HAKOBA LIFESTYLE LIMITED

27TH ANNUAL REPORT

2019 - 2020

HAKOBA LIFESTYLE LIMITED
Regd. Office:- Unit No. 101B, 1^{st} Floor, Abhishek Premises, Plot No. C 5-6, Dalia Industrial Estate, Off. Link Road, Andheri (W), Mumbai 400 058.
CIN NO.: U67190MH1993PLC072786

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of **HAKOBA LIFESTYLE LIMITED** will be held on Monday, the 7^{th} September, 2020 at 3:30 p.m. through Video conferencing(VC) or Other Audio Video Mode(OAVM) to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31^{st} March, 2020 and the Report of the Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Shiv Deep Baru (DIN:06402584) who retires by rotation and being eligible, offers himself for reappointment.

By Order of the Board of Directors
For **HAKOBA LIFESTYLE LIMITED**

Sd/-
RAJ KUMAR SEKHANI
Chairman
DIN:00102843

Place : Mumbai
Date : 29^{th} June, 2020

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the "AGM" through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Accordingly, in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.**

3. The documents mentioned in the Notice of the Meeting are available for inspection to the Members of the Company at the registered office of the Company during business hours.

HAKOBA LIFESTYLE LIMITED
Regd. Office:- Unit No. 101B, 1st Floor, Abhishek Premises, Plot No. C 5-6, Dalia Industrial Estate, Off. Link Road, Andheri (W), Mumbai 400 058.
CIN NO.: U67190MH1993PLC072786

DIRECTORS' REPORT

To,
The Members,
HAKOBA LIFESTYLE LIMITED

Yours Directors are pleased to present the 27th Annual General Meeting Report together with the Audited Annual Accounts for the period ended on 31st March, 2020.

1. Financial summary or highlights/Performance of the Company

(₹ In lakh)

Particulars	**Year Ended 31st March, 2020**	**Year Ended 31st March, 2019**
Total Income	77.44	2.88
Less: Expenditure (before depreciation, interest and tax)	71.36	4.52
Net Profit/(Loss) for the year (before Depreciation, Finance Costs and Tax)	6.08	(1.64)
Less: Depreciation and Finance Costs	--	--
Net Profit for the year (before tax)	6.08	(1.64)
Less: Provision for Tax	--	--
Add/(Less): - Exception Items	--	--
Net Profit after Tax for the year	6.08	(1.64)

The revenue of your Company in current year stood at ₹68.56 lakhs as compared to ₹Nil in the previous year. Profit after tax and exceptional item stood at ₹6.08 lakh as compared to net loss of ₹1.64 lakhs in previous year.

2. Dividend:

Your Directors do not recommend any dividend for the year, so as to conserve the resources.

3. Reserves:

Your Company does not propose to carry any amount to reserves.

4. Brief Description of the Company's Working during the Year/State of Company's Affair:

There was no operation during the year under review.

5. Change in Nature of Business, if any:

There was no change in the nature of business.

6. **Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:**

Your Directors' further states that there are no material changes have taken place affecting the financial position of the Company from the date of closure of financial year till the signing of Accounts.

7. **Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future:**

No material orders have been passed by Regulator or any Court or any Tribunal which can impact the going concern status and Company's operations in future.

8. **Details of Subsidiary Companies:**

The Company does not have any Subsidiary / Joint Ventures / Associate Companies.

9. **Deposits:**

During the year the Company has not accepted any Deposits falling within the preview of Chapter V of the Companies Act, 2013 and Rules made there under.

10. **Statutory Auditors:**

The Statutory Auditors M/s M B A H & CO, Chartered Accountants, Mumbai having ICAI Firm Registration No.121426W was appointed to hold office as Statutory Auditors of the Company for a period of five (5) consecutive year commencing from the conclusion of 25th Annual General Meeting till the Conclusion of 30th Annual General Meeting of the Company.

The Company had received certificates M/s M B A H & CO, Chartered Accountants, confirming their eligibility and willingness for their appointment pursuant to Section 139(1) of the Companies Act, 2013.

11. **Share Capital:**

During the year under review, there is no change in Share Capital of the Company.

12. **Auditors' Report:**

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no observations/qualifications contained in the Auditors' Report and therefore there are no explanations to be provided for in this report.

13. Extract of the Annual Return:

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in Form No. MGT–9 is appended as **Annexure** of the Board's Report.

14. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

The particulars as prescribed under Sub-section (3) (m) of Section 134 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are as follows:

A) Conservation of energy: NIL

B) Technology absorption: NIL

C) Foreign Exchange Earnings and Outgo: NIL

15. Directors and Key Managerial Personnel:

There were no changes in Directors or Key Managerial Person by way of appointment, re-designation, death or disqualification, variation made or withdrawn.

16. Number of Meetings of the Board of Directors:

The Board of Directors met Four (04) times during the Financial Year. The intervening gap between any two meetings was not more than 120 days as prescribed by the Companies Act, 2013. Details of date of Board meeting are as under:

Sr. No.	Type of Meeting	Date
1.	Board Meeting	27/05/2019
2.	Board Meeting	14/08/2019
3.	Board Meeting	07/11/2019
4.	Board Meeting	09/01/2020

17. Particulars of Loans, Guarantees or Investments under Section 186:

The Company has not given any loans or made investment during the financial year as applicable under section 186 of the Companies, Act 2013.

18. Particulars of Contracts or Arrangements with Related Parties:

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS-18) has been made in the notes to the Financial Statements.

19. Managerial Remuneration:

A) Details of every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – **Not Applicable**

B) Any director who is in receipt of any commission from the Company and who is a Managing Director or Whole-time Director of the Company shall receive any remuneration or commission from any Holding Company or Subsidiary Company of such Company subject to its disclosure by the Company in the Board's Report. – **Not Applicable**

20. Risk Management Policy:

In the opinion of the Board no element of risk exists which threaten the existence of the Company.

21. Directors' Responsibility Statement:

As stipulated under clause (*c*) of sub-section (*3*) of Section 134 of the Companies Act, 2013, your Directors subscribe to the Directors Responsibility Statement and state that:

a) In preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation and there are no material departures from them;

b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors had prepared the annual accounts on a going concern basis;

e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

22. Corporate Social Responsibility:

The provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility are not applicable as the Company is not falling under the said parameters.

23. Internal Financial Controls:

The Company has an Internal Financials Control system, commensurate with the size, scale and complexity of its operations.

24. Disclosure as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 :

Pursuant to Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14, the internal authorized person under the said act has confirmed that no complaint/case has been filed/pending with the Company during the year.

25. Acknowledgements:

The Directors wishes to place on record their sense of appreciation of the devoted services rendered by the Executives, Staff and Workers for the continuous growth and success. Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the Bankers, Government authorities, customers, vendors and members during the year under review.

For on behalf of the Board of Directors

Sd/-
RAJ KUMAR SEKHANI
Chairman
DIN:-00102843

Sd/-
HARSH VARDHAN BASSI
Director
DIN:-00102941

Place:- Mumbai,
Date:- 29th June, 2020

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
as on financial year ended on March 31, 2020
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014.

I	REGISTRATION & OTHER DETAILS:

i	CIN	U67190MH1993PLCO72786
ii	Registration Date	12th July, 1993
iii	Name of the Company	Hakoba Lifestyle Limited
iv	Category/Sub-category of the Company	Company Limited by Shares/ India Non-Government Company
v	Address of the Registered office & contact details	Unit 101b, 1st Flr, Abhishek Premises, Plot No.C5-6 , Dalia Ind. Est., Off. New Link Road, Andheri (W) Mumbai-400058. Tel No.:(022)42232323 Fax No.: (022)42232313
vi	Whether listed company	Unlisted
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	**N.A.**

II **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the company
1	Embroidered Fabric, Laces, Crochet Laces	13991	100.00

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

Sr. No.	Name & Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	PIONEER EMBROIDERIES LIMITED Unit 101b, 1st Flr, Abhishek Premises, Plot No.C5-6 , Dalia Ind. Est., Off. New Link Road, Andheri (W) Mumbai-400058	L17291MH1991PLC063752	HOLDING COMPANY	100.00	2(46)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % of total Equity) (Financial Year 2019-2020)

(i) Category-wise Share Holding:-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporates	-	4846312	4846312	100.00	-	4846312	4846312	100.00	-
e) Bank/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
SUB TOTAL(A) (1):	-	4846312	4846312	100.00	-	4846312	4846312	100.00	-
(2) Foreign	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	-	4846312	4846312	100.00	-	4846312	4646312	100.00	-
B. PUBLIC SHAREHOLDING									-
(1) Institutions	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):	-	-	-	-	-	-	-	-	-
(2) Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies corporates	-	-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):	-	-	-	-	-	-	-	-	-
Total Public Shareholding	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for	-	-	-	-	-	-	-	-	
Grand Total (A+B+C)	-	4846312	4846312	100	-	4846312	4846312	100	-

(ii) **SHARE HOLDING OF PROMOTERS**

Sr. No.	Shareholders Name	Shareholding at the begginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	PIONEER EMBROIDERIES LIMITED	4846312	100.00	-	4846312	100.00	-	-
	Total	**4846312**	**100.00**	-	**4846312**	**100.00**	-	-

(iii) **CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

Sr. No.	Particulars	Share holding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	**% of total shares of the company**	**No. of Shares**	**% of total shares of the company**
1	PIONEER EMBROIDERIES LIMITED				
	At the beginning of the year	4846312	100.00		
	Date wise increase/ decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	Nil	Nil	Nil	Nil
	At the end of the year			4846312	100.00

(iv) **Shareholding Pattern of top ten Shareholders (other than Direcors, Promoters & Holders of GDRs & ADRs)**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	**% of total shares of the company**	**No. of Shares**	**% of total shares of the company**
	At the beginning of the year	NIL	NIL	NIL	NIL
	Bought during the year	NIL	NIL	NIL	NIL
	Sold during the year	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

(v) **Shareholding of Directors & KMP**

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No.of shares	**% of total shares of the company**	**No of shares**	**% of total shares of the company**
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

V INDEBTEDNESS

(₹in lakhs)

Indebtedness of the Company including interest outstanding/accrued but not due for payment				
		Secured Loans excluding deposits	**Unsecured Loans**	**Total Indebtedness**
Indebtness at the beginning of the financial year				
i) Principal Amount		-	436.33	436.33
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)		**-**	**436.33**	**436.33**
Change in Indebtedness during the financial year				
Additions		-	-	-
Reduction(Net)		-	(59.03)	(59.03)
Net Change		**-**	**(59.03)**	**(59.03)**
Indebtedness at the end of the financial year				
i) Principal Amount		-	377.30	377.30
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)		**-**	**377.30**	**377.30**

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager: NIL

B. Remuneration to other directors: (Financial Year 2019-2020):-NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:- NIL

VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES (Financial Year 2019-2020):-NIL

Hakoba Lifestyle Ltd.

Regd Office: 101-B, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off New Link Road, Andheri (W), Mumbai 400058

BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in lakhs)

	Particulars	Note	As at March 31, 2020	As at March 31, 2019
I	**ASSETS**			
1	**Non-Current Assets**			
	Property, Plant & Equipments	3		
	Othe Other Intangible Assets		0.05	0.05
	Financial Assets			
	(i) Other Non-Current Financial Assets	4	5.07	18.88
2	**Current Assets**			
	Inventories	5	-	67.76
	Financial Assets			
	(i) Trade Receivables	6	297.16	256.85
	(ii) Cash and Cash Equivalents	7	0.87	0.17
	iii) Others	8	549.88	571.69
	(c) Current Tax Assets	9	0.65	0.65
			853.68	**916.05**
1	**Equity**			
	Equity Share Capital	10	484.63	484.63
	Other Equity	11	(98.38)	(104.46)
2	**Non-Current Liabilities**			
	Financial Liabilities			
	(i) Borrowings	12	181.90	181.90
3	**Current Liabilities**			
	Financial Liabilities			
	(i) Borrowings	13	195.40	254.43
	(ii) Trade Payables	14	90.13	90.85
	(iii) Other Current Liabilities	15	-	8.70
			853.68	**916.05**
	Significant Accounting Policies and other Notes to Financial Statements.	1-28		

The accompanying Notes are an integral part of the Financial Statements.

As per our Report of even date

For M B A H & CO
Chartered Accountants
(Firm's Registration No.: 121426W)

Sd/-
MAHESH BHAGERIA
Partner
Membership Number: 034499
Place: Mumbai
Date: 29th June, 2020

For & on behalf of the Board

Sd/-
RAJ KUMAR SEKHANI
Chairman
DIN:00102843

Sd/-
HARSH VARDHAN BASSI
Director
DIN:00102941

Hakoba Lifestyle Ltd.

Regd Office: 101-B, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate,

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. in lakhs)

Particulars	Note	For the year Ended March 31, 2020	For the year Ended March 31, 2019
Revenue			
Revenue from Operations	16	68.56	-
Other Income	17	8.88	2.88
Total Revenue		77.44	**2.88**
Expenses			
Cost of Materials Consumed	18	67.76	-
Other Expenses	19	3.60	4.52
Total Expenses		**71.36**	**4.52**
Profit before Exceptional Items and Tax		6.08	(1.64)
Exceptional Items		-	-
Profit/ (loss) before Tax		6.08	(1.64)
Tax Expenses		-	-
Profit / (Loss) for the year (A)		**6.08**	**(1.64)**
Other Comprehensive Income			
Items that will not reclassified to Statement of Profit and Loss (Net of Tax)		-	-
Other Comprehensive Income for the year (B)		-	-
Total Comprehensive Income for the year (A+B)		**6.08**	**(1.64)**
Earning per Equity Share of Rs. 10/-			
(1) Basic (Rs.)		0.13	(0.03)
(2) Diluted (Rs.)		0.13	(0.03)
Significant Accounting Policies and other Notes to Financial Statements.	**1-31**		

The accompanying Notes are an integral part of the Financial Statements.

As per our Report of even date

For M B A H & CO
Chartered Accountants
(Firm's Registration No.: 121426W)

Sd/-
MAHESH BHAGERIA
Partner
Membership Number: 034499
Place: Mumbai
Date: 29th June, 2020

For & on behalf of the Board

Sd/-
RAJ KUMAR SEKHANI
Chairman
DIN:00102843

Sd/-
HARSH VARDHAN BASSI
Director
DIN:00102941

Hakoba Lifestyle Limited

Regd Office: 101-B, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off New Link Road, Andheri (W), Mumbai 400058

CASH FLOW STATEMENT FOR THE YEARLY ENDED MARCH 31, 2020

(Rs. in lakhs)

		Year Ended March 31, 2020		Year Ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit / (Loss) before extraordinary items and tax		**6.08**		(1.64)
Adjustment for :				
Interest Income	(0.29)		(0.82)	
Profit on Sale of Property, Plant & Equipment	(0.69)		-	
Finance Costs	-		-	
Sundry Balance written back	(7.90)	**(8.88)**	-	(0.82)
Operating Profit / (Loss) before working capital changes		**(2.80)**		(2.46)
Changes in working capital:				
Inventories	67.76		-	
Trade and Other Receivables	(4.69)		(0.74)	
Trade and Other Payables	(1.52)	61.55	(2.55)	(3.29)
Cash generated from operation		**58.76**		(5.75)
Net income tax (paid) / refunds	-	-	3.12	3.12
Net Cash from Operating Activities		**58.76**		(2.63)
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Proceeds from Sale of Fixed Assets		0.69		-
Interest Received - Others		0.28		0.82
Net cash from / (used) in Investing Activities		**0.97**		0.82
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Net increase / (decrease) in Other Short Term Borrowings		(59.03)		1.55
Finance Costs		-		-
Net cash used in Financing Activities		**(59.03)**		1.55
Net increase / (decrease) in cash and cash equivalents (A+B+C)		0.70		(0.26)
Opening Cash and Cash Equivalent		0.17		0.43
		0.87		0.17

As per our Report of even date attached herewith
For **M B A H & CO**
Chartered Accountants
(Firm's Registration Number: 121426W)

Sd/-
MAHESH BHAGERIA
Partner
Membership Number: 034499
Place: Mumbai
Date: 29th June, 2020

For & on behalf of the Board

Sd/-
RAJ KUMAR SEKHANI
DIN:00102843

Sd/-
HARSH VARDHAN BASSI
Director
DIN:00102941

Hakoba Lifestyle Ltd

Regd Office: 101-B, Abhishek Premises, Plot No. C5-6, Dalia Industrial Estate, Off New Link Road, Andheri (W), Mumbai 400058

Statement of Change in Equity for the Year Ended March 31, 2020

(Rs. in lakhs)

Particulars	**As at March 31, 2020**		**As at March 31, 2019**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
(a) Equity Share Capital & Reconciliation of number of shares outstanding at the beginning and end of the year :				
Balance at the beginning of the year	4,846,312	484.63	4,846,312	484.63
Changes in Equity Share Capital during the year (Reduction in Capital)	-	-	-	-
Balance at the end of the year	**4,846,312**	**484.63**	**4,846,312**	484.63

(b) Other Equity

Particulars	**Reserves and Surplus**		**Other Comprehensive Income**	**Total**
	Security Premium Reserve	**Retained Earnings**	**Remeasurement of Defined Benefit Plans**	
Restated balance at the beginning of the reporting period	**856.59**	**(959.41)**	**-**	**(102.82)**
Profit for the year	-	(1.64)	-	(1.64)
Other Comprehensive Income for the year	-	-	-	-
Total Comprehensive Income for the year	**-**	**(1.64)**	**-**	**(1.64)**
Consequent to Settlement of Loans	-	-	-	-
Balance at March 31, 2019	**856.59**	**(961.05)**	**-**	**(104.46)**
Profit / (Loss) for the year	-	6.08	-	6.08
Other Comprehensive Income for the year	-	-	-	-
Balance at March 31, 2020	**856.59**	**(954.97)**	**-**	**(98.38)**

Securities Premium Reserve: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

As per our Report of even date attached herewith

For **M B A H & CO**
Chartered Accountants
(Firm's Registration Number: 121426W)

Sd/-
MAHESH BHAGERIA
Partner
Membership Number: 034499

Place: Mumbai
Date: 29th June, 2020

For & on behalf of the Board

Sd/-
RAJ KUMAR SEKHANI
Director
DIN:00102843

Sd/-
HARSH VARDHAN BASSI
Director
DIN:00102941

1 Reporting Entity

Hakoba Lifestyle Limited referred to as "the Company" is domiciled in India. The Company's registered office is at Mumbai. The Company is a manufacturer of Embroidery & Lace Products.

2 Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

2.1 Basis of Preparation

The standalone financial statements of Hakoba Lifestyle Limited ("the Company") comply in all material aspects with Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other accounting principles generally accepted in India.

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

2.2 Basis of Measurement

The financial statements have been prepared under the historical cost convention on accrual basis and the following items, which are measured on following basis on each reporting date:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

2.3 Functional and Presentation Currency

These financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional currency. All amounts have been rounded to the nearest lakhs, unless otherwise indicated.

2.4 Use of Judgements and Estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

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

Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Classification of leases into finance and operating lease
- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;

- Impairment test: key assumptions underlying recoverable amounts;
- Useful life and residual value of Property, Plant and Equipment;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

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

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset/liabilities is treated as current when it is:

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

All other assets/liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents.

2.6 Property, Plant and Equipment (Fixed Assets)

Recognition and Measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss , if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognised in Statement of Profit and loss.

Subsequent Measurement

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

<u>Depreciation</u>

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013.

Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Leasehold land is being amortised over the period of lease tenure.

Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Individual assets costing below Rs. 5000 are fully depreciated in the year of purchase.

Capital work-in-progress

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

De-recognition

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

2.7 Intangible Assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 10 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.8 Non-current Assets held for Sale

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

2.9 Impairment of Non-financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

2.10 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.11 Foreign Currency Transactions

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss with the exception of the following:

- exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

2.12 Employee Benefits

Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

Defined benefit plans

For defined benefit retirement, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

• service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

• net interest expense or income; and
• remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Other long-term employee benefits

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

2.13 Revenue Recognition

The Company recognises revenue from sale of goods when;

i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

ii) the amount of revenue can be measured reliably;

iii) it is probable that the economic benefits associated with the transaction will flow to the Company; and

iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue (other than sale of goods) is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Claim on insurance companies, interest and others, where quantum of accrual cannot be ascertained with reasonable certainty, are accounted for on acceptance basis.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates, incentive programs etc.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established.

2.14 Inventories

Inventories are valued at lower of cost and net realisable value except waste/scrap which is valued at net realisable value. Cost of finished goods and stock in process is determined by taking cost of purchases, material consumed, labour and related overheads. Cost of raw materials and stores & spare parts is computed on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

2.15 Provisions, Contingent Liabilities and Contingent Assets

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

2.16 <u>Measurement of Fair Value</u>

a) Financial instruments

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

b) Marketable and non-marketable equity securities

Fair value for quoted securities is based on quoted market prices as of the reporting date. Fair value for unquoted securities is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow based models. If fair value cannot be measured reliably unlisted shares are recognized at cost.

2.17 Financial Instruments

Financial Assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met:

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

Financial assets at fair value through profit and loss (FVTPL)

Any Financial assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the company may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Instruments

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or

- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

With regard to trade receivable, the Company applies the simplified approach as permitted by Ind AS 109, Financial Instruments, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit and loss include financial liabilities designated upon initial recognition as at fair value through profit and loss.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss.

Derecognition of financial liabilities

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

2.18 <u>Income Tax</u>

Income tax expense comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised directly in Equity or in Other Comprehensive Income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) Has a legally enforceable right to set off the recognised amounts; and

b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is recognised on 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. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In view uncertainty to have taxable income in immediate future as prudent, no differ tax assets are recognised for the year.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities 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 balance sheet date.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of credit to the Statement of Profit and Loss and included in deferred tax assets. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

2.19 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is (or contains) a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company as lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

Lease Liability

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right of Use (ROU) Assets

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The ROU assets are not presented as a separate line in the Balance Sheet but presented below similar owned assets as a separate line in the PPE note under "Notes forming part of the Financial Statement".

The Company applies Ind AS 36- Impairment of Assets to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

2.2 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

2.22 Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Hakoba Lifestyle Ltd.

Notes to Financial Statements for the Year Ended March 31, 2020

3. Property, Plant and Equipments (Rs. in lakhs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2019	ADDITION	DEDUCTION/ ADJUSTMENTS	As at March 31, 2020	As at April 1, 2019	ADDITION	DEDUCTION/ ADJUSTMENTS	As at March 31, 2020	As at March 31, 2020	As at March 31, 2019
Property, Plant & Equipments										
Vehicles	-	-	-	-	-	-	-	-	-	-
Sub Total	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Intangible Assets										
Hakoba Brand	0.05	-	-	0.05	-		-	-	0.05	0.05
Sub Total	**0.05**	**-**	**-**	**0.05**	**-**	**-**	**-**	**-**	**0.05**	**0.05**
Total	**0.05**	**-**	**-**	**0.05**	**-**	**-**	**-**	**-**	**0.05**	**0.05**

3.1 Depreciation is provided on fixed assets over the remaining useful life in accordance with the provisions of Schedule II of the Act.

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2018	ADDITION	DEDUCTION/ ADJUSTMENTS	As at March 31, 2019	As at April 1, 2018	ADDITION	DEDUCTION/ ADJUSTMENTS	As at March 31, 2019	As at March 31, 2019	As at April 1, 2018
Tangible Assets:										
Vehicles	-	-	-	-	-	-	-	-	-	-
Sub Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Intangible Assets										
Hakoba Brand	0.05	-	-	0.05	-		-	-	0.05	0.05
Sub Total	**0.05**	**-**	**-**	**0.05**	**-**	**-**	**-**	**-**	**0.05**	**0.05**
Total	**0.05**	**-**	**-**	**0.05**	**-**	**-**	**-**	**-**	**0.05**	**0.05**

3.2 a) Depreciation is provided on fixed assets over the remaining useful life in accordance with the provisions of Schedule II of the Act.
b) Fixed Assets being obsolete and no longer in use are written off during the year.

Notes to Financial Statements for the Year Ended March 31, 2020

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
4. Other Non-Current Financial Assets		
Fixed Deposits in Banks with more than 12 months maturity	3.82	17.63
NSC	1.25	1.25
	5.07	**18.88**
5. Inventories		
(Valued at lower of cost or net realisable value as certified by Management)		
Raw Materials	0.00	67.76
	0.00	**67.76**
6. Trade Receivables		
Unsecured		
Considered Good	297.16	256.85
	297.16	**256.85**
7. Cash & Cash Equivalents		
Bank Balances in Current Accounts	0.86	0.16
Cash in Hand	0.01	0.01
	0.87	**0.17**
8. Other Financial Current Assets		
Unsecured, Considered Good:		
Other Loans and Advances - Related Party	549.85	564.85
Other Loans and Advances - Others	0.03	6.84
	549.88	**571.69**
9. Current Tax Assets (Net)		
Unsecured, Considered Good:		
Advance Taxes & TDS	0.65	0.65
	0.65	**0.65**

Notes to Financial Statements for the Year Ended March 31, 2020

10. Share Capital

(a) Details of authorised, issued and subscribed share capital (Rs. in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Authorised				
Equity Shares of Rs.10 each	**50,000,000**	**5,000.00**	**50,000,000**	**5,000.00**
Issued, Subscribed & Paid up				
Equity Shares of Rs.10 each with voting rights	4,846,312	484.63	4,846,312	484.63
	4,846,312	**484.63**	**4,846,312**	**484.63**

(b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Number of shares	Amount	Number of shares	Amount
As at the beginning of the financial year	4,846,312	484.63	4,846,312	484.63
Add: Issued during the year	-	-	-	-
As at the end of the financial year	**4,846,312**	**484.63**	**4,846,312**	**484.63**

Rights, preferences and restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholders is eligible for one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In case of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of Equity Shareholding more than 5% in the Company on reporting date:

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Pioneer Embroideries Ltd. (Holding Co.)	4,846,312	100%	4,846,312	100.00%

Notes to Financial Statements for the Year Ended March 31, 2020

(Rs. in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
11. Other Equity		
Security Premium		
Opening Balance	856.59	856.59
	856.59	**856.59**
Retained Earnings		
Opening Balance	(961.05)	(959.41)
Add: Profit/(Loss) for the year	6.08	(1.64)
Balance as at the end of the year	**(954.97)**	**(961.05)**
	(98.38)	**(104.46)**

Nature and purpose of other reserves/ other equity

Security Premium

This Reserve represents premium received on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings

Retained earnings are profits earned by the Company after transfer to general reserve and payment of dividend to shareholders.

Particulars	As at March 31, 2020	As at March 31, 2019
12. Long Term Borrowings		
Unsecured Loans		
Related Party	1.90	1.90
Others	180.00	180.00
	181.90	**181.90**

12.1 All unsecured loans are interest free and repayable after 31.03.2020. These loans are subject to confirmation and reconciliation.

Particulars	As at March 31, 2020	As at March 31, 2019
13. Short Term Borrowings		
Unsecured Loans		
Related Party		
Pioneer Embroideries Ltd. (Holding Co.)	195.40	254.43
	195.40	**254.43**
14. Trade Paybles		
For Goods and Services		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	90.13	90.85
	90.13	**90.85**

14.1 Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

a. Principal amount and Interest due thereon remaining unpaid to any supplier at the end of year	-	-
b. Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day	-	-
c. The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under	-	-

d.The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
e.The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of	-	-
	-	-
15. Other Current Financial Liabilities		
Payables		
For Others	-	8.70
	-	**8.70**

Notes to Financial Statements for the Year Ended March 31, 2020

(Rs. in lakhs)

Particulars	For the year Ended March 31, 2020	For the year Ended March 31, 2019
16 Revenue From Operations		
Sale of products - Fabrics		
Domestic Sales *	68.56	-
	68.56	**-**
* net of returns.		
17. Other Income		
Interest on Bank Deposits	0.29	0.82
Profit on Sale of Fixed Assets	0.69	-
Sundary Balance Written Off/back	7.90	2.06
	8.88	**2.88**
18. Cost Of Material Consumed		
Opening Stock	67.76	67.76
Less: Closing Stock	-	67.76
	67.76	**-00**
19. Other Expenses		
Auditors Remuneration*	0.30	0.26
Insurance	-	0.14
Legal & Professional Expense	3.20	2.57
Miscellaneous Expenses	0.08	1.55
Rates & Taxes	0.02	-
	3.60	**4.52**
*** Details of Auditor's Remuneration**		
Statutory & Tax Audit	0.30	0.26
	0.30	**0.26**

Notes to Financial Statements for the Year Ended March 31, 2020

(Rs. in lakhs)

	Particulars	As at 31 March 2020	As at 31 March 2019
20	**Contingent Liabilities not provided for in respect of**		
	a) Corporate Guarantees to its Holding Company	**1,783.00**	1,783.00
	b) VAT/Sales Tax demand raised by the Sales Tax Department	**-**	25.89

In the opinion of the management, there is no contingent liability other than stated above and adequate provision have been made for all known liabilities, except interests and penalties as may arise.

21 As there is no virtual certainty that sufficient future taxable income will be available, as a prudent consideration, the deferred tax asset/liability have not been recognized in the accounts.

22 According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Textile" and substantially sale of the product is within the country. The Gross income and profit from the other segment is below the norms prescribed in Ind AS 108. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

23 Earning per Equity Share

Particulars	For the year Ended March 31, 2020	For the year Ended March 31, 2019
Profit/(Loss) after Tax	**6.08**	(1.64)
Weighted Average Number of Equity Shares of Rs. 10 each (fully paid-up)	4,846,312	4,846,312
Earning per Share -Basic & Diluted (Rs.)	**0.13**	**(0.03)**

24 Related Party Transactions :

Name of related party and nature of relationship:

Holding Company	Pioneer Embroideries Ltd.
Associate Concerns	Pioneer E-Com Fashions LLP
Key Management Personnel	Shri Raj Kumar Sekhani Shri Harsh Vardhan Bassi
Relative of Key Management Personnel & their Enterprises	Raj Kumar Sekhani (HUF)

Nature of Transactions:

Particulars	For the year Ended March 31, 2020	For the year Ended March 31, 2019
Transactions Durig the year		
Loans & Advances Repaid		
Pioneer Embroideries Ltd. (Holding Co,)	59.03	-
Loans & Advances Recovered/taken		
Pioneer Embroideries Ltd. (Holding Co,)		1.55
Pioneer E-Com Fashions LLP (Associates Concerns)	15.00	-
Balance outstanding as at the year end		
Borrowings		
Pioneer Embroideries Ltd.	195.40	254.43
Raj Kumar Sekhani (HUF)	1.90	1.90
Loans & Advances		
Pioneer E-Com Fashions LLP	549.85	564.85

(Rs. in lakhs)

25 Financial instruments

I. Fair value measurements

A. Financial instruments by category

	As at March 31, 2020		As at March 31, 2019	
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Financial assets				
Trade receivables	-	297.16	-	256.85
Cash and cash equivalents	-	0.87	-	0.17
Others				
Non Current	-	5.07	-	18.88
Current	-	549.88	-	571.69
	-	**852.98**	**-**	**847.59**
Financial liabilities				
Long Term Borrowings	-	181.90	-	181.90
Short terms borrowings	-	195.40	-	254.43
Trade payables	-	90.13	-	90.85
Others	-	-	-	8.70
	-	**467.43**	**-**	**535.88**

The carrying amounts of the abovementioned financial assets and financial liabilities are considered to be the same as their fair values, due to their short-term nature.

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:
(a) recognised and measured at fair value and
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

II. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of property defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely both in domestic and export market. The Management impact analysis shows credit risk and impact assessment as low.

(Rs. in lakhs)

Trade and other receivables

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

The Company Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available. Sale limits are established for each customer and reviewed periodically. Any sales exceeding those limits require approval from the President of the Company.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables

The carrying amount net of credit loss allowances of trade receivables is Rs. 297.16 (March 31, 2019 – Rs. 256.85).

During the period, the Company has made no write-offs of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and the impact of netting agreements.

Particulars	Carrying Amounts March 31, 2020	Contractual cash flows				
		Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	181.90	181.90	-	181.90	-	-
Short term borrowings	195.40	195.40	195.40	-	-	-
Trade payables	90.13	90.13	90.13	-	-	-
Other current financial liabilities	-	-	-	-	-	-
Total non-derivative liabilities	**467.43**	**467.43**	**285.53**	**181.90**	**-**	**-**

Particulars	Carrying Amounts March 31, 2019	Contractual cash flows				
		Total	0- 1 Year	1–3 years	3-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	181.90	181.90	-	181.90	-	-
Short term borrowings	254.43	254.43	254.43	-	-	-
Trade payables	90.85	90.85	90.85	-	-	-
Other current financial liabilities	8.70	8.70	8.70	-	-	-
Total non-derivative liabilities	**535.88**	**535.88**	**353.98**	**181.90**	**-**	**-**

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to financial liabilities held for liquidity / credit management purposes and which are not usually closed out before contractual maturity.
The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

iv. Market risk

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

The Company uses derivatives like forward contracts to manage market riskson account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of Directors.

v. Currency risk

The Company does not have foreign exchange risk arising from foreign currency transactions.

Interest rate risk

The Company's main interest rate risk arises from long-term & short-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During March 31, 2019, the Company's borrowings at variable rate were denominated in Indian Rupees.

(Rs. in lakhs)

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

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

		Nominal Amount	
		March 31, 2020	March 31, 2019
Variable-rate instruments			
Financial liabilities		377.30	436.33
		377.30	**436.33**

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 50 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss		Equity, net of tax	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
March 31, 2020				
Cash flow sensitivity	**0.19**	**(0.19)**	**0.13**	**(0.13)**
March 31, 2019				
Variable-rate instruments	0.22	(0.22)	0.15	(0.15)
Cash flow sensitivity	**0.22**	**(0.22)**	**0.15**	**(0.15)**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Hakoba Lifestyle Ltd.

Notes to Financial Statements for the Year Ended March 31, 2020

(Rs. in lakhs)

26 a. Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

b. Realisable value of current assets, deposits, loans and advances in the ordinary course of business will be at least equal to the amount at which they have been stated in the financial statements.

c. Some of the fixed deposits and bank accounts are subject to confirmations though reconciled with available bank statements.

27 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The following table summarises the capital of the Company :

Particulars	**March 31, 2020**	**March 31, 2019**
Equity Share Capital	484.63	484.63
Other Equity	(98.38)	(104.46)
Total Equity	**386.25**	**380.17**
Non-Current Borrowings	181.90	181.90
Current Borrowings	195.40	254.43
Total Debts	**377.30**	**436.33**
Less: Cash & Cash Equivalents	0.87	0.17
Net Debts	**376.43**	**436.16**
Capital & Net Debts	**762.68**	**816.33**
Debts Equity Ratio	**0.98**	**1.15**
Capital Gearing Ratio	**49%**	**53%**

28 Previous year figure have been regrouped/reclassified to confirm to current years classifcations.

As per our Report of even date attached herewith

For M B A H & CO
Chartered Accountants
(Firm's Registration No.: 121426W)

Sd/-
MAHESH BHAGERIA
Partner
Membership Number: 034499
Place: Mumbai
Date: 29th June, 2020

For & on behalf of the Board

Sd/-
RAJ KUMAR SEKHANI
Chairman
DIN:00102843

Sd/-
HARSH VARDHAN BASSI
Director
DIN:00102941