



# BAPNA AND COMPANY

Chartered Accountants

**Arvind Kumar Bapna**

B.Com., FCA, ICWA, CS, DISA

**Manjul Babel**

B.Sc., M.Com., ACA

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## Independent Auditor's Report

To  
The Members of  
**Gaze Fashiontrade Limited**

### Report on the Indian Accounting Standards (Ind AS) Financial Statements

We have audited the accompanying Ind AS Financial Statements of **Gaze Fashiontrade Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit (including 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.

### **Key Audit Matters**

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**Accuracy and completeness of disclosure of related party transactions and compliance with the provisions of Companies Act 2013**

We identified the accuracy and completeness of disclosure of related party transactions as set out in respective notes to the Ind AS financial statements as a key audit matter due to:

- the significance of transactions with related parties during the year ended March 31, 2019.

Our procedures in relation to the disclosure of related party transactions included:

- Obtaining an understanding of the Company's policies and procedures in respect of the capturing of related party transactions and how management ensures all transactions and balances with related parties have been disclosed in the Ind AS financial statements.
- Agreeing the amounts disclosed to underlying documentation and reading relevant agreements, evaluation of arms-length, on a sample basis, as part of our evaluation of the disclosure.
- Evaluating the disclosures through reading of statutory information, books and records and other documents obtained during the course of our audit.

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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 Responsibility for the Ind AS Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with



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respect to the preparation of these Financial Statements that give a true and fair view of the financial position, state of affairs, profit / loss (including 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, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 the 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 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

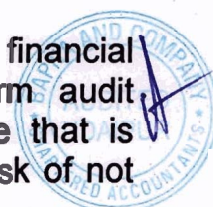
Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of 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



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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 made by 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 auditors' 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





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## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the 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 31st March 2019, and its profit (including other comprehensive income), change in equity and its cash flows for the year ended on that date.

## Report on Other Legal & Regulatory Requirement

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure I a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 purpose 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 books of account;
  - d. In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e. On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. As required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013, on the Internal Financial Control over,



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Financial Reporting to the extent applicable, refer our separate report in Annexure II and

- g. 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any long-term contract including derivatives contracts for which there were any material foreseeable losses; and
  - ii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Bapna & Company**  
**Chartered Accountants**  
**FRN: 009020C**

  
**(Arvind Bapna)**  
**Partner**  
**M.No. 078525**



**Date: 24<sup>th</sup> May 2019**  
**Place: Bangalore**

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### **Annexure I to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Ind AS Financial Statements for the year ended 31 March 2019, we report that:

- (i)
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) All the assets have been physically verified by the management during the year and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets, No material discrepancies were noticed on such verification.
  - (c) The title deeds of immovable properties are held in the name of the company.
- (ii) The company does not have any inventories Hence clause 3 ii(a), ii(b), ii(c) of the said order are not applicable to the company.
- (iii) The Company has not granted loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), hence clause (iii) (a), (b) & (c) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits from the Public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) According to the information & explanation given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of manufacture of its products by the company.



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**(vii) In respect of statutory dues:**

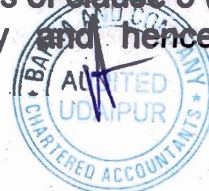
- (a)** According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Value Added Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except for a few delays. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid due were outstanding as at March 31, 2019 for a period of more than six months from the date of becoming payable.
- (b)** According to the information and explanation given to us, there are no pending dues of Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods and service tax or Cess which are not deposited on account of dispute.

**(viii)** According to information and explanation given to us by the management, as on balance sheet date the company is not in default w.r.t. repayment of loans and borrowings to a financial institutions, banks or government, further the company has not issued any debentures.

**(ix)** Based upon the audit procedures performed and the information and explanations given by the management during the year under review, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. To the best of our knowledge and belief and according to the Information and Explanation given to us, term loans availed by the company were prima facie applied by the company during the year for the purpose for which the loan were Obtained.

**(x)** Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

**(xi)** Based upon the audit procedures performed and the information and explanations given by the management, the company has not paid the managerial remuneration. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the Company and hence not commented upon.





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- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon

**For Bapna & Company**  
**Chartered Accountants**  
**FRN: 009020C**

  
**(Arvind Bapna)**  
**Partner**  
**M.No. 078525**



**Date: 24<sup>th</sup> May 2019**  
**Place: Bangalore**

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## **Annexure II to the Independent Auditors' Report**

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

In conjunction with our audit of the Ind AS Financial Statements of the Company as of and for the year ended March 31, 2019. We have audited the internal financial controls over financial reporting of Gaze Fashiontrade Limited (hereinafter referred to as "the Company"), which is a company incorporated in India, as of that date.

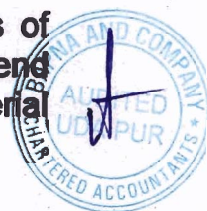
#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the company are responsible for establishing and maintaining internal financial controls based on the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (IFCoFR) 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 the respective 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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



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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 system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



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### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the company has maintained , in all material respects , adequate internal financial control over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For Bapna & Company**  
**Chartered Accountants**  
**FRN: 009020C**

  
**(Arvind Bapna)**  
**Partner**  
**M.No. 078525**



**Date: 24<sup>th</sup> May 2019**  
**Place: Bangalore**

**GAZE FASHIONTRADE LIMITED**

FLAT NO. A5,-105, FIRST AVENUE JANAPRIYA APARTMENT ARISINAKUNTE POST, NELAMANGALA

TALUK, BANGALORE RURAL KARNATAKA 562123

CIN: U17100KA2016PLC097289

**Balance Sheet as on 31 March 2019**

(Amounts in '000)

Sr. No.	Particulars	Note No.	As at	
			31st March,2019	31st March,2018
(1)	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	3	388.38	
	(b) Financial Assets			
	(i) Investments	4	29,213.32	29,213.32
	(ii) Loans		-	-
	(c) Other non-current assets	5	16.25	24.37
	<b>Total non-current assets</b>		<b>29,617.95</b>	<b>29,237.69</b>
(2)	<b>Current assets</b>			
	(a) Inventories			
	(b) Financial Assets			
	(i) Investments	6	3,145.38	664.58
	(ii) Trade receivables		-	-
	(iii) Cash and cash equivalents	7	353.15	134.85
	(iv) Other Bank Balance			
	(v) Loans			
	(c) Other current assets	8	1.35	
	<b>Total current assets</b>		<b>3,499.87</b>	<b>799.42</b>
	<b>TOTAL ASSETS</b>		<b>33,117.83</b>	<b>30,037.11</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity Share capital	9	1,000.00	1,000.00
	(b) Other Equity	10	21,410.99	21,990.14
	<b>Total equity</b>		<b>22,410.99</b>	<b>22,990.14</b>
(1)	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings			
	(b) Provisions			
	(c) Deferred tax liabilities (net)			
	<b>Total Non-Current Liabilities</b>			
(2)	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	11	8,251.88	6,961.84
	(ii) Trade payables	12	2,395.51	-
	(iii) Other financial liabilities	13	5.00	5.00
	(b) Other current liabilities	14	54.44	80.14
	(c) Provisions			
	(d) Current tax liabilities (net)			
	<b>Total current liabilities</b>		<b>10,706.83</b>	<b>7,046.97</b>
	<b>Total liabilities</b>		<b>10,706.83</b>	<b>7,046.97</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>33,117.83</b>	<b>30,037.11</b>

Significant accounting Policies

1 &amp; 2

Notes forming Part of Financial Statements

1 to 25

As per our Audit Report of even date.

**For Bapna & Compnay**

Chartered Accountants

Firm Reg. No. 009020C



Arvind Bapna

(Partner)

Membership No. 078525

Place : Bangalore

Date: 24th May, 2019

For and on behalf of the Board

GAZE FASHIONTRADE LIMITED

Kanika Agarwal

(Director)

(DIN: 05237528)

Shruti Agarwal

(Director)

(DIN: 05237530)



# GAZE FASHIONTRADE LIMITED

FLAT NO. A5,-105, FIRST AVENUE JANAPRIYA APARTMENT ARISINAKUNTE POST, NELAMANGALA  
TALUK, BANGALORE RURAL KARNATAKA 562123  
CIN: U17100KA2016PLC097289

## Statement of Profit & Loss For The Year Ended 31 March, 2019

(Amounts in '000)

	Particulars	Note No	Year Ended	
			31st March,2019	31st March,2018
I	Revenue from Operations			
II	Other Income	15		9.05
III	Total Revenue(I+II)			9.05
IV	EXPENSES			
	Consumption Of Raw Material		-	
	Purchases of Traded Stock			
	(Increase)/decrease in inventories of finished goods, work-in-progress and traded goods			
	Employee Benefit Expenses		-	
	Depreciation and amortization expense	16	15.94	8.12
	Finance cost	17	556.38	888.83
	Other expense	18	187.54	181.59
	Total expenses		759.86	1,078.54
V	Profit/(Loss) before exceptional items and tax from operations (III-IV)		(759.86)	(1,069.49)
VI	Exceptional items		-	
VII	Profit/(Loss)before tax from operations (V+VI)		(759.86)	(1,069.49)
VIII	Tax expense			
	Current tax			
	Deferred Tax			
	Tax in respect of earlier years			
IX	Profit/(Loss) of the year(VII-VIII)		(759.86)	(1,069.49)
X	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss		147.01	(232.10)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	(i) Items that will be reclassified to profit or loss			-
	(ii) Income tax relating to items that will be reclassified to profit or loss			
	Total Comprehensive Income(IX+X)		(612.85)	(1,301.59)
	Earnings per Equity Shares	19		
	1) Basic (in ₹)		(7.599)	(10.695)
	2) Diluted (in ₹)		(7.599)	(10.695)

Significant accounting Policies

1 & 2

Notes forming Part of Financial Statements

1 to 25

As per our Audit Report of even date.

For Bapna & Company  
Chartered Accountants  
Firm Reg. No. 009020C



Arvind Bapna

(Partner)

Membership No. 078525

Place : Bangalore

Date: 24th May, 2019

For and on behalf of the Board  
GAZE FASHIONTRADE LIMITED

Kanika Agarwal

(Director)

(DIN: 05237528)

Shruti Agarwal

(Director)

(DIN: 05237530)

# GAZE FASHIONTRADE LIMITED

## Statement of changes in Equity for the year ended 31 March, 2019

### A Equity Share capital

(Amounts in '000)

Balance at the 1st April 2018	Changes in equity share capital during the year	Balance at the end of 31st March 2019
1,000	Nil	1,000

### B Statement of changes in Equity for the year ended 31 March, 2019

Particulars	Reserve & Surplus		Other comprehensive income	Total Other equity
	Security Premium	Retained Earnings	Equity Instruments through other comprehensive income	
Balance as of April 1, 2018	-	(1,069.83)	23,059.98	21,990.14
Changes in equity for the year ended March 31, 2019				
Net gain on FVTOCI equity Securities	-	(70.94)	217.95	147.01
Profit for the period	-	(759.86)	33.70	(726.16)
Balance as on March 31, 2019	-	(1,900.63)	23,311.63	21,410.99

As per our Audit Report of even date.

For Bapna & Compnay  
Chartered Accountants  
Firm Reg. No. 009020C

Arvind Bapna  
(Partner)  
Membership No. 078525  
Place : Bangalore  
Date: 24th May, 2019



For and on behalf of the Board  
GAZE FASHIONTRADE LIMITED

Kanika Agarwal  
(Director)  
(DIN: 05237528)

Shruti Agarwal  
(Director)  
(DIN: 05237530)



# GAZE FASHIONTRADE LIMITED

FLAT NO. A5,-105, FIRST AVENUE JANAPRIYA APARTMENT ARISINAKUNTE POST, NELAMANGALA TALUK,  
BANGALORE RURAL KARNATAKA 562123

CIN: U17100KA2016PLC097289

## CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2019

(Amounts in '000)

Particulars	Year Ended	Year Ended
	31st March, 2019	31st March, 2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit Before Taxation	(759.86)	(1,301.59)
<b>Adjustments for:</b>		
Depreciation and Amortisation Expenses	15.94	8.12
Dividend Received	-	(9.05)
Finance Cost	556.35	
FVTOCI On Realisation	-	-
<b>Cash flow before working capital changes</b>	<b>(187.57)</b>	<b>(1,302.51)</b>
<b>Adjustments for working capital changes:</b>		
Increase/(Decrease) in Other Current Liabilities	(25.69)	80.14
Increase/(Decrease) in Borrowings	1,290.04	(11,378.78)
Increase/(Decrease) in Other Financial Current Liabilities	-	-
Increase/(Decrease) in Trade Payables	2,395.51	-
(Increase)/Decrease in Other Financial Current Assets	(1.35)	-
	-	-
<b>Cash flow from operations</b>	<b>3,470.95</b>	<b>(12,601.16)</b>
Income Taxes Paid	-	-
<b>Cash flow from operating activities</b>	<b>3,470.95</b>	<b>(12,601.16)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from Current Investment	95.42	-
(Increase)/Decrease in Investments	(2,395.51)	389.88
Capital Expenses	(396.20)	-
Finance Cost	(556.35)	
Dividend Received	-	9.05
(Increase)/Decrease in Investments		
<b>Cash flow from investing activities</b>	<b>(3,252.64)</b>	<b>398.93</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of Shares	-	-
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>218.31</b>	<b>(12,202.23)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>134.85</b>	<b>12,337.08</b>
<b>Cash and cash equivalents at end of period</b>	<b>353.15</b>	<b>134.84</b>

As per our Audit Report of even date.

For Bapna & Company  
Chartered Accountants  
Firm Reg. No. 009020C

Arvind Bapna  
(Partner)  
Membership No. 078525



For and on behalf of the Board  
GAZE FASHIONTRADE LIMITED

Kanika Agarwal  
(Director)  
(DIN: 05237528)

Shruti Agarwal  
(Director)  
(DIN: 05237530)

Place : Bangalore  
Date: 24th May, 2019

# GAZE FASHIONTRADE LIMITED


## Notes to the financial statement for the year ended 31st March 2019

- 25 The previous year's figures have been regrouped, rearranged and reclassified to conform to current year Ind-AS presentation requirements.


**For Bapna & Company**  
**Chartered Accountants**  
**Firm Reg. No. 009020C**



**For and on behalf of the board of directors**  
**GAZE FASHIONTRADE LIMITED**

  
**Arvind Bapna**  
**(Partner)**  
**Membership No. 078525**  
**Place : Bangalore**  
**Date: 24th May, 2019**

  
**Kanika Agarwal**  
**(Director)**  
**(DIN: 05237528)**

  
**Shruti Agarwal**  
**(Director)**  
**(DIN: 05237530)**

# GAZE FASHIONTRADE LIMITED

## Notes to the financial statement for the year ended 31st March 2019

### 1 Corporate Information

GAZE FASHIONTRADE LIMITED (the company) is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The company is primarily engaged in investing activities.

### 2 Significant accounting policies

The following are the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of Preparation

The financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorize for issue on **24 May 2019**.

#### 2.2 Basis of measurement

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### 2.3 Functional and Presentation Currency

The financial statements are prepared in Indian Rupees ("INR") which is the Company's presentation currency and the functional currency for its operations. All financial information presented in INR has been rounded to the nearest thousands with two decimal places as per the requirement of Schedule III, unless stated otherwise.

#### 2.4 Use of Estimates

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

#### 2.5 Classification of Assets and Liabilities as Current and Non Current

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realization in cash and cash equivalent, the Company has determined its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### 2.6 Recognition of Revenue

Revenue is recognized to the extent that it is probable that economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

#### 2.7 Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the effective interest rate method.

#### 2.8 Expenses

All expenses are charged in statement of profit and loss as and when they are incurred.





## **2.9 Property, Plant & Equipment**

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

## **2.10 Depreciation**

Depreciation is calculated on a written down value basis over the estimated useful lives of all the assets as prescribed in Schedule II of the Companies Act, 2013.

## **2.11 Inventory**

Inventories are valued at the lower of cost or net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows-

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

## **2.12 Employee benefits**

Short-term Employee Benefits are recognised as an expense on accrual basis.

## **2.13 Income Tax**

Current income tax assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with Income Tax Act 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. It is accounted for using balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised.

## **2.14 Lease**

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. A lease is classified at the inception date as a finance lease or an operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation.

## **2.15 Provisions, Contingent Liabilities and Contingent Assets**

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.

Contingent Liability is disclosed in case of a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation or where no reliable estimate is possible. Contingent liabilities are not recognised in financial statements but are disclosed in notes.

Contingent asset is not recognised in the financial statements. A contingent asset is disclosed, where an inflow of economic benefits is probable.

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



## **2.16 Impairment of Assets**

### **Non-financial assets**

The Company assesses at each reporting date as to whether there is any indication that any Property, plant and equipment and intangible asset or group of assets called cash generating units (CGU) may be impaired. Property, plant and equipment are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

### **Financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

## **2.17 Earning Per Share (EPS)**

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share ('EPS') is computed by dividing the net profit attributable to equity holders of the company by the weighted average number of equity shares considered for deriving basic earning per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares been actually issued at fair value (i.e the average market value of the equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

## **2.18 Cash Flow Statement**

Cash flows are reported using the indirect method, as set out in Ind AS 7 'Statement of Cash Flows', whereby profit for the period 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 expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## **2.19 Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash flows, Cash and Cash Equivalents consists of cash and short term deposits, as defined above, net of outstanding overdraft, if any, as they are consider an intergral part of company's cash management.



## 2.20 Financial Instruments

### a) Initial Recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

### b) Subsequent Measurement

#### (i) Financial assets carried at amortised cost

A financial asset is subsequently 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 are solely payments of principal and interest on the principal amount outstanding.

#### (ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income 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 are solely payments of principal and interest on the principal amount outstanding.

#### (iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

#### (iv) Financial liabilities

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

### c) Derecognition

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.

### d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 2.21 Fair Value Measurement

The Company measures financial instruments at fair value at each balance sheet date. 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 of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



## GAZE FASHIONTRADE LIMITED

### Note 3 : Fixed Assets

Gross Block					Net Block	
Name of Asset	WDV as on 01.04.18	Purchase during year	closing balance as on 31.03.19	Dep During FY 2018-2019	WDV as on 31.3.19	WDV as on 31.03.18
Building at Dungarpur	-	3,96,200	3,96,200	7,815	3,88,385	



# GAZE FASHIONTRADE LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 4. NON CURRENT ASSETS - FINANCIAL ASSETS - INVESTMENTS

Particulars	As at 31st March,2019 (Amounts in '000)	As at 31st March,2018 (Amounts in '000)
<b>Investment in equity instruments (fully paid-up)</b>		
<b>UnQuoted</b>		
<b>Fair Value Through Other Comprehensive Income</b>		
87700 Equity Shares of Ruby Infratech Pvt Ltd. of Rs. 10/- each Fully Paid-up	8,449.30	8,449.30
99800 Equity Shares of Vighnahartha Vincom Pvt Ltd. of Rs. 10/- each Fully Paid-up	11,052.25	11,052.25
790000 Equity Shares of Biswas Solar Instruments Pvt Ltd. of Rs. 10/- each Fully Paid-up	790.00	790.00
600000 Equity Shares of Blood hound security company P Ltd. of Rs. 10/- each Fully Paid-up	600.00	600.00
74875 Equity Shares of Divya Finlease Pvt Ltd. of Rs. 10/- each Fully Paid-up	6,414.27	6,414.27
499800 Equity Shares of Radhika Vyapar Pvt Ltd of Rs. 10/- each Fully Paid-up	1,907.50	1,907.50
<b>TOTAL</b>	<b>29,213.32</b>	<b>29,213.32</b>

### 5. NON CURRENT ASSETS- OTHERS

Particulars	As at 31st March,2019 (Amounts in '000)	As at 31st March,2018 (Amounts in '000)
Preliminary Expenses as per last year account	24.37	32.50
Add: Addition during the year	-	-
	24.37	32.50
Less: Adjusted/Written off during the year	8.13	8.12
<b>TOTAL</b>	<b>16.24</b>	<b>24.37</b>





<b>6. FINANCIAL CURRENT ASSETS - INVESTMENTS</b>		
<b>Particulars</b>	<b>As at 31st March,2019 (Amounts in '000)</b>	<b>As at 31st March,2018 (Amounts in '000)</b>
<b><u>I. Investments in Equity shares</u></b>		
<b><i>Quoted</i></b>		
ORIENTAL BANK OF COMMERCE 5120 shares of Face Value Rs 10/- each	595.20	545.02
TV18 BROADCAST LIMITED 1000 shares of Face Value Rs 2/- each	35.50	119.56
State Bank of India 7840 shares of Face Value Rs 1/- each	2,514.68	-
<b>TOTAL</b>	<b>3,145.38</b>	<b>664.58</b>
<b>7. FINANCIAL ASSETS -CURRENT- CASH &amp; CASH EQUIVALENTS</b>		
<b>Particulars</b>	<b>As at 31st March,2019 (Amounts in '000)</b>	<b>As at 31st March,2018 (Amounts in '000)</b>
Bank Balance (In Current Account)	28.55	106.21
Cash on hand (As Certified by the Management)	324.60	28.64
<b>TOTAL</b>	<b>353.15</b>	<b>134.85</b>
<b>8. OTHER CURRENT ASSETS</b>		
<b>Particulars</b>	<b>As at 31st March,2019 (Amounts in '000)</b>	<b>As at 31st March,2018 (Amounts in '000)</b>
IGST	0.014	
<b>TOTAL</b>	<b>0.014</b>	<b>-</b>



# GAZE FASHIONTRADE LIMITED

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2019

### 9. SHARE CAPITAL

Particulars	As at 31st March,2019 (Amounts in '000)	As at 31st March,2018 (Amounts in '000)
<b>Authorised</b> 100000 (100000) Equity Shares of Rs. 10/- each, Fully paid up	1,000.00	1,000.00
<b>Issued, Subscribed and Paid up</b> 100000 (100000) Equity Shares of Rs. 10/- each, Fully paid up	1,000.00	1,000.00
<b>TOTAL</b>	<b>1,000.00</b>	<b>1,000.00</b>

### 9A. RECONCILIATION OF NUMBER OF SHARES

Particulars	As at 31st March,2019		As at 31st March,2018	
	No. of Shares	Amount('000)	No. of Shares	Amount('000)
<b>Equity Shares of Rs. 10 each</b> Shares outstanding at the beginning of the year Add:Shares issued during the year Less:Shares bought back during the year Shares outstanding at the end of the year	1,00,000.00	1,000.00	1,00,000.00	1,000.00
	<b>1,00,000.00</b>	<b>1,000.00</b>	<b>1,00,000.00</b>	<b>1,000.00</b>

### 9B. DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY

Particulars	As at 31st March,2019		As at 31st March,2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares of Rs. 10 each</b> Pacific Industries Limited	100000	100.00%	100000	100.00%

### 10. OTHER EQUITY

Particulars	As at 31st March,2019 Amount('000)	As at 31st March,2018 Amount('000)
<b>Surplus in Statement of Profit &amp; Loss</b> Balance as at the beginning of the year Add: Net Profit /(Net Loss) for the current year <b>Balance as at the end of the year</b>	(1,069.83) (830.80) (1900.63)	(0.34) (1069.49) (1069.83)
<b>Other Comprehensive Income</b> Balance as at the beginning of the year Changes in fair value during the year <b>Balance as at the end of the year</b>	23059.98 251.65 23311.63	23,292.07 (232.10) 23059.98
<b>TOTAL</b>	<b>21410.996</b>	<b>21,990.14</b>



# GAZE FASHIONTRADE LIMITED

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019

### 11. Current Liabilities - Financial Liabilities - Borrowings

Particulars	As at 31st March,2019 (Amounts in '000)	As at 31st March,2018 (Amounts in '000)
Unsecured Loans From Holding Company	8251.88	6961.84
<b>TOTAL</b>	<b>8251.88</b>	<b>6961.84</b>

### 12. Trade Payables

Particulars	As at 31st March,2019 (Amounts in '000)	As at 31st March,2018 (Amounts in '000)
To Others	2395.51	0.00
<b>TOTAL</b>	<b>2395.51</b>	<b>0.00</b>

### 13. Financial Liabilities -Current - Other

Particulars	As at 31st March,2019 (Amounts in '000)	As at 31st March,2018 (Amounts in '000)
Audit Fees Payable	5.00	5.00
<b>TOTAL</b>	<b>5.00</b>	<b>5.00</b>

### 14. Non Financial Liabilities -Current- Other

Particulars	As at 31st March,2019 (Amounts in '000)	As at 31st March,2018 (Amounts in '000)
TDS Payable on Interest	54.45	80.14
<b>TOTAL</b>	<b>54.45</b>	<b>80.14</b>



# GAZE FASHIONTRADE LIMITED

## NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2019

### 15. OTHER INCOME

Particulars	Year Ended 31st March,2019 Amount('000)	Period Ended 31st March,2018 Amount('000)
Dividend Received		9.05
<b>TOTAL</b>		<b>9.05</b>

### 16. DEPRECIATION & AMORTISATION

Particulars	Year Ended 31st March,2019 Amount('000)	Period Ended 31st March,2018 Amount('000)
Preliminary Expenses Written Off	8.12	8.12
Depreciation	7.82	
<b>TOTAL</b>	<b>15.94</b>	<b>8.12</b>

### 17. FINANCE COST

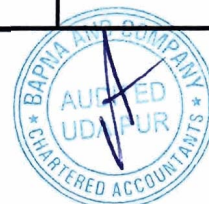
Particulars	Year Ended 31st March,2019 Amount('000)	Period Ended 31st March,2018 Amount('000)
Bank Charges	0.03	3.60
Interest on Demat Overdue	11.85	83.88
Interest on Loan From Holding Company	544.49	801.35
<b>TOTAL</b>	<b>556.38</b>	<b>888.83</b>

### 18. OTHER EXPENSES & AUDIT FEES

Particulars	Year Ended 31st March,2019 Amount('000)	Period Ended 31st March,2018 Amount('000)
<b>Loss On Sale of Trading of Shares</b>		
Purchase of Shares	15,456.68	66,962.81
Less : Sale of Shares	(15,375.27)	(66,862.33)
Accounting Charges	54.00	54.00
Consultancy & Legal Exp. + ROC fees	24.20	15.60
Demat charges & Late Fees on TDS filing	13.58	1.95
Printing and stationery expenses + TDS demand	9.35	4.56
Statutory Audit Fees	5.00	5.00
<b>TOTAL</b>	<b>187.54</b>	<b>181.59</b>

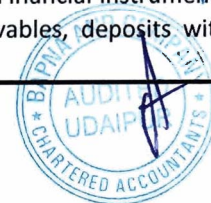
### 19. EARNINGS PER SHARE

Particulars	Year Ended 31st March,2019 Amount('000)	Period Ended 31st March,2018 Amount('000)
<b>Basis for calculation of Basic and Diluted Earnings per share is as is as under:</b>		
Profit after tax	(759.86)	(1,069.49)
Weighted Average Number of Equity Shares (Nos)	100.00	100.00
Basic Earning Per Share (INR)	(0.01)	(0.01)





<b>20. TAX EXPENSE</b>		
Particulars	Year Ended 31st March,2019 Amount('000)	Period Ended 31st March,2018 Amount('000)
Income tax expenses		
a) Current taxes		
b) Deferred taxes		
c) Tax in respect of earlier year		
<b>A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the Income before income taxes is summarized below:</b>		
Particulars	As at	
	31st March,2019 Amount('000)	31st March,2018 Amount('000)
Profit before tax	(759.86)	(1069.49)
Applicable tax rate	25.75%	25.75%
Tax expense calculated at applicable rate		
Effect of Allowances for tax purpose		
Effect of Non deductible expenses		
Effect of tax related to previous years		
Effect of brought forward losses/unabsorbed depreciation		
Others		
<b>Tax expense recognised in Statement of Profit and Loss</b>	<b>0.00</b>	<b>0.00</b>
<b>21. FINANCIAL INSTRUMENTS</b>		
<b>(A) Capital Management</b>		
For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.		
The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. Company monitors capital using a gearing ratio, which is net debts divided by total equity plus net debts. Net debt are non-current and current borrowings as reduced by cash and cash equivalents and other bank balances.		
<b>(B) Financial risk management policy and objectives</b>		
The key objective of the Company's financial risk management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company is focused on maintaining a strong equity base to ensure independence, security, as well as financial flexibility for potential future borrowings, if required without impacting the risk profile of the Company. Company's principal financial liabilities, comprise Borrowings, trade and other payables. Company's principal financial assets include investments, cash and cash equivalents & other assets.		
Company is exposed to market risk, credit risk and liquidity risk. The Company's Board oversees the management of these risks. The Company's Board is supported by senior management team that advises on financial risks and the appropriate financial risk governance framework for the Company. The management provides assurance to the Company's Board that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.		
<b>i) Market risk</b>		
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk currency risk, interest rate risk and price risk. Financial instruments affected by market risk include investments in equity shares, security deposits, trade and other receivables, deposits with banks and financial liabilities.		





**ii) Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The Company is exposed to credit risk mainly from trade receivables & loans and from its financing activities, including balances with banks. Credit risk on trade receivables & loans is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Financial assets are written off when there is no reasonable expectations of recovery. Assets in the nature of Investment, deposits, loans and advances are measured using 12 months expected credit losses (ECL). Balances with Banks is subject to low credit risk due to good credit rating assigned to these banks. Trade receivables are measured using life time expected credit losses.

**iii) Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash flow obligations without incurring unacceptable losses. Company's objective is to, at all time maintain optimum levels of liquidity to meet its cash requirements. Company closely monitors its liquidity position and deploys a robust cash management system. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table summarises maturity profile of Company's financial liabilities based on contractual undiscounted payments .

Particulars	31-Mar-19		
	within one year	more than one year	Total
Trade Paybles	2395.51	0.00	2395.51
Other financial liabilities	5.00	0.00	5.00
Particulars	31-Mar-18		
	within one year	more than one year	Total
Trade Paybles	0.00	0.00	0.00
Other financial liabilities	5.00	0.00	5.00

**22. Segment reporting**

The company business activities involve one operating segment only therefore segment reporting is not required.

**23. Related Party Transactions**

The company has made the following transactions with related parties during the year

Particulars	Amount (In '000)
Interest Paid on loan taken- Pacific Industries Limited	544.49
Loan Taken (Pacific Industries Limited)	1344.49
Loan repayment (Pacific Industries Limited)	54.45
Loans outstanding as on 31st March (Liabilities) - Pacific Industries Limited	8251.88



# GAZE FASHIONTRADE LIMITED

## Notes to the financial statement for the year ended 31st March 2019

### Note: 24 Fair value measurement

Particulars	As at							
	31st March,2019				31st March,2018			
	FVTOCI	FVTPL	Amortised cost	Carrying value	FVTOCI	FVTPL	Amortised cost	Carrying value
Financial Assets								
(i) Investments	29,061.20	-	3,297.50	32,358.70	26,580.40	-	3,297.50	29,877.90
(ii) Cash & cash equivalents	-	-	353.15	353.15	-	-	134.85	134.85
(iii) Others	-	-	-	-	-	-	-	-
<b>Total</b>	<b>29,061.20</b>	<b>-</b>	<b>3,650.65</b>	<b>32,711.85</b>	<b>26,580.40</b>	<b>-</b>	<b>3,432.35</b>	<b>30,012.74</b>
Financial Liabilities								
(i) Borrowings			8,251.88	8,251.88			6,961.84	6,961.84
(ii) Trade payables			2,395.51	2,395.51			-	-
(iii) Other financial liabilities			5.00	5.00			5.00	5.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>10,652.39</b>	<b>10,652.39</b>	<b>-</b>	<b>-</b>	<b>6,966.84</b>	<b>6,966.84</b>

Note: The Carrying value of financial assets and financial liabilities approximates fair value for the respective years.

#### Fair value hierarchy:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets measured at fair value on a recurring basis:-

Particulars	As at					
	31st March,2019			31st March,2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
(i) Investments	3,145.38		29,213.32	29,877.90	-	-
<b>Total</b>	<b>3,145.38</b>	<b>-</b>	<b>29,213.32</b>	<b>29,877.90</b>	<b>-</b>	<b>-</b>

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

