar-20 | 94.19 | - | - | - |
| Purchase of property, plant & equipment | | | | | |
| Campus Activewear Private Limited | 31-Mar-21 | 1.57 | - | - | - |
| | 31-Mar-20 | 0.07 | - | - | - |
| Sale of property, plant & equipment | | | | | |
| Campus Activewear Private Limited | 31-Mar-21 | 1.20 | - | - | - |
| | 31-Mar-20 | - | - | - | - |
| Expenses incurred by Company on behalf of other party | | | | | |
| Campus Activewear Private Limited | 31-Mar-21 | 87.61 | - | - | - |
| | 31-Mar-20 | 50.22 | - | - | - |
| Guarantees received | | | | | |
| Campus Activewear Private Limited, | | | | | |
| Nikhil Aggarwal and | 31-Mar-21 | 43.45 | - | - | - |
| Hari Krishan Agarwal | 31-Mar-20 | 185.31 | - | - | - |

| Employee benefits | | For the period ended 31 March 2021 | For the period ended 31 March 2020 |
|--------------------------|------------------------------|------------------------------------|------------------------------------|
| Key Managerial Personnel | Short term employee benefits | - | - |
| | Post employment benefits | - | - |
| | Other long term benefits | - | - |
| | Termination benefits | - | - |
| | Share-based payment | - | - |

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

During the period ended 31 March 2020, Ankit International which was a partnership firm with 99.90% capital invested by the Campus Activewear Private Limited, got converted into Campus AI Private Limited, virtue of which 198,583 shares were issued to the Campus Activewear Private Limited.

C. Related party balances as at the period end:

| Nature of the Balance | Related party | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------|-----------------------------------|---------------------|---------------------|
| Trade payables | Campus Activewear Private Limited | - | 204.90 |
| Trade receivables | Campus Activewear Private Limited | 165.75 | - |

CAMPUS AI PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2021

(All amounts are in INR millions unless otherwise stated)

36 Financial instruments – Fair values and risk management

I. Fair value measurements

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

| Financial assets | Carrying value | | | | Fair value | |
|--|----------------|---------------------|---------------|---------------|---------------|---------------|
| | Notes | Level of fair value | As at | As at | As at | As at |
| | | | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| | | | | | | |
| Financial assets not measured at fair value | | | | | | |
| Loans (current and non-current) | (a) | 3 | 3.05 | 5.23 | 3.05 | 5.23 |
| Trade receivables | (a) | 3 | 190.22 | 288.80 | 190.22 | 288.80 |
| Cash and cash equivalents | (a) | 3 | 2.98 | 1.17 | 2.98 | 1.17 |
| Other current financial assets | (a) | 3 | 0.05 | 1.10 | 0.05 | 1.10 |
| | | | 196.30 | 296.30 | 196.30 | 296.30 |
| | | | | | | |
| Financial liabilities not measured at fair value | | | | | | |
| Current borrowings | (a) | 3 | - | 243.03 | - | 243.03 |
| Trade payables | (a) | 3 | 348.32 | 452.46 | 348.32 | 452.46 |
| Other current financial liabilities | (a) | 3 | 50.21 | 123.21 | 50.21 | 123.21 |
| | | | 398.53 | 818.70 | 398.53 | 818.70 |

(a) Fair valuation of non-current financial instruments has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value as the carrying value is based on effective interest rates.

Loans (security deposits) - Security deposits paid are evaluated by the Company based on parameters such as interest rates, non-performance risk of the customer. The fair values of the Company's security deposits paid are determined by estimating the incremental borrowing rate of the borrower (primarily the landlords). Such rate has been determined using discount rate that reflects the average interest rate of borrowings taken by similar credit rated companies where the risk of non-performance risk is more than insignificant.

The fair values for loans were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

The fair values for financial instruments are approximately equal to their carrying values largely due to the short term maturities of these instruments.

There are no transfer between Level 1, Level 2 and Level 3 during the year ended 31 March 2021.

II. Financial risk management

Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework and also responsible for developing and monitoring the Company's risk management policy.

The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of directors with top management oversee the formulation and implementation of the risk management framework. The risks are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:



CAMPUS AI PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2021***(All amounts are in INR millions unless otherwise stated)***i. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, derivative financial instruments, loans, advances, cash and cash equivalents and deposits with banks. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The management follows a credit policy under which customers are assigned a credit limit basis the standard credit period of 60 days and the same is then monitored rigorously for invoicing. For overdue accounts, the new billing is done with stricter norms e.g. payments greater than fresh invoicing to ensure collection of overdue balances. For new customers, in addition to informal feedback from retail traders, business gets started on advance payment terms and then basis the business reputation of individual customer / track record with company, these new customers are then converted to standard credit terms.

An impairment analysis is performed for all the customers at each reporting date on an individual basis. According to the analysis done, the Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. An impairment analysis is performed at each reporting date.

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Company are held with banks which have high credit rating. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Loans (security deposits)

The Company has furnished security deposits to its lessors for obtaining the premises on lease and warehouses for storage of goods. The Company considers that its deposits have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Also, where Company feels that there is an uncertainty in the recovery of deposit, it provides for suitable impairment on the same.

Particulars

| | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses | | |
| Trade Receivable (refer note 9) | 212.34 | 315.88 |

During the period, the Company has not written off any trade receivable.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as per Company policy.

For trade receivables balance from related parties, there are no indications at the period end for default in payments. Accordingly, the Company does not anticipate risk of recovery and expected credit loss in respect thereof.

Additionally, the Company has also considered risk on account of delays and defaults due to COVID-19 in arriving at expected credit loss.

Reconciliation of loss allowance provision – Trade receivables**Particulars**

| | As at 31 March 2021 | As at 31 March 2020 |
|--------------------------------|------------------------|------------------------|
| Opening balance | 27.07 | - |
| Transfer from erstwhile entity | - | 16.59 |
| Changes in loss allowance | (4.95) | 10.48 |
| Closing balance | 22.12 | 27.07 |

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flow generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.



CAMPUS AI PRIVATE LIMITED
Notes to the financial statements for the year ended 31 March 2021
(All amounts are in INR millions unless otherwise stated)

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

| Particulars | Carrying amounts as at 31 March 2021 | Contractual cash flows | | | |
|---|---|------------------------|---------------|---------------------|------------------|
| | | Total | 0-1 years | Between 1 - 5 years | More than 5 year |
| Non-derivative financial liabilities | | | | | |
| Non current borrowings (including current maturities) | 43.45 | 43.45 | 43.45 | - | - |
| Other financial liabilities | 6.76 | 6.76 | 6.76 | - | - |
| Trade payables | 348.32 | 348.32 | 348.32 | - | - |
| Total | 398.53 | 398.53 | 398.53 | - | - |

| Particulars | Carrying amounts as at 31 March 2020 | Contractual cash flows | | | |
|---|---|------------------------|---------------|---------------------|------------------|
| | | Total | 0-1 years | Between 1 - 5 years | More than 5 year |
| Non-derivative financial liabilities | | | | | |
| Non current borrowings (including current maturities) | 59.25 | 59.25 | 59.25 | - | - |
| Current borrowings | 243.03 | 243.03 | 243.03 | - | - |
| Other financial liabilities | 63.96 | 63.96 | 63.96 | - | - |
| Trade payables | 452.46 | 452.46 | 452.46 | - | - |
| Total | 818.70 | 818.70 | 818.70 | - | - |

iii. Market risk

Market risk is the risk that changes in market prices – such as commodity risk, foreign exchange rates and interest rates – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to foreign currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the functional currency of the Company, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The functional currency of the Company is INR and the currency in which these transactions are primarily denominated is US dollars.

For assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. The Company does not have any exposure to currency risk as at the date of financial statements.

Interest rate risk

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk changes in market interest relates primarily to the company's long term debt obligations with floating interest rates. The company is carrying its borrowings primarily at variable rate.

| | 31 March 2021 | 31 March 2020 |
|--------------------------|---------------|---------------|
| Variable rate borrowings | 43.45 | 185.31 |
| Fixed rate borrowings | - | - |

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loan and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars | Effect on profit before tax | |
|----------------------------|-----------------------------|---------------|
| | 31 March 2021 | 31 March 2020 |
| Increase in 50 basis point | 0.22 | 0.93 |
| Decrease in 50 basis point | (0.22) | (0.93) |



CAMPUS AI PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2021***(All amounts are in INR millions unless otherwise stated)***37 Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor to sustain future development of the business. Management monitors the return on capital on a yearly basis as well as the level of dividends to ordinary shareholders which is given based on approved dividend policy.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. The Company monitors capital using gearing ratio, which is adjusted net debts divided by total equity. For this purpose, adjusted net debt is defined as total liabilities, comprising interest bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprise all components of equity. The Company's adjusted net debt to equity ratio at 31 March 2021 was as follows:

| | As at 31 March 2021 | As at 31 March 2020 |
|---------------------------------|------------------------|------------------------|
| Total liabilities | 440.46 | 848.74 |
| Less: Cash and cash equivalents | (2.98) | (1.17) |
| Adjusted net debt | 437.48 | 847.57 |
| Total equity | 527.56 | 51.65 |
| Gearing ratio | 82.93% | 1640.95% |

38 Segment reporting

Segment information is presented in respect of the company's key operating segments. The operating segments are based on the company's management and internal reporting structure.

Operating

The Company has identified the business as single operating segment i.e. Footwear and Accessories. Accordingly, there is only one Reportable Segment for the Company which is "Footwear and Accessories", hence no specific disclosures have been made.

(a) Information

Major sales of the Company are made to customers which are domiciled in India. All the non-current assets of the Company are located in India.

Revenue based on sales of products attributable to external customers

| | For the year ended 31 March 2021 | For the period 7 February 2020 to 31 March 2020 |
|---------------|-------------------------------------|---|
| Within India | 2,535.34 | 300.04 |
| Outside India | - | - |
| Total | 2,535.34 | 300.04 |

(b) The non-current assets of the Company are located in the country of domicile i.e. India. Hence no specific disclosures have been made.

(c) Information

Revenue from one customer is INR 2,409.47 million (31 March 2020: 300.04 million) which is more than 10 percent of the Company's total revenue.

39 Conversion of Partnership firm

The company was incorporated at closing business hours of 7 February 2020 by way of conversion of partnership firm Ankit International. Accordingly all the assets and liabilities of the erstwhile entity were taken over by the converted company at existed book value on the closing business hours of 7 Feb 2020. The details of assets and liabilities taken on 7 February 2020 are given below along with Ind-AS reclassifications.

| | As at 7 Feb 2020 | | |
|-------------------------------|--|---------------------------------------|--------|
| | Acquired as a part of business succession | Effects of transition to Ind AS | Ind AS |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 212.67 | (37.31) | 175.36 |
| Right-of-use assets | - | 37.31 | 37.31 |
| Financial assets | | | |
| (i) Loans | 1.42 | (0.63) | 0.79 |
| Other non-current assets | - | 0.63 | 0.63 |



CAMPUS AI PRIVATE LIMITED**Notes to the financial statements for the year ended 31 March 2021***(All amounts are in INR millions unless otherwise stated)*

| | | | |
|-------------------------------------|-----------------|----------|-----------------|
| Current assets | | | |
| Inventories | 238.76 | - | 238.76 |
| Financial assets | | | |
| (i) Trade receivables | 433.74 | - | 433.74 |
| (ii) Cash and cash equivalents | 0.38 | - | 0.38 |
| (iii) Loans | 161.56 | (157.11) | 4.45 |
| (iv) Other current financial assets | - | 0.98 | 0.98 |
| Other current assets | - | 156.13 | 156.13 |
| TOTAL ASSETS | 1,048.53 | - | 1,048.53 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 1.99 | - | 1.99 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | - | - | - |
| Provisions | 3.57 | - | 3.57 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 399.59 | - | 399.59 |
| (ii) Trade payables | 323.23 | - | 323.23 |
| (iii) Other financial liabilities | - | 272.54 | 272.54 |
| Other current liabilities | 165.58 | (117.99) | 47.59 |
| Provisions | 154.57 | (154.55) | 0.02 |
| Total equity and liabilities | 1,048.53 | - | 1,048.53 |

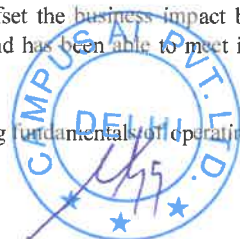
40 Details of dues to micro and small enterprises as defined under MSMED Act, 2006

| Particulars | As at 31 March 2021 | As at 31 March 2020 |
|--|------------------------|------------------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of period reported in Current Trade Payables | | |
| Principal amount unpaid | 29.50 | - |
| Interest due | 0.87 | 0.32 |
| 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 period | | |
| 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 period) but without adding the interest specified under MSMED Act, 2006. | - | - |
| The amount of interest accrued and remaining unpaid at the end of the period; 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 | - | - |

41 During the FY 2020-21, the Company's operations got impacted due to COVID-19 declared as pandemic by world health organization (WHO). The Company had suspended operations in all the units during Lockdown period to comply with COVID 19 related restrictions imposed by the Central and State governments. These restrictions though imposed to fight against COVID-19 has also impacted the normal business by way of interruption in Store operations, disrupted supply chain, extended credit period etc.

However, the Company worked on plans to step up the distribution, increase marketing spends and partly offset the business impact by increasing the Online channel sales. The company has maintained throughout lockdowns a good cash position and has been able to meet its financial liabilities without utilizing Moratorium.

Management believes that Company will continue its journey of profitable growth that will be driven by the strong fundamentals of operating model and continued focus on long term business plan.



CAMPUS AI PRIVATE LIMITED

Notes to the financial statements for the year ended 31 March 2021

(All amounts are in INR millions unless otherwise stated)

- 42 The Board of Directors of the Company has approved the scheme of merger of Campus AI Private Limited with Campus Activewear Private Limited and the application is filed with National Company Law Tribunal (NCLT).
- 43 The disclosure regarding details of specified bank notes held and transaction during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended 31 March 2021.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W/W-100024



Gajendra Sharma

Partner

Membership Number: 064440

For and on behalf of the Board of Directors of

Campus AI Private Limited



Hari Krishan Agarwal

Director

DIN : 00172467



Nikhil Aggarwal

Director

DIN : 01877186

Place: Gurugram

Date: 24 September 2021

Place: New Delhi

Date: 24 September 2021

Place: New Delhi

Date: 24 September 2021

