

RELIANCE AK-OK FASHIONS LIMITED

Financial Statements

For the period from 2nd August 2022 to 31st March 2023

**INDEPENDENT AUDITOR'S REPORT
To The Members of Reliance AK-OK Fashions Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Reliance AK-OK Fashions Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period from 02nd August 2022 to 31st March 2023, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the period from 02nd August 2022 to 31st March 2023.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Board of Director's report but does not include the financial statements and our auditor's report thereon

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

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

If, based on the work we have performed, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 made by the management.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
- g) In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid remuneration to its directors during the year, section 197 of the Act related to the managerial remuneration is not applicable.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- 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.
 - iv.
 - (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. 1st April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31st March 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 23103999BGXJDP8053

Mumbai, 19th April 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Reliance AK-OK Fashions Limited for the year ended 31st March 2023)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Reliance AK-OK Fashions Limited ("the Company") as of 31st March 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the period from 02nd August 2022 to 31st March 2023.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company 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 Companies Act, 2013, 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls 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 control 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.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note.

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

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 23103999BGXJDP8053

Mumbai, 19th April 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Reliance AK-OK Fashions Limited for the year ended 31st March 2023)

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

(i)	(a)	(A)	The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
		(B)	The Company has maintained proper records showing full particulars of intangible assets.
	(b)		Some of the items of Property, Plant and Equipment, were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
	(c)		The Company does not have any immovable properties, and hence reporting under clause 3(i)(c) of the Order is not applicable.
	(d)		The Company has not revalued any of its Property, Plant and Equipment, Right of Use Assets and intangible assets during the year.
	(e)		No proceedings have been initiated during the year or are pending against the Company as at 31 st March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder, and hence reporting under clause 3(i)(e) of the Order is not applicable.
(ii)	(a)		The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
	(b)		According to the information and explanation given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.
(iii)			The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.
(iv)			The Company has not granted any loans, made investments or provided guarantees or securities and hence reporting under 3(iv) of the Order is not applicable.

(v)			The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
(vi)			Having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of the Order is not applicable.
(vii)	(a)		In respect of statutory dues: Undisputed statutory dues, including Income Tax, and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. There were no undisputed amounts payable in respect of Income Tax, and other material statutory dues in arrears as at 31 st March, 2023 for a period of more than six months from the date they became payable.
	(b)		There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on 31 st March 2023.
(viii)			The Company was incorporated in the current period. Hence reporting under clauses 3(viii) of the Order is not applicable to the Company.
(ix)	(a)		The Company has not taken any loans or other borrowings from any lender. Hence reporting under clauses 3(ix) of the Order is not applicable to the Company.
	(b)		The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
	(c)		The Company has not taken any term loan during the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
	(d)		On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the period for long-term purposes by the Company.
	(e)		The Company did not have any subsidiary or associate or joint venture during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
	(f)		The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.
(x)	(a)		The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
	(b)		The Company has made private placement of optionally convertible debenture during the year. For such allotment of optionally convertible debenture, the Company has complied with the

			requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
(xi)	(a)		To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
	(b)		To the best of our knowledge, no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
	(c)		As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
(xii)			The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
(xiii)			The Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
(xiv)			The Company did not have any internal audit system during the year and is not required to have an internal audit system as per provision of the Companies Act, 2013.
(xv)			During the year, the Company has not entered into any non-cash transactions with any of its directors, or directors of its holding company, or persons connected with such directors and hence provisions of Section 192 of the Act are not applicable to the Company.
(xvi)	(a), (b), (c)		The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence reporting under clauses 3(xvi)(a), (b), and (c) of the Order is not applicable.
	(d)		The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause 3(xvi)(d) of the Order is not applicable.
(xvii)			The Company has incurred cash losses amounting to Rs. 302.65 lakhs in the financial year covered by our audit. As the Company was incorporated in the current financial year, the question of cash losses in the immediately preceding financial year does not arise.
(xviii)			There has been no resignation of the statutory auditors of the Company during the year.

(xix)		<p>On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.</p>
(xx)		<p>The Company was incorporated in the current financial year. Hence, provisions of Section 135 of the Act are not applicable to the Company during the current financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.</p>

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

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 23103999BGXJDP8053

Mumbai, 19th April 2023

RELIANCE AK-OK FASHIONS LIMITED
Balance Sheet as at 31st March 2023

Reliance AK-OK Fashions Limited | 13

	Notes	₹ in lakhs As at 31st March 2023
Assets		
Non-Current Assets		
Property, Plant and Equipment	1	11 97.66
Capital Work-in-Progress	1	53.69
Intangible Assets	1	55.00
Financial Assets		
Other Financial Assets	2	54.00
Other Non Current Assets	3	1.50
Total Non-Current Assets		13 61.85
Current Assets		
Financial Assets		
Investments	4	63 55.32
Cash and Cash Equivalents	5	74.30
Other Current Assets	6	86.33
Total Current Assets		65 15.95
Total Assets		78 77.80
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	7	1 00.00
Other Equity	8	60 91.29
Total Equity		61 91.29
Liabilities		
Non-Current Liabilities		
Financial Liabilities		
Lease Liabilities	9	11 46.11
Total Non-Current Liabilities		11 46.11
Current Liabilities		
Financial Liabilities		
Lease Liabilities	10	72.45
Trade Payables due to:	11	
- Micro and Small Enterprises		-
- Other than Micro and Small Enterprises		2 93.26
Other Financial Liabilities	12	28.53
Other Current Liabilities	13	1 46.16
Total Current Liabilities		5 40.40
Total Liabilities		16 86.51
Total Equity and Liabilities		78 77.80

Significant Accounting Policies

See accompanying notes to the financial statements

1 to 26

As per our Report of even date

For and on behalf of the Board

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration no: 117366W/W-100018

Darshan Mehta
Director
DIN:00103155

Varsha A. Fadte
Partner
Membership No. 103999

Ashish Patil
Director
DIN:00076627

Anamika Khanna
Director
DIN:00470839

Sumeet Yadav
Director
DIN:07221267

Date : 19th April, 2023

Viraj Khanna
Director
DIN:07590571

Statement of Profit and Loss for the period from 2nd August 2022 to 31st March 2023

	Notes	₹ in lakhs For the period from 2nd August 2022 to 31st March 2023
INCOME		
Other Income	14	15.33
Total Income		15.33
EXPENSES		
Finance Costs	15	27.25
Depreciation and Amortisation Expense	1	46.06
Other Expenses	16	2 90.73
Total Expenses		3 64.04
Loss before Tax		(3 48.71)
Tax expenses		-
Loss for the Period		(3 48.71)
Other Comprehensive Income (OCI)		-
Total Comprehensive Loss for the Period		(3 48.71)
Earnings per Equity Share of face value of ₹ 10 each		
Basic (in ₹)		(2 04.33)
Diluted (in ₹)	18	(2 04.33)
Significant Accounting Policies		
See accompanying Notes to the financial statements	1 to 26	

Statement of Profit and Loss for the period from 2nd August 2022 to 31st March 2023

As per our Report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm registration no: 117366W/W-100018

Darshan Mehta

Director

DIN:00103155

Varsha A. Fadte

Partner

Membership No. 103999

Ashish Patil

Director

DIN:00076627

Anamika Khanna

Director

DIN:00470839

Sumeet Yadav

Director

DIN:07221267

Date : 19th April, 2023

Viraj Khanna

Director

DIN:07590571

Statement of Changes in Equity for the period from 2nd August 2022 to 31st March 2023

A. Equity Share Capital

₹ in lakhs		
Balance at the beginning of the reporting period i.e. 2nd August, 2022	Changes in equity share capital during the period	Balance at the end of the reporting period i.e. 31st March 2023
-	100.00	100.00

B. Other Equity

₹ in lakhs			
Particulars	Instruments Classified as Equity	Reserves and Surplus	Total
	Zero Coupon Optionally Fully Convertible Debentures of ₹ 10 each, fully paid up	Retained Earnings	
As on 31st March 2023			
Balance at the beginning of the reporting period i.e. 2nd August, 2022	-	-	-
Loss for the Period		(3 48.71)	(3 48.71)
Optional Fully Convertible Debentures	64 40.00	-	64 40.00
Balance at the end of reporting period 31st March 2023	64 40.00	(3 48.71)	60 91.29

(i) The Company has an option for conversion of 64,40,00,000 Zero Coupon Optionally Fully Convertible Debentures (OFCDs) in to equity shares, at any time after allotment of the OFCDs by giving one month notice to the OFCD holder. The conversion into equity shares shall be based on higher of face value or fair value of the Company as at time of conversion. If not converted, the Company will redeem the outstanding OFCDs on the expiry of 15 years from the date of allotment.

Statement of Changes in Equity for the period from 2nd August 2022 to 31st March 2023

As per our Report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm registration no: 117366W/W-100018

Darshan Mehta

Director

DIN:00103155

Varsha A. Fadte

Partner

Membership No. 103999

Ashish Patil

Director

DIN:00076627

Anamika Khanna

Director

DIN:00470839

Sumeet Yadav

Director

DIN:07221267

Date : 19th April, 2023

Viraj Khanna

Director

DIN:07590571

Cash Flow Statement for the period from 2nd August 2022 to 31st March 2023

₹ in lakhs

For the period from 2nd August
2022 to 31st March 2023

A: CASH FLOW FROM OPERATING ACTIVITIES

Net Loss before Tax as per Statement of Profit and Loss (3 48.71)

Adjusted for:

Depreciation and Amortisation Expense	46.06	
Net Gain on Financial assets	(15.33)	
Finance Costs	27.25	
		57.98

Operating Loss before Working Capital Changes (2 90.73)

Adjusted for:

Trade and Other Financial Assets	(1 41.83)	
Trade and Other Payables	4 67.95	
		3 26.12

Cash generated from Operations 35.39

Taxes Paid (Net) -

Net Cash generated from Operating Activities 35.39

B: CASH FLOW FROM INVESTING ACTIVITIES

Purchase of Property, Plant and Equipment and Intangible Assets (1 08.69)

Purchase of Investment in Mutual Funds (64 40.00)

Sales of Investment in Mutual Funds 1 00.00

Net Cash (used in) Investing Activities (64 48.69)

C: CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from Issue of Share Capital 1 00.00

Proceeds from Issue of Optionally Fully Convertible Debentures 64 40.00

Payment of Lease Liabilities (52.40)

Net Cash Flow generated from Financing Activities 64 87.60

Net Increase in Cash and Cash Equivalents 74.30

Opening Balance of Cash and Cash Equivalents -

Closing Balance of Cash and Cash Equivalents (Refer Note "5.") 74.30

Significant Accounting Policies

See accompanying notes to the financial statements

1 to 26

RELIANCE AK-OK FASHIONS LIMITED
Cash Flow Statement for the period from 2nd August 2022 to 31st March 2023

Reliance AK-OK Fashions Limited | 20

As per our Report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm registration no: 117366W/W-100018

Darshan Mehta

Director

DIN:00103155

Varsha A. Fadte

Partner

Membership No. 103999

Ashish Patil

Director

DIN:00076627

Anamika Khanna

Director

DIN:00470839

Sumeet Yadav

Director

DIN:07221267

Date : 19th April, 2023

Viraj Khanna

Director

DIN:07590571

Reliance AKOK Fashions Limited**Notes to the Financial Statements for the period ended from 2nd August 2022 to 31st March, 2023****A. Corporate Information**

Reliance AKOK Fashions Limited (“the Company”) (CIN No: U52321MH2022PLC388048), is a public limited company domiciled in India and has registered office in 8th Floor, Maker Tower ‘E’, Cuffe Parade, Mumbai – 400005, India.

The Company’s immediate holding Company is Reliance Retail Ventures Limited (RRVL) and Ultimate holding company is Reliance Industries Limited. The Company is a Joint Venture between Ms. Anamika Khanna, Mr. Viraj Khanna and Mr. Vishesh Khanna (Creative Group) and RRVL, wherein RRVL holds 60% shares and Creative Group holds 40% shares.

The Company will be primarily engaged in the manufacturing and trading of garments, accessories etc. to cater Indian consumers.

B. Significant accounting policies**B.1 Basis of preparation and presentation**

The Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities which have been measured at fair values.

The Financial Statements of the Company have been prepared to comply with the Indian Accounting Standards (‘Ind AS’), including the requirements notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of division II of schedule III to the Companies Act, 2013 as applicable.

The Company’s Financial Statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lakhs (₹00,000), except when otherwise stated.

B.2 Summary of significant accounting policies**(a) Current and Non-Current Classification**

The Company presents assets and liabilities in the Balance Sheet based on Current/ Non-Current classification.

An asset is treated as Current when it is –

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

(b) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price and any cost directly attributable to bringing the assets to its working condition for its intended use. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Reliance AKOK Fashions Limited**Notes to the Financial Statements for the period ended from 2nd August 2022 to 31st March, 2023**

Property, Plant and Equipment which are significant to the total cost of that item of Property, Plant and Equipment and having different useful life are accounted separately.

Depreciation on Property, Plant and Equipment is provided on straight line method and based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Leasehold improvements are amortized over the lower of estimated useful life or lease period.

The residual values, useful lives and methods of depreciation of Property, Plant and Equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and loss when the asset is derecognized.

(c) Leases

The Company, as a lessee, recognizes a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset.

The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

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

(d) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes, trade discount and rebates less accumulated amortisation / depletion and impairment loss, if any. Such cost includes purchase price and any cost directly attributable to bringing the asset to its working condition for the intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

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

The Company's intangible assets comprise assets with finite useful lives which are amortised on a straight-line basis over the period of their expected useful lives.

Computer software is amortised over a period of 5 years on a straight-line basis.

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date

(e) Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services.

Reliance AKOK Fashions Limited**Notes to the Financial Statements for the period ended from 2nd August 2022 to 31st March, 2023**

Generally, control is transferred upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

Interest Income

Interest Income from a Financial Assets is recognised using effective interest rate method.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, cash at bank, short-term deposits, and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Finance Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

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

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(h) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprises of all cost of purchase, cost of overheads net of recoverable taxes incurred in bringing them to their respective present location and condition. Cost of inventories are determined on weighted average basis.

(i) Impairment of Non-Financial Assets – Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any Property, Plant and Equipment and Intangible Assets or group of Assets, called Cash Generating Units (CGU) may be impaired. If any such indication exists, the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.

An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

(j) Provisions

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

Reliance AKOK Fashions Limited**Notes to the Financial Statements for the period ended from 2nd August 2022 to 31st March, 2023**

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

(k) Contingent Liabilities

Disclosure of contingent liability is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of amount cannot be made.

(l) Employee Benefits**Short Term Employee Benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment BenefitsDefined Contribution Plans

A defined contribution plan is post-employment benefit plan under which the Company pays specified contributions towards Provident Fund and Pension Scheme.

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

(m) Tax Expenses

The tax expenses for the period comprises current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity, in which case, the tax is also recognised in Other Comprehensive Income or Equity.

i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(n) Foreign Currencies Transactions and Translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income or Statement of Profit and Loss are also recognised in Other Comprehensive Income or Statement of Profit and Loss, respectively).

Reliance AKOK Fashions Limited**Notes to the Financial Statements for the period ended from 2nd August 2022 to 31st March, 2023****(o) Financial Instruments****i) Financial Assets****A. Initial Recognition and Measurement**

All Financial Assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value through Profit and Loss, are adjusted to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

B. Subsequent Measurement**a) Financial Assets Measured at Amortised Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

C. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses “Expected Credit Loss” (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Company applies ‘simplified approach’ which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial Liabilities**A. Initial Recognition and Measurement**

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent Measurement

Financial liabilities are carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derecognition of Financial Instruments

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial Liability (or a part of a Financial Liability) is derecognized from the Company’s Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Reliance AKOK Fashions Limited**Notes to the Financial Statements for the period ended from 2nd August 2022 to 31st March, 2023****iv) Offsetting**

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

(p) Earnings per share

Basic earnings per share is calculated by dividing the net profit after tax/loss by the weighted average number of equity shares outstanding during the year. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

C. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

A) DEPRECIATION / AMORTISATION AND USEFUL LIVES OF PROPERTY PLANT AND EQUIPMENT / INTANGIBLE ASSETS

Property, Plant and Equipment / intangible assets are depreciated / amortised over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortisation for future periods is revised if there are significant changes from previous estimates.

B) RECOVERABILITY OF TRADE RECEIVABLES

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

C) PROVISIONS

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

D) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

Reliance AKOK Fashions Limited**Notes to the Financial Statements for the period ended from 2nd August 2022 to 31st March, 2023**

E) IMPAIRMENT OF FINANCIAL ASSETS

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

F) RECOGNITION OF DEFERRED TAX ASSETS

Deferred tax assets are recognised for deductible temporary differences and unused tax losses for which there is probability of utilisation against the future taxable profit. The Company uses judgement to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits and business developments.

D. STANDARDS ISSUED BUT NOT EFFECTIVE

On 31st March, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to Company from 1st April, 2023.

- i Ind AS 101 – First-time Adoption of Indian Accounting Standards
- ii Ind AS 102 – Share-based Payment
- iii Ind AS 103 – Business Combinations
- iv Ind AS 107 – Financial Instruments Disclosures
- v Ind AS 109 – Financial Instruments
- vi Ind AS 115 – Revenue from Contracts with Customers
- vii Ind AS 1 – Presentation of Financial Statements
- viii Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- ix Ind AS 12 – Income Taxes
- x Ind AS 34 - Interim Financial Reporting

Application of above standards are not expected to have any significant impact on the Company's financial statements.

RELIANCE AK-OK FASHIONS LIMITED**Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023****1. Property, Plant and Equipment, Capital Work-in-Progress and Intangible Assets**

₹ in lakhs

Description	Gross block				Depreciation/ amortisation				Net block
	As at 2nd August, 2022	Additions	Deductions/ Adjustments	As at 31st March 2023	As at 2nd August, 2022	For the period	Deductions	As at 31st March 2023	As at 31st March 2023
Right-of-Use Asset: Leasehold Premises	-	12 43.72	-	12 43.72	-	46.06	-	46.06	11 97.66
Total (i)	-	12 43.72	-	12 43.72	-	46.06	-	46.06	11 97.66
Other Intangible assets									
TradeMark	-	55.00	-	55.00	-	-	-	-	55.00
Total (ii)	-	55.00	-	55.00	-	-	-	-	55.00
Total (i+ii)	-	12 98.72	-	12 98.72	-	46.06	-	46.06	12 52.66
Capital work-in-progress		53.69		53.69					53.69

Ageing Schedule as on 31st March 2023 of Capital Work in Progress

₹ in lakhs

Particulars	Outstanding for following periods from				
	<1 Year	1-2 Years	2-3 Years	>3 Years	Total
Capital Work-in- Progress	53.69	-	-	-	53.69

Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023

₹ in lakhs

2. Other Financial Assets - Non-Current

(Unsecured and Considered Good)

As at

31st March 2023

Security Deposits 54.00

Total 54.00

₹ in lakhs

3. Other Non Current Assets

As at

31st March 2023

Other assests-non current * 1.50

Total 1.50

* Includes TDS Receivables

₹ in lakhs

4. Investments - Current

As at

31st March 2023

Investments Measured at Fair Value Through Profit and Loss

Investment in mutual funds - Unquoted 6,355.32

Total 6,355.32

Aggregate amount of Unquoted investments 6,355.32

₹ in lakhs

5. Cash and Cash Equivalents

As at

31st March 2023

Balances with banks 74.30

Cash and Cash Equivalents as per Balance Sheet / Cash Flow Statement 74.30

₹ in lakhs

6. Other Current Assets

(Unsecured and Considered Good)

As at

31st March 2023

Balance with GST authorities 80.48

Others ⁽ⁱ⁾ 5.85

Total 86.33

(i) Includes advances to vendors.

Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023

₹ in lakhs

As at

31st March 2023

7. Share Capital

Authorised Share Capital :

10,00,000	Equity Shares of ₹ 10 each	1 00.00
Total		1 00.00

Issued, Subscribed and Paid-up :

10,00,000	Equity Shares of ₹ 10 each fully paid up	1 00.00
Total		1 00.00

7.1 Out of the above 6,00,000 equity shares of Rs. 10 each fully paid-up are held by Reliance Retail Ventures Limited(RRVL), the holding company along with its nominees.

(i) The details of Shareholders holding more than 5% shares :

As at

31st March 2023

Name of the Shareholders	No. of Shares	% held
Anamika Khanna	2,00,000	20.00
Reliance Retail Ventures Limited*	6,00,000	60.00
Viraj Khanna	1,00,000	10.00
Vishesh Khanna	1,00,000	10.00

* includes 3 shares held by nominees

(ii) The details of shareholding of Promoters.:

As at 31st March 2023

Sr. No.	Class of Equity Shares	Promoters' s Name	No. of shares at the beginning of 2nd August, 2022	Changes during the period	No. of shares at the end of the period	% of total shares	%change during the period
1	Fully paid-up equity shares of Rs.10 each	Anamika Khanna	-	2,00,000	2,00,000	20%	100%
2	Fully paid-up equity shares of Rs.10 each	Reliance Retail Ventures Limited*	-	6,00,000	6,00,000	60%	100%
3	Fully paid-up equity shares of Rs.10 each	Viraj Khanna	-	1,00,000	1,00,000	10%	100%
4	Fully paid-up equity shares of Rs.10 each	Vishesh Khanna	-	1,00,000	1,00,000	10%	100%

*Included 3 shares held by nominees

(iii) The Reconciliation of the number of shares outstanding is set out below :

As at

31st March 2023

Particulars

No. of shares

Equity shares outstanding at the beginning of the period	-
Add: Equity shares issued during the period	10,00,000
Equity shares outstanding at the end of the period	10,00,000

(iv) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having face value of ₹10 each and the holder of the equity share is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time-to-time in proportion to the number of equity shares held by them. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company in proportion to the number of equity shares held.

Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023

	₹ in lakhs
	As at
	31st March 2023
8 . Other Equity	
Retained Earnings	
As per last Balance Sheet	-
Less: Loss for the period	(3 48.71)
	(3 48.71)
Optionally fully convertible debentures #	
As per last Balance Sheet	-
Add: Movement during the period	64 40.00
	<u>64 40.00</u>
Total	<u><u>60 91.29</u></u>

The Company has an option for conversion of 64,40,00,000 Zero Coupon Optionally Fully Convertible Debentures (OFCDs) in to equity shares, at any time after allotment of the OFCDs by giving one month notice to the OFCD holder. The conversion into equity shares shall be based on higher of face value or fair value of the Company as at time of conversion. If not converted, the Company will redeem the outstanding OFCDs on the expiry of 15 years from the date of allotment.

	₹ in lakhs
	As at
	31st March 2023
9. Lease Liabilities - Non Current	
Lease Liabilities	1,146.11
Total	<u><u>1,146.11</u></u>

	₹ in lakhs
	As at
	31st March 2023
10. Lease Liabilities - Current	
Lease Liabilities	72.45
Total	<u><u>72.45</u></u>

Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023

₹ in lakhs

11 . Trade Payables:

As at
31st March 2023

Micro and Small Enterprises	-
Other than Micro and Small Enterprises	2 93.26
Total outstanding dues of creditors	2 93.26

11.1 There are no overdues to Micro, Small and Medium Enterprises as at 31st March 2023.

a) Ageing Schedule as on 31st March 2023

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	> 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	2 93.26	-	-	-	2 93.26
(iii) Disputed Dues -MSME	-	-	-	-	-	-
(iv) Disputed Dues-Others	-	-	-	-	-	-
Total	-	293.26	-	-	-	293.26

Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023

12. Other Financial liabilities- Current

₹ in lakhs

As at

31st March 2023

Creditors for capital expenditure

28.53

Total**28.53**

₹ in lakhs

As at

31st March 2023

13 . Other Current Liabilities

Other payables ⁽ⁱ⁾

1 46.16

Total**1 46.16**

(i) Includes statutory dues and advance from customers

14. Other Income

₹ in lakhs

For the period from

2nd August 2022 to

31st March 2023

Gain on Financial Assets

Unrealised gain

15.33

15.33

Total**15.33**

RELIANCE AK-OK FASHIONS LIMITED**Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023**

₹ in lakhs

15. Finance CostsFor the period from
2nd August 2022 to
31st March 2023

Interest on Lease liabilities	27.25
Total	<u><u>27.25</u></u>

₹ in lakhs

16. Other ExpensesFor the period from
2nd August 2022 to
31st March 2023**Selling and Distribution Expenses**

Sales promotion and advertisement expenses	30.19
Total	<u><u>30.19</u></u>

Establishment Expenses

Professional fees	2 53.78
Security and Housekeeping expenses	0.71
Electricity expenses	0.09
General expenses	3.96
Total	<u><u>2 58.54</u></u>

16.1 Payments to Auditor

Statutory Audit Fees	2.00
	<u>2.00</u>
Total	<u><u>2 90.73</u></u>

Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023

17. The Company is yet to commence operations and will be engaged in the manufacturing and trading of garments, accessories etc. to cater Indian consumers. All the activities of the Company will revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment". The chief operational decision maker monitors the operating results of the Company's business for the purpose of making decisions about resource allocation and performance assessment.

18. Earnings per share (EPS)

₹ in lakhs

**For the period from
2nd August 2022 to
31st March 2023**

Face Value per Equity Share (₹)

10.00

Basic and Diluted Earnings per Share (₹) *

(2 04.33)

Net loss after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ in lakhs)

(3 48.71)

Weighted average number of equity shares used as denominator for calculating Basic and Diluted EPS

1,70,661

*Diluted EPS is same as basic EPS, being antidilutive

19. Commitments and Contingent Liabilities

₹ in lakhs

As at

31st March 2023

a Contingent Liabilities:

-

b Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for - In respect of others

62.00

Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023

20. Capital Management

The Company adheres to a disciplined Capital Management framework, the pillars of which are as follows:

- Maintain diversity of sources of financing and spreading the maturity across tenure buckets in order to minimise liquidity risk.
- Manage financial market risks arising from foreign exchange, interest rates and minimise the impact of market volatility on earnings.
- Leverage optimally in order to maximise shareholder returns while maintaining strength and flexibility of Balance Sheet. This framework is adjusted based on underlying macroeconomic factors affecting business environment, financial market conditions and interest rates environment.

Net Gearing Ratio

The net gearing ratio at end of the reporting period was as follows.

	₹ in lakhs
	As at
	31st March 2023
Gross Debt	-
Cash and Marketable Securities	64 29.62
Net Debt (A)	(64 29.62)
Total Equity (As per Balance Sheet) (B)	61 91.29
Net Gearing ratio (A/B)	(1.04)

Cash and Marketable Securities include Cash and Cash Equivalent of ₹ 74.30 lakhs and Current investment and marketable securities of ₹ 6,355.32 lakhs.

21. Financial Instruments**Valuation Methodology**

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

- The fair value of investment in Mutual Funds is measured at quoted price or NAV.

Fair value measurement hierarchy:

Particulars	₹ in lakhs		
	As at 31st March 2023		
	Carrying Amount	Level 1	Level 2
Financial Assets			
At Amortised Cost			
Cash and Cash Equivalents	74.30	-	-
Other Financial Assets	54.00	-	-
At FVTPL			
Investments	63 55.32	63 55.32	-
Financial Liabilities			
At Amortised Cost			
Trade Payables	2 93.26	-	-
Lease Liabilities	12 18.56	-	-
Other Financial Liabilities	28.53	-	-

The Carrying value of Assets and Liabilities carried at amortised cost approximates its fair value.

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

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

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023

Credit Risk

Credit risk is the risk that a customer will fail to pay amounts due causing financial loss to the Company.

Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the Company's business activities may not be available. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Particulars	Maturity Profile as at 31st March 2023						Grand Total
	Below 3 months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	Above 5 Years	
Trade Payables	293.26	-	-	-	-	-	2 93.26
Other Financial Liabilities	28.53	-	-	-	-	-	28.53
Lease Liabilities							
Non-Current	-	-	-	344.40	386.40	795.34	15 26.14
Current	42.00	42.00	84.00	-	-	-	1 68.00
Total	363.79	42.00	84.00	344.40	386.40	795.34	20 15.93
Total	363.79	42.00	84.00	344.40	386.40	795.34	2,015.93

Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023

22. Related Parties Disclosures

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below:

(i) List of Related Parties where control exists and also Related Parties with whom transactions have taken place and relationships:

Sr No	Name of the Related Parties	Relationship
1	Reliance Industries Limited	} Ultimate Holding Company
2	Reliance Retail Ventures Limited	} Holding Company
3	Reliance Brands Limited	} Fellow Subsidiary
4	Darshan Mehta	}
5	Ashish Patil	} Director
6	Sumeet Yadav	}
7	Anamika Khanna	}
8	Viraj Khanna	} Key Managerial Personnel
9	Vishesh Khanna	} Relative of Key Managerial Personnel
10	Anamika Fashionware & Exports Private Limited	} Entity in which Director has significant interest

(ii) Transactions during the year with Related Parties (excluding reimbursements):

₹ in lakhs

Sr No	Nature of Transactions	Ultimate Holding Company	Holding Company	Key Managerial Personnel	Fellow Subsidiary	Relative of Key Managerial Personnel	Entity in which Director has significant interest	Total
1	Share application money paid	-	60.00	30.00	-	10.00	-	100.00
2	Advance from Customer	-	-	-	106.00	-	-	106.00
3	Issue of Debentures	-	6440.00	-	-	-	-	6440.00
4	IP Fees	-	-	-	-	-	55.00	55.00
5	Professional fees	0.17	-	-	253.11	-	-	253.28
6	Sales Promotion and Advertisement Expenses	-	-	-	-	-	12.53	12.53

(iii) Balance as at 31st March, 2023

1	Trade and other payables	0.18	-	-	273.36	-	-	273.54
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(iv) Disclosure in respect of Related Party transactions during the year:

Particulars	Relationship	2022-23
1 Share application money paid		
Reliance Retail Ventures Limited	Holding Company	60.00
Anamika Khanna	Key Managerial Personnel (KMP's)	20.00
Viraj Khanna	Key Managerial Personnel (KMP's)	10.00
Vishesh Khanna	Relative of Key Managerial Personnel	10.00
2 Advance from Customer		
Reliance Brands Limited	Fellow Subsidiary	106.00
3 Issue /(Redemption) of Debentures		
Reliance Retail Ventures Limited	Holding Company	6440.00
4 IP Fees		
Anamika Fashionware & Exports Private Limited	Related Company of KMPs	55.00
5 Professional fees		
Reliance Brands Limited	Fellow Subsidiary	253.11
Reliance Industries Limited	Ultimate Holding Company	0.17
6 Sales Promotion and Advertisement Expenses		
Anamika Fashionware & Exports Private Limited	Related Company of KMPs	12.53

Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023

		As at
23	Ratios	31st March 2023
i	Current Ratio	12.06
ii	Debt Service Coverage ratio	0.00
iii	Inventory Turnover Ratio	0.00
iv	Trade Payable Turnover Ratio	0.99
v	Net Profit Ratio	0.00%
vi	Return on Investment	0.00%
vii	Debt-Equity Ratio	0.00
viii	Return on Equity Ratio	-5.63%
ix	Trade Recievables Turnover Ratio	0.00
x	Net Capital Turnover Ratio	0.00
xi	Return on Capital Employed	1.46%

Formula for computation of ratios are as follows:

Sr. No.	Particulars	Formula
1	Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2	Debt Service Coverage Ratio	$\frac{\text{Earnings before Interest, Tax and Exceptional Items}}{\text{Interest Expense + Principal Repayments made during the period for long term loans}}$
3	Inventory Turnover Ratio	$\frac{\text{Cost of Goods Sold}}{\text{Average Inventories of Finished Goods, Raw Material, Stock-in-Process and Stock-in-Trade}}$
4	Trade Payables Turnover Ratio	$\frac{\text{Cost of Materials Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade + Other Expenses}}{\text{Average Trade Payables}}$
5	Net Profit Ratio %	$\frac{\text{Profit After Tax}}{\text{Revenue from Operations (including GST)}}$
6	Return on Investment	$\frac{\text{Other Income (Excluding Dividend)}}{\text{Average Cash, Cash Equivalents & Other Marketable Securities}}$
7	Debt-Equity Ratio	$\frac{\text{Total Debt}}{\text{Total Equity}}$
8	Return on Equity Ratio	$\frac{\text{Profit After Tax (Attributable to Owners)}}{\text{Average Net Worth}}$
9	Trade Receivables Turnover Ratio	$\frac{\text{Revenue from Operations (including GST)}}{\text{Average Trade Receivables}}$
10	Net Capital Turnover Ratio	$\frac{\text{Revenue from Operations (including GST)}}{\text{Working Capital (Current Assets - Current Liabilities)}}$
11	Return on Capital Employed (Excluding Working Capital financing)	$\frac{\text{Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income (-) Share of Profit / (Loss) of Associates and Joint Ventures}}{\text{Average Capital Employed}}$

Notes to the Financial Statements for the period from 2nd August 2022 to 31st March 2023**24 Other Statutory Information**

- (i) As per section 248 of the Companies Act, 2013, there are no balances outstanding with struck off companies.
 - (ii) The Company does not have any Capital-work-in progress or intangible assets under development, whose completion is overdue or has exceeded its cost compared to its original plan.
 - (iii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (iv) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 25** This is the first set of financial statements for the period starting from the date of incorporation of the Company i.e 2nd August, 2022 to 31st March, 2023. Hence the reporting of the comparatives in the financial statements is not applicable.
- 26** The financial statements were approved for issue by the Board of Directors on 19th April, 2023.

As per our Report of even date

For and on behalf of the Board

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm registration no: 117366W/W-100018

Darshan Mehta
Director
DIN:00103155

Varsha A. Fadte
Partner
Membership No. 103999

Ashish Patil
Director
DIN:00076627

Anamika Khanna
Director
DIN:00470839

Sumeet Yadav
Director
DIN:07221267

Date : 19th April, 2023

Viraj Khanna
Director
DIN:07590571