

# ANNUAL REPORT

2020-21



## BRAND CONCEPTS LIMITED

BAGLINE

SUGARUSH

TOMMY  HILFIGER

 THE VERTICAL



## COMPANY INFORMATION

**BOARD OF DIRECTORS:**

|                                |   |                              |
|--------------------------------|---|------------------------------|
| Mr. Prateek Maheshwari         | : | Chairman & Managing Director |
| Mr. Abhinav Kumar              | : | CFO & Whole Time Director    |
| Ms. Annapurna Maheshwari       | : | Non Executive Director       |
| Mr. Kushagra Praveen Toshniwal | : | Independent Director         |
| Mr. Manish Saxena              | : | Independent Director         |

**CHIEF FINANCIAL OFFICER**

Mr. Abhinav Kumar

**COMPANY SECRETARY**

Ms. Swati Gupta

**STATUTORY AUDITORS**

Maheshwari & Gupta  
Chartered Accountant  
312-314, Manas Bhawan Extn.  
11/2, R.N.T. Marg,  
Indore - 452001 (M.P.)

**SECRETARIAL AUDITOR**

M/S. Manju Mundra & Co.  
Company Secretaries  
302, Soni Mansion Building,  
12-B Ratlam Kothi,  
Indore - 452010 (M.P.)

**INTERNAL AUDITOR**

M/s. B Mantri & Co.  
Chartered Accountant Firm,  
208-209, The Horizon, Nath Mandir Road,  
11/5, South Tukoganj, Indore - 01

**BANKERS**

Axis Bank  
Union Bank

**REGISTERED OFFICE**

Lotus Star, Plot No. D-5,  
Road No.20 Marol, MIDC,  
Andheri East Mumbai - 400093 (MH)

**CORPORATE OFFICE**

140/2/2, Musakhedi Square,  
Ring Road,  
Indore - 452010 (MP)

**REGISTRAR & SHARE TRANSFER AGENT**

BigShare Services Private Limited  
Bharat Tin Works Building, 1st Floor,  
Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai -400059

**NOTICE OF THE ANNUAL GENERAL MEETING**

Notice is hereby given that the **14th Annual General Meeting** of the members of Brand Concepts Limited will be held on Thursday, **30th day of September, 2021 at 10:30 A.M.** through Video Conferencing (VC)/Other Audio-Visual Means ('OAVM') to transact the following business:

**ORDINARY BUSINESSES**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Annapurna Maheshwari (DIN-00038346), who retires by rotation, and being eligible, offers herself for reappointment.

**SPECIAL BUSINESS****3. Appointment of Mr. Manish Saxena as an Independent Director.**

To consider and, if thought fit to pass with or without modification(s), the following resolution as **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and Section 161(1) & (4) read with Company (Appointment and Qualification of Director) Rules, 2014 and other applicable provisions and rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), and subject to the approval of members in the ensuing general meeting, Mr. Manish Saxena (DIN: 08014657), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director be and is hereby confirmed to be appointed as Independent Director of the Company w.e.f 24.05.2021 to fill up the intermittent vacancy caused due to Mr. Narendra Kabra (DIN-06851212) vacating his office as an Independent Director of the Company before the expiry of his term of office and that Mr. Manish Saxena, is to hold office till the date the outgoing Director Mr. Narendra Kabra would have held office i.e. till 8-12-2021. The designation of Mr. Manish Saxena (DIN: 08014657) will be changed from Non-Executive Director to Independent Director w.e.f. 24-05-2021 and he is not liable to retire by rotation.

**“RESOLVED FURTHER THAT** for the purpose of giving effect this resolution, Mr. Prateek Maheshwari (DIN-00039340), Managing Director or Mr. Abhinav Kumar (DIN-06687880), Whole Time Director of the company be and are individually authorised, on behalf of the company, to sign and execute all such documents and papers as may be required for the purpose and to do all such acts, deeds, matters and things as deem necessary in this regard.”

**Dated: 06th September, 2021**

**Place: Indore**

**Registered Office**

Lotus Star, Plot No. D-5, Road No. 20,  
Marol MIDC, Andheri East,  
Mumbai - 400093 (MH)

**CIN: L51909MH2007PLC174702**

**Website: [www.brandconcepts.in](http://www.brandconcepts.in)**

**Email: [swati.gupta@brandconcepts.in](mailto:swati.gupta@brandconcepts.in)**

**By order of the Board of Directors**

**Swati Gupta**

**Company Secretary**

**(ACS: 33016)**

**NOTES:****Important dates for members**

**ANNUAL GENERAL MEETING:** : Annual General Meeting will be held on Thursday, 30th September, 2021 at 10.30 a.m. through Video Conferencing (VC)/Other Audio-Visual Means ('OAVM') to transact the following business.

**CUT OFF DATE:** Cut Off Date will be 23rd September, 2021 to determine the Members entitled to undertake voting electronically on the business and all resolutions set forth in this Notice by remote e-Voting and also by voting at the meeting venue.

**REMOTE ELECTRONIC VOTING PERIOD** will be from 9.00 a.m. on 27th Sep. 2021 to 5.00 p.m. on 29th September, 2021, both days inclusive. Remote e-Voting will be blocked after 5.00 p.m. on 29th September, 2021.

**BOOK CLOSURE** will be from Thursday, 23rd September, 2021 to Thursday, 30th September, 2021 (both days inclusive).

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM/EGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the EGM/AGM will be provided by CDSL.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM/EGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM/EGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM/EGM has been uploaded on the website of the Company at [www.brandconcepts.in](http://www.brandconcepts.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) respectively. The AGM/EGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January, 13, 2021.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins on from 9.00 a.m. on 27th Sep. 2021 to 5.00 p.m. on 29th September, 2021. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.



- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/ 2020/242 dated December 9, 2020 and e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:**

| Type of shareholders  | Login Method  |
|---|---|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | <ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol> |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | <ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-</li> </ol>   |

|   |   |
|---|---|
|   | Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting |
| Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b> | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.                              |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Type of shareholders  | Helpdesk details   |
|---|--|
| Individual Shareholders holding securities in Demat mode with <b>CDSL</b> | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with <b>NSDL</b> | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30               |

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

|   | <b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>  |
|---|---|
| PAN   | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul> |
| Dividend Bank Details<br><b>OR</b><br>Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>                 |

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant **BRAND CONCEPTS LIMITED** on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional Facility for Non-Individual Shareholders and Custodians – For Remote Voting Only.
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [swati.gupta@brandconcepts.in](mailto:swati.gupta@brandconcepts.in) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [swati.gupta@brandconcepts.in](mailto:swati.gupta@brandconcepts.in). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at [swati.gupta@brandconcepts.in](mailto:swati.gupta@brandconcepts.in). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

#### **EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)–**

##### **Item No. 3**

Due to resignation of Independent Director Mr. Narender Kabra w.e.f. 25-02-2021, who was appointed for a period of 5 years w.e.f. 9-12-2017, and as per the provisions another independent director, is to be appointed on the board being the intermittent vacancy. Mr. Manish Saksena (DIN:08014657), who is at the role of Non- Executive Director of the company w.e.f. 21.03.2018, is now registered in the data bank of independent Directors maintained by IICA and also exempted from proficiency test as per revised rules. He qualifies to be appointed as Independent Director and also consented for the same. So, Mr. Manish Saksena fills the intermittent vacancy of the board for the post of Independent Director.

The Company has received a notice in writing from a Member under Section 160(1) of the Act proposing candidature of Mr Manish Saksena as an Independent Director of the Company. The proposal was considered and approved by the Nomination and Remuneration Committee (NRC) and the Board of Directors of the Company at their respective Meetings held on 24.05.2021 and recommend to the Members, the appointment of Mr. Manish Saksena as an Independent Director of the Company to fill the casual vacancy with effect from 24.05.2021.



Mr. Manish Saksena (DIN 08014657) was appointed as an Additional Director in the capacity of a Non- Executive Director of the Company w.e.f 21.03.2018 by the Board of Directors in accordance with the Article of the Association an section 149(6), 161 and Schedule V of the Companies Act, 2013 and other applicable provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Based on the recommendation received from the Nomination & Remuneration Committee and in view of his knowledge, skills, and invaluable expertise related to the company, it is proposed to appoint Mr. Manish Saksena as an Independent Non- Executive Director of the Company in terms of Section 149 read with section 152 of the Companies Act, 2013. In terms of Section 149 and 152 of the Companies Act, 2013, Mr. Manish Saksena is not liable for retire by rotation.

The terms and conditions of appointment of Mr. Manish Saksena as an Independent Non-Executive Director is available for inspection by members at the registered office of the company on any working day with prior written intimation during working hours between 9:30am to 6:30 p.m.

Except Mr. Manish Saksena, no other director, Key Managerial Personnel of the Company and their relatives thereof are interested or concerned financial or otherwise in the proposed resolution.

The Board of Directors recommended passing of the resolution set out in Item No. 3 of this Notice.

Additional information pursuant to Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Secretarial Standard-2 on General Meeting, the brief profile of Directors eligible for re-appointment vide item no. 2 is as follows

| Nature of information   | Item No. 2 of notice  | Item No. 3 of notice   |
|---|---|--|
| Name  | Annapurna Maheshwari  | Manish Saksena   |
| Date of birth   | 31/10/1955  | 02/10/1971   |
| Date of Appointment   | 15/01/2015  | 21/03/2018 appointed as Additional Director under the category of Non-Executive Director & Reappointed as Independent Non-Executive Director 24/05/2021  |
| Educational Qualification   | Qualified Graduate in Bachelor of Home Science from DAVV University Indore.   | Master of Business Administration (MBA)  |
| Expertise in functional areas   | She is having vast experience of 33 years in Group Companies. Joined on the Board of Directors of IFF Group in 1994 (Group companies) with her core strengths being Designing and Production. | “A Lifestyle Specialist with 22 years of experience in Design, Product Management, Marketing, Store Design, Visual Merchandising and backed in Retail Industry. He has been instrumental in creating landmark changes in the Lifestyle Industry in India through his experience in new and different formats of retail. With strong roots in St. Stephen College, New Delhi and London School of Fashion, he has worked in different genres and scope of Madhura Garments as Creative Director, with Landmark Group as Head of Buying and successfully launched the first organised ethnic wear brand W. Teaching at NIFT and imparting knowledge gained from the industry to the GenNext has been his passion and purpose alongside.” |
| Details of shares held in the Company                                       | 9.92%   | -  |
| List of Companies in which outside directorship held                        | 1) Industrial Filters & Fabrics Pvt Ltd.<br>2) IFF Overseas Pvt Ltd.  | NIL  |
| Member/Chairman of Committees of other Companies on which he is a director* | No  | Board of Directors   |
| Relationship with any Director(s) of the Company                            | Mother of Mr. Prateek Maheshwari (Managing Director)  | NO   |
| Number of board meeting attended during the year                            | 2   | 4  |
| Terms and condition of appointment / re-appointment                         | Liable to retire by rotation  | As per resolution  |
| Remuneration to be paid   | Rs. 12 Lacs per annum.  | Director Sitting Fees  |
| Last drawn remuneration   | NIL   |  |
| Relationship  | There are no inter-se relationship between other board members apart from mentioned above.  | There are no inter-se relationship between other board members.  |

\* Includes membership/ Chairmanship in Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee.

**Dated: 06th September, 2021**

**Place: Indore**

**Registered Office**

Lotus Star, Plot No. D-5, Road No. 20,  
Marol MIDC, Andheri East,  
Mumbai - 400093 (MH)

**CIN: L51909MH2007PLC174702**

**Website: [www.brandconcepts.in](http://www.brandconcepts.in)**

**Email: [swati.gupta@brandconcepts.in](mailto:swati.gupta@brandconcepts.in)**

**By order of the Board of Directors**

**Swati Gupta**  
**Company Secretary**  
**(ACS: 33016)**

## BOARD'S REPORT

To  
**The Members**  
**Brand Concepts Limited**  
**CIN- L51909MH2007PLC174702**  
**Indore**

The Directors hereby presents their **14th Director's Report** on the business and operation of the Company together with the audited Financial Statements for the financial year ended **31st March 2021**

**1. Financial Result:**

The coronavirus (COVID-19) pandemic has radically changed the prospects of the global economy. This unprecedented crisis limiting physical mobility and economic activity have effectively stopped economies around the world and your Company's operations too were affected mainly during the first quarter of the year under review. The Company's financial performance for the year under review along with previous year's figures is given hereunder:

|   | <b>In Rs. Lacs</b> |                 |
|---|--------------------|-----------------|
| <b>Particulars For the year ended</b>         | <b>2020-21</b>     | <b>2019-20</b>  |
| <b>Net Sales/Income from:-</b>                |                    |                 |
| 1. Business Operation                         | 4279.37            | 7128.36         |
| 2. Other Income                               | 9.76               | 19.30           |
| <b>Profit after Depreciation and Interest</b> | <b>(869.77)</b>    | <b>(139.40)</b> |
| Less: Current income Tax                      | -                  | -               |
| Less: Previous year adjustment of Income Tax  | -                  | -               |
| Less: Deferred Tax                            | (238.22)           | (28.57)         |
| <b>Net Profit After Tax</b>                   | <b>(631.56)</b>    | <b>(110.83)</b> |
| Dividend (Including Interim if any and Final) | -                  | -               |
| Earnings Per Share (Basic)                    | (5.97)             | (1.05)          |
| Earnings Per Share (Diluted)                  | (5.97)             | (1.05)          |

The total revenue of the company for the financial year 2020-21 has posted gross income of Rs. 42.79 crores as compared to Rs. 71.28 crores in the corresponding previous year, registering a drop of approx. 39.97% as compared to previous corresponding year. As a result, your company has posted net loss of Rs. 6.31 crores as compared to Rs. 1.11 crores net loss in the corresponding previous year.

**2. State of Company's Affairs and Prospects:**

The Covid 19 situation has gripped the whole world including India. The Sars-Covid19 pandemic impacted businesses, lives and livelihood of the citizens of India as everyone waited it out impatiently for a lockdown, which never seemed to end, to unlock. Never have we seen in the last few decades such an impact on Indian as well as global businesses. COVID-19 has certainly brought many challenges and uncertainties to the business. However, company is making all the efforts to revive back by reducing cost, shifting dependency from International Market to domestic market for sourcing, working on adding other product category. The Company has planned several corrective measures viz. increasing volumes; improve productivity and ensuring overall operational efficiency.

**3. Material Changes affecting the Financial Position of the Company**

There are no material changes and commitments affecting the financial position of the company occurred after the end of the financial year till the date of this report.

**4. Changes in Nature of Business**

There are no material changes in the nature of business during the year.

**5. Impact of COVID-19 Pandemic**

The COVID-19 situation affected the business transactions of the Company. The Company's office remains closed during the lock down period taking note of gravity of the pandemic and for the safety and health of the employees. For few days the employees has worked from home and after the office remains open, the Company is taking utmost care of its staff like sanitization, social

distancing, mandatory mask wearing, thermal check at the entry, proper hygiene and other health related protocols considering announcements by the Government and in consultation with the doctors.

Since the business of the company is primarily in the area of travelling luggage which is most affected area due to COVID-19. As the business situation is very dynamic, the management of the Company is closely monitoring it and will take appropriate steps from time to time. Barring unforeseen circumstances presently, the Company estimates some improvement in the business operations for the Company, once the normalcy is established with improvement in the general sentiments.

**6. Dividend:**

Your directors did not recommend any dividend for the financial year 2020-21 as there are no profits. Since there was no unpaid/unclaimed Dividend on the books till date, the provisions of Section 125 of the Companies Act, 2013 do not apply to your company.

**7. Transfer to Reserves**

The Company has not transferred any amount to the general reserve during the year under review.

**8. Change in Share Capital of the Company**

During the year under review, there is no change in the authorised, issued, subscribed and paid-up equity share capital of the Company. As on 31st March, 2021, the authorised share capital is Rs. 1500 lakhs and issued, subscribed and paid-up equity share capital is Rs. 1058.28 lakhs.

**9. Subsidiary, Associate and joint Venture Companies:**

The Company has one subsidiary name 7E wellness India Private Limited which was incorporated on 26-03-2021, so no financial statements has been prepared till date. There are no associate or joint venture company.

**10. Deposits:**

The Company has not accepted any fixed deposit from the public during the financial year ended 31st March, 2021 within the meaning of sections 73 to 76 of the Companies Act, 2013. However, pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January, 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT -3 for outstanding receipt of money/loan by the Company, which is not considered as deposits. The Company is complying with the relevant provisions.

**11. Loans, Guarantees and Investment**

The company has not extended inter corporate loans to any companies, only made investment amounting to Rs. 49,900 which is 99.9 %, in a new subsidiary company named 7E Wellness India Private Limited incorporated on 26th March 2021, the particulars of which has been disclosed in the financial statement.

**12. Employee Stock Option Plan ESOP-20**

The Company has framed Brand Concepts Employee Stock Option, 2020 ("ESOP'20") pursuant to the applicable provisions of the Companies Act, 2013 and the rules made thereunder and the SEBI (Share Based Employee Benefits) Regulations, 2014 as approved by the members, which helps the Company to retain and attract the right talent. The Nomination and Remuneration Committee monitors the Company's ESOP Scheme.

There are no changes in the Scheme and the Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulation, 2014. The company has granted the option to the eligible employees this year. The disclosure pursuant to the provisions of Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16th June, 2015 and Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital And Debentures) Rules, 2014 is given below and also disclosed on the website of the Company and can be accessed at <http://www.brandconcepts.in>. The ESOP 2020 is in compliance with applicable provisions of the Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014.

The company has framed Brand Concepts Employee Stock Option, 2020 ("ESOP'20") Presently, the Company has Employee Stock Option (ESOP) Scheme namely ESOP-20 as approved by the members, which helps the Company to retain and attract the right talent. The Nomination and Remuneration Committee monitors the Company's ESOP Scheme.

Details of Option Grant during the year under ESOP-2020.

|  |                               |                       |
|--|-------------------------------|-----------------------|
| NAME OF GRANTEE: Mr. Nabendu Chakraborty |                               |                       |
| <b>I. GRANT DETAILS</b>                  |                               |                       |
| <b>Description</b>                       | <b>Grant Date</b>             | <b>No of options</b>  |
| Total Options Granted                    | 20/03/2021                    | 75000                 |
| <b>II. VESTING DETAILS</b>               |                               |                       |
| <b>Description</b>                       | <b>Vesting Date</b>           | <b>No. of options</b> |
| Vesting                                  | 20/03/2021-19/03/2022         | 25000                 |
|  | 20/03/2021-19/03/2023         | 25000                 |
|  | 20/03/2021-19/03/2024         | 25000                 |
| <b>III. EXERCISE DETAILS</b>             |                               |                       |
| <b>Number of options - 75000</b>         | <b>Last Date for Exercise</b> | <b>Exercise Price</b> |
| Exercise of 25000 Option                 | 19/06/2022                    | Rs. 25/- per options  |
| Exercise of 25000 Option                 | 19/06/2023                    | Rs. 25/- per options  |
| Exercise of 25000 Option                 | 19/06/2024                    | Rs. 25/- per options  |

**13. Listing of Equity Shares**

The shares of the Company are listed at National Stock Exchange, SME Emerge Platform and the Company has established connectivity with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**14. Conservation of Energy, Technology and Foreign Exchange Earnings and outgo**

The particulars as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts of Companies) Rules, 2014 are set out below.

**(A) Conservation of Energy:**

The Company is engaged in trading activities so conservation of energy is not applicable to it.

**(B) Technology absorption, Adaption and Innovation**

The Company has not imported any technology from Abroad. Innovation is a constant process and the Company has been engaged in improving the product design, material cost, productivity etc. as part of this process.

**(C) Foreign exchange Earnings and Outgo:**

The details of total foreign earnings and outgo are as follows.

|                                 |   |                     |
|---------------------------------|---|---------------------|
| Earnings in Foreign Currency    | : | Nil                 |
| Expenses in Foreign Currency    | : | Nil                 |
| Value of Imports on C.I.F Value | : | Rs. 3, 46, 37,040/- |
| Travelling Expenses             | : | Nil                 |
| Royalty in foreign Currency     | : | Nil                 |

**15. Directors' responsibility statement:**

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures.
- they have 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 of the Company for that period;
- they have taken proper and sufficient care for the 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 fraud and other



- irregularities;
- d) they have prepared the annual accounts on a going concern basis;
  - e) they have laid down the internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating efficiently;
  - f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating almost effectively.

## 16. Directors and key managerial personnel

The Board of Directors of Company is a balanced one with an optimum mix of Executive and Non-Executive Directors. They show active participation at the board and committee meetings, which enhances the transparency and adds value to their decision making. The Board takes the strategic decisions, frames the policy guidelines and extends wholehearted support to business heads and associates.

As on 31st March, 2021, the Board of Company consists of Five (5) Directors. Mr. Narendra Kabra had resigned from the post of Independent Director w.e.f. 25-02-2021 and on the recommendation of NRC and Board of Directors, the company has filled the casual vacancy so created by appointing Mr. Manish Saksena (existing NED) as independent director w.e.f. 24-05-2021 i.e. after the closure of the financial year considering his knowledge, experience related to company's business. His appointment is to be approved by the members so special resolution is being placed for member's approval.

Mrs. Annapurna Maheshwari (DIN-00038346) is liable to retire by rotation and being eligible offers herself for reappointment. The composition and category of Directors as well as of KMPs are as follow:

| Sr. No. | Name of Director            | Designation  | DIN      |
|---------|-----------------------------|--|----------|
| 1       | Mr. Prateek Maheshwari      | Managing Director  | 00039340 |
| 2       | Mr. Abhinav Kumar           | Executive Director & CFO   | 06687880 |
| 3       | Mrs. Annapurna Maheshwari   | Non-Executive Director   | 00038346 |
| 4       | Mr. Narendra Tulsidas Kabra | Independent Director w.e.f. 9-12-17<br>resigned on 25.02.2021                    | 06851212 |
| 5       | Mr. Kushagra P Toshniwal    | Independent Director w.e.f. 15-12-17   | 07117429 |
| 6       | Mr. Manish Saxena           | Non-Executive Director w.e.f. 22-03-18<br>Independent director w.e.f. 24-05-2021 | 08014657 |
| 7       | Ms. Swati Gupta             | Company Secretary  | -        |

The Directors on the Board have submitted notice of interest under section 184(1) i.e. in MBP 1, intimation u/s 164(2) i.e. in Form DIR 8 and declaration as to compliance with the code of conduct of the Company. The brief resume and other information of Mr. Manish Saksena and Mrs. Annapurna Maheshwari as required under regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS-2) are given in the Notice of the ensuing Annual General Meeting, which forms part of the Annual Report.

## 17. Annual Evaluation and Board's Performance

In compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Independent Directors was carried out during the year.

The performance of the Board was evaluated after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the Board as a whole was evaluated.

## 18. Familiarization Program for Independent Directors

Your Company has in place a Familiarization Program for independent Directors to provide insights into the Company's Business to

enable them contribute significantly to its success. The Senior Management made presentations to familiarize the Independent Directors with the strategy operations and functions of the Company. The details of the familiarization program of the independent directors are available on the website of the Company [www.brandconcepts.in](http://www.brandconcepts.in).

#### 19. Declaration from Independent Directors

All the Independent Directors have given their declarations stating that they meet the criteria of independence as prescribed under section 149(6) of the Companies Act, 2013 read with rules made thereunder and in the opinion of the Board, the Independent Directors meet the said criteria. All independent Directors registered themselves in the Data Bank of Independent Directors maintained by IICA and is proposed to be qualify the proficiency test within the stipulated period.

During the year under review the Independent Directors duly met pursuant to the provisions as specified in Schedule IV of the Companies Act, 2013 and the quorum was present throughout the meeting.

#### 20. Number of meetings of the board

The Directors of the Company met at regular intervals with the gap between two meetings not exceeding 120 days to take a view of the Company's policies and strategies apart from the Board Matters. During the year under review, the Board of Directors met 5 (Five) times on the following dates-

| Sr. No. | Date of meeting | Board Strength | No. of directors present |
|---------|-----------------|----------------|--------------------------|
| 1       | 30/07/2020      | 6              | 5                        |
| 2       | 05/09/2020      | 6              | 4                        |
| 3       | 13/11/2020      | 6              | 3                        |
| 4       | 12/03/2021      | 5              | 3                        |
| 5       | 20/03/2021      | 5              | 3                        |

#### 21. Board Committees and their meetings

Your Company has in place the Committee(s) as mandated under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are currently four committees of the Board, namely:

##### a) Audit Committee

The Audit Committee was properly reconstituted as per the provisions of Section 177 of the companies Act, 2013 during the year as Mr. Narendra Kabra was appointed as Chairman of the Committee w.e.f. 9-8-2018. The Audit Committee assists the Board in its responsibility of overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial process of the Company, the audits of the Company's financial statements, the appointment, independence, performance and remuneration of the statutory auditors including the Cost auditors, the performance of internal auditors and the Company's risk management policies. The Chairman of the Audit Committee resigned with immediate effect on 25.02.2021 henceforth Mr. Kushagra Toshniwal (Independent - Non Executive Director & Member of Audit Committee) is appointed as the Chairman of the Company. The Minutes of the Audit Committee Meetings were noted at the Board Meetings.

The Audit Committee met 4 (Four) times during the year on 30-07-2020, 05-09-2020, 13-11-2020 and 10-03-2021 under review on the following dates and the attendance records of the members of the committee are as follows-

| Name of Director            | Status   | Category                             | Meetings held | Meetings attended |
|-----------------------------|----------|--------------------------------------|---------------|-------------------|
| Mr. Narender Tulsidas Kabra | Chairman | Non-Executive & Independent Director | 4             | 3                 |
| Mr. Kushagra P Toshniwal    | Member   | Non-Executive & Independent Director | 4             | 2                 |
| Mr. Abhinav Kumar           | Member   | Whole-time Director                  | 4             | 4                 |

##### b) Nomination & Remuneration Committee

The Board of Directors duly constituted Nomination & Remuneration Committee in compliance with the provisions of Section 178 of the companies Act, 2013. The Board has framed Nomination and Remuneration policy, which is generally in line with the existing industry practice and applicable laws. The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors based on their performance and defined assessment criteria. The powers, role and terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under section 178 of the Companies Act, 2013.

During the year meeting of the Nomination & Remuneration Committee was held on 05-09-2020 and the attendance records of the members of the committee are as follows:-

| Name of Director               | Status   | Category                             | Meetings held | Meetings attended |
|--------------------------------|----------|--------------------------------------|---------------|-------------------|
| Ms. Annapurna Maheshwari       | Chairman | Non-Executive Director               | 1             | 1                 |
| Mr. Kushagra Praveen Toshniwal | Member   | Non-Executive & Independent Director | 1             | 0                 |
| Mr. Narender Tulsidas Kabra    | Member   | Non-Executive & Independent Director | 1             | 1                 |

### c) Stakeholders' Relationship Committee

The Board of Directors duly constituted Stakeholders' Relationship Committee in compliance with the provisions of Section 178 of the companies Act, 2013. The Composition of the committees is given below and meeting of the Stakeholders' Relationship Committee was held on 05-09-2020 and the attendance records of the members of the committee are as follows:-

| Name of Director         | Status      | Category                | Meetings held | Meetings attended |
|--------------------------|-------------|-------------------------|---------------|-------------------|
| Ms. Annapurna Maheshwari | Chairperson | Non- Executive Director | 1             | 1                 |
| Mr. Abhinav Kumar        | Member      | Whole Time Director     | 1             | 1                 |
|                          |             |                         |               |                   |

Name and Designation of Compliance Officer: Ms. Swati Gupta, Company Secretary

Status of the Investors/Shareholders Complaints:

- (i) No. of complaints received during the year : Nil
- (ii) No. of complaints resolved during the year : Nil
- (iii) No. of complaints pending at the end of the year : Nil

The Company has authorised to implement transfer, transmission and Demat of shares to the Share transfer Agent and to resolve the related problems.

## 22. Transactions with related parties

As specified under the provisions of section 188 of the Companies Act, 2013, the contracts and arrangement entered into with related parties were in ordinary course of business and on arm's length basis. All related party transactions are placed before the Audit Committee and approved through the Omnibus mode in accordance with the provisions of the Companies Act, 2013 and Listing Regulations for its approval. The Board has taken on record all transaction with related parties. Suitable disclosures as required are provided in AS 18 which forms part of the notes to financial statement. The policy on Related Party Transactions is uploaded on the Company's website [www.brandconcepts.in](http://www.brandconcepts.in). Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in "Annexure-II" in Form AOC-2 and the same forms part of this report.

## 23. Extract of annual return

Ministry of Corporate Affairs (MCA) vide notification dated 28/08/2020 has notified that the Extract of Annual Return (in Form MGT 9) is not required to be enclosed with the Board Report, the Company is only required to disclose the web link in the Board Report where the annual return referred to in sub-section (3) of section 92 is placed for the Financial Year ended 31st March, 2021 & onwards. Accordingly, the web link for the company is [www.brandconcepts.in](http://www.brandconcepts.in) for the annual return form MGT 7 for 2020-21.

## 24. Managerial Remuneration and particulars of employees

The Company has no employees, who is in receipt of remuneration of Rs. 8,50,000/- per month or Rs. 1,02,00,000/- per annum and hence the Company is not required to give any information under Sub-rule 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 statement containing the names and other particulars of top ten employees in terms of remuneration drawn by them is enclosed as "Annexure-III" to this report. In terms of Section 136(1) of the Act, the Annual Report is being sent to the Members excluding the aforesaid Annexure-III. This Annexure will be available on the website of the Company 21 days prior to the date of AGM. The information is also available for inspection by the Members at the Registered office of the company during business hours on all working day

except Saturday, Sunday & Public Holidays upto the date of the AGM. Any member desirous of obtaining a copy of the said Annexure may write to the Company Secretary at the email at [swati.gupta@brandconcepts.in](mailto:swati.gupta@brandconcepts.in).

Disclosure under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as “Annexure-IV” to this report.

## **25. Management Discussion and Analysis Report**

Management Discussion and Analysis Report as required under Regulation 34 and Schedule V (B) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) is disclosed separately in the Annual Report as “Annexure V”

## **26. Corporate Governance**

Since the Company’s Securities are listed on Emerge SME Platform of NSE, by virtue of Regulation 15 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 the compliance with the corporate governance provisions as specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 and Para C,D and E of Schedule V are not applicable to the Company. Hence Corporate Governance does not form part of this Board’s Report. Though, your Company has been practicing the principles of good corporate governance as it is committed to maintain the highest standards of Corporate Governance.

## **27. Secretarial Standards**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings (SS-1) and General Meetings (SS-2).

## **28. Auditors and their Report**

### **i. Statutory Auditors**

M/s Maheshwari & Gupta, Chartered Accountants, Indore (ICAI Firm Registration No. 006179C) are the statutory auditors of the Company for the year ended 31st March, 2021, who was appointed in the AGM held in the year 2018 for a term of 5 years that is upto AGM to be held in the year 2023. The ratification of appointment of statutory auditor is not required as per the first proviso of Section 139 (1) by the Companies (Amendment) Act, 2017 effective from 7th May, 2018 accordingly the ratification of appointment of statutory auditor is not proposed.

### **ii. Secretarial Auditors**

Pursuant to Section 204 of the Companies Act, 2013 read with Rules thereof, the Board of Directors had appointed Ms. Manju Mundra, Practising Company Secretary of Manju Mundra & Co., as Secretarial Auditors of the Company for the Financial Year 2020-21. The Secretarial Audit Report for FY 2020-21 is annexed herewith as Annexure “VI”.

### **iii. Cost Auditors**

The Company has not appointed the Cost Auditor as pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit or maintenance of cost records are not applicable to the Company.

### **iv. Internal Auditors**

The Company has M/s B Mantri & Co, Chartered Accountant Firm (Registration No: 013559C) as Internal Auditors to conduct internal audit of the function and activities of the Company for the year 2020-21. The Audit Committee of the Board of Directors in consultation with the Internal Auditors, formulate the scope, functioning, periodicity and methodology for conducting the internal audit.

## **29. Statutory Auditor’s report and secretarial audit report**

The Statutory Auditors report for the financial year ended 31st March, 2021 does not contain any qualification, reservation or adverse remark. The observations made by secretarial auditors are being taken care by the management.

The auditor’s report is self-explanatory and there are qualifications in their report made by the Statutory Auditors that Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets. No fraud u/s 143(12) was reported by the auditor.

## **30. Internal Control System and their Adequacy**

As per Section 134(5)(e) of the Companies Act 2013, the Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal control system is commensurate with its size and scale of operations. Roles and responsibilities are clearly defined and assigned. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information. Internal checks from time to time ensure that responsibilities are executed effectively. The observations and good practices suggested are thoroughly reviewed by the Management and appropriately implemented for strengthening the controls of various business processes.

### **31. Risk management and analysis**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to Key business objectives which came into the path due to COVID-19 pandemic. The Company's internal control system has reviewed its expense and overall working capital cycle of the company to overcome the complexity and the challenges of the COVID-19 which company has faced due to COVID-19 situation. Major risks identified by the Board and systematically steps taken to mitigate on a continuous basis.

### **32. Material Orders of Court, Tribunal etc.**

As required under section 134(q) of the Companies Act, 2013 there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

### **33. Provisions of Sexual Harassment of women**

The provisions/requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder are being followed by the Company and the company is providing the proper environment of working to all employees and has proper internal control Mechanism for prevention, prohibition and redressal of sexual harassment at workplace. The Company has complied with the provisions of constitution of Internal Complaints Committee under the Act. There were no cases/complaints filed under this Act during the year.

### **34. Corporate Social Responsibility**

As per the provisions of section 135 of the Companies Act, 2013 Corporate Social Responsibility (CSR) is not applicable to the Company during the year under review so there are no disclosures required under section 134 (3)(o) of the Companies Act, 2013.

### **35. Other Disclosures**

- a) The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions are in line with the provisions of the section 177(9) of the Companies Act, 2013 read with regulation 22 of the Listing Regulations.
- b) The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day-to-day business operations of the company.
- c) The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 as revised, with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board of Directors and the designated employees have confirmed compliance with the Code. The Insider Trading Policy of the Company covering code of practices and procedure for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading is available on the website of the Company at [www.brandconcepts.in](http://www.brandconcepts.in).

### **36. Cautionary Note:**

Certain statements in the "Management Discussion and Analysis" section may be forward looking and are stated as required by the applicable laws and regulations. Many factors may affect the actual results, which could be different from what the directors envisage in terms of future performance and outlook. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, availability of inputs and their prices, changes in the Government policies, regulations, tax laws, economic developments within the country and outside and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of the forward-looking statements, which may undergo changes in future on the basis of subsequent developments, information or events.

### **Annexures forming part of Board's report**

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form a part of this Report:



| Annexure | Particulars                                     |
|----------|---|
| I        | Related Party Transactions in AOC 2             |
| II       | Policy on Director's appointment & Remuneration |
| III      | Particulars of top ten Employees                |
| IV       | Managerial Remuneration as per Rule 5           |
| V        | Management Discussion and Analysis Report       |
| VI       | Secretarial Audit Report                        |

**37. Human Resources and Industrial Relations:**

Your Company has been able to operate efficiently because of developing culture of professionalism, integrity, dedication, commitments and continuous improvement shown by its employees in all functions and areas of business. Our basic objective is to ensure that a robust talent pipeline and a high-performance culture, centered on accountability is in place. We feel this is critical to enable us retain our competitive edge.

**38. Appreciation:**

Your Board of Directors would like to place on record their sincere appreciation for the wholehearted support and contributions made by all the employees of the Company as well as customers, suppliers, consultants, bankers and other authorities.

The Directors also thank the Central and Government India and concerned Government Departments/Agencies for their co-operation. The directors appreciate and value the contributions made by every member of the company.

**For and on behalf of the Board of  
Brand Concepts Limited**

**Place: Indore  
Dated: 06-09-2021**

**Prateek Maheshwari  
Managing Director  
DIN- 00039340**

**Abhinav Kumar  
Whole-Time Director  
DIN-06687880**

**Annexure I to Board's Report****Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Brand Concepts Limited has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during Financial Year 2020-21

**2. Details of material contracts or arrangement or transactions at arm's length basis:****a) Name(s) of the related party and nature of relationship:**

IFF Overseas Private Limited- Related group Company

**b) Nature of contracts / arrangements / transactions:**

Purchase of Goods/services and rent paid

**c) Duration of the contracts / arrangements / transactions:**

Ongoing

**d) Salient terms of the contracts or arrangements or transactions including the value, if any:** The order contains the basic details like delivery terms, payment terms, pricing and other terms. The value of transactions is 21.18 Lacs during the year. Rent is as usual.**e) Date(s) of approval by the Board, if any:** in previous years and noted currently**f) Amount paid as advance, if any:** NIL

**For and on behalf of the Board of  
Brand Concepts Limited**

**Place: Indore**

**Dated: 06-09-2021**

**Prateek Maheshwari  
Managing Director  
DIN- 00039340**

**Abhinav Kumar  
Whole-Time Director  
DIN-06687880**

## ANNEXURE II

### NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

#### Definitions:

**“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

#### **“Key Managerial Personnel” means:**

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- Chief Financial Officer;
- Company Secretary; and
- Such other officer as may be prescribed.

**“Senior Managerial Personnel”** mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, including all functional heads and factory heads.

#### **Objective:**

The objective of the policy is to guide the Board, in relation to appointment, re-appointment and removal of Directors, Key Managerial Personnel and Senior Management, to evaluate the performance of the directors, remuneration payable to the Directors, Key Managerial Personnel and Senior Management, so to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage and to guide succession plan for the Board and to regularly review the plan.

#### **Role of the Committee:**

Considering the size of the Company, the role of the NRC will be the following:

- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To consider and determine the Remuneration Policy based on the performance and also bearing in mind, that remuneration is reasonable, and sufficient to attract, retain and motivate the members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- To evaluate / recommend to the Board the appointment/re-appointment and removal of Directors (based on diversity, composition etc.) and Senior Management including their remuneration while keeping in mind that any such process does not distort functional hierarchy.
- Overseeing succession planning for replacing Key Executives.
- To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To consider any other matters as may be requested by the Board.

#### **Broad Policy:**

1. All the recommendation should adhere to applicable statutory provisions.
2. The Committee should give uncompromising high weight age to moral /social/financial integrity of any existing/proposed directors/employees.
3. The Committee shall decide its own way of working to interface the Organization.
4. The Committee shall communicate all its decisions / recommendations by way of minutes of ‘Nomination and Remuneration Committee’ which shall be considered by the Board of Directors for implementation or otherwise as consider necessary.

#### **Review:**

- The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary.
- The Nomination and Remuneration Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- This Policy may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required where there is any statutory change necessitating the change in the Policy.

## ANNEXURE IV

## Statement pursuant to Section 197(12) of the Companies Act 2013 and rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

| Requirements of Rule 5(1)   | Details   |
|---|---|
| i. the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;  | Mr. Prateek Maheshwari-63.16<br>Mr. Abhinav Kumar-45.54<br><br>The median remuneration of the employees of the Company was Rs. 1.31 Lakhs.                                      |
| i. the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the year;   | Directors and KMP<br>Mr. Prateek Maheshwari-0<br><br>Mr. Abhinav Kumar-0<br>Ms. Swati Gupta(CS)-0   |
| ii. The percentage increase in the median remuneration of employees in the financial year   | During the financial year, the percentage increase in the median remuneration of employee is -4.18%   |
| iii. The number of permanent employees on the rolls of Company  | There were 344 employees as on 31st March, 2021.  |
| iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: | The average annual increase in salary / wages of the employees was approx. - 4.18% (other than managerial personnel), whereas remuneration to managerial personnel is also nil. |
| v. Affirmation that the remuneration is as per the Remuneration Policy of the Company remuneration policy of the company  | Yes   |

Figures have been rounded off wherever necessary

## ANNEXURE V

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### INDUSTRY STRUCTURE AND DEVELOPMENTS:

Financial Year 2020-21 was a year to forget for humanity as a whole. The Sars-Covid19 pandemic impacted businesses, lives and livelihood of the citizens of India as everyone waited it out impatiently for a lockdown, which never seemed to end, to unlock. Never have we seen in the last few decades such an impact on Indian as well as global businesses. However, as things started to come under control and markets started opening up gradually, consumers were seen systematically coming back to buying goods and services which they were otherwise deprived of during the lockdown. It was a first kind of such an experience of many of us am sure. Global and domestic tourism and travel were severely impacted and continues to be impacted even as we speak. Air, rail and road traffic was severely impacted and continued to be impacted during the course of the year as travel came with a lot of restrictions.. Business travel was also severely impacted led by a drastic shift to work from home for many companies.

In lieu of the above we would like to split this year into parts The First half of the year and The Second half of the year.

**In the First half of the year,** markets witnessed a sharp decline due to an outburst of the Covid-19 pandemic where the government adopted various measures in an effort to control the spread of Covid-19 virus including restriction on travel, temporary closure of business, shut down of public places, shut down of malls and retail outlets, etc which impacted the overall economy including the company. Only essential services were allowed to function to ensure that citizens were not deprived of food and healthcare at such a critical time. The first half saw a tepid restart to our business as travel continued to see restrictions. Footfalls gradually improved towards the latter part of the first half in our EBOs as well in LFS (Large Format Stores) where we are present. E-Commerce witnessed improvement in traction with customers preferring to buy from the safety of their homes. Store and Mall rentals were reworked to offset the impact from malls not opening up to full capacity and non-availability for large tenures.

**The Second half of the year,** a ray of hope shone as businesses opened up, demand came surging back and travel restarted, albeit with certain restrictions. Luggage and Ladies Handbags saw a revival in the second half led by the festive and marriage season. However the demand in the Backpack segment remained muted due to the continued closure of school and colleges. Our physical stores i.e. our EBOs and sales at our LFS gradually witnessed improvement in footfalls. During the second half, both our Ecommerce sales as well as sales out of the brick and mortar outlets witnessed improvement in demand. This was also driven by a revival in domestic travel.

#### EBOs

|   |  |   |  |  |
|---|--|---|--|--|
|  <p style="text-align: center;"><b>Company owned outlets</b></p>                           |  <p style="text-align: center;"><b>Franchisee</b></p>                         |  <p style="text-align: center;"><b>BAGLINE</b></p>   |  <p style="text-align: center;"><b>MBOs / Retail</b></p>   |  <p style="text-align: center;"><b>Online</b></p>   |
| <p>Brand Concepts currently has 8 Company Operated Company Owned (COCO) outlets for our range of luggage, backpacks, handbags, clutches, wallets and small leather goods.</p> | <p>The company currently has 22 Franchisee Owned Company Operated (FOCO) stores which exclusively sell products manufactured and marketed by Brand Concepts.</p> | <p>www.baglineindia.com is the E-commerce venture of BCL which is a fashion accessory retail company. The physical stores of BCL also go by the name of "BAGLINE". All BCL brands would be listed directly with all the bagline stores integrated</p> | <p>The company sells its products to several MBOs/Retail and is systematically moving to a master distributor model across all zones / cities to reduce working capital in the business.</p> | <p>The company sells through several Ecommerce platforms such as Myntra and Amazon and is currently working on starting its own online selling platform as well under the name of baglineindia.com</p> |

During the year we saw a major uptick in our sales from the Ecommerce channel which has continued to grow at a very healthy pace and contributes towards growth led by within creasing digital penetration and increasing shopper maturity from offline to online. This is also evident in our increased share of Ecommerce to total revenue for the year at 56.24% of complete sale. COVID-19 certainly brought many challenges and uncertainties to the business, but we have stood strong to face these challenges head on. Our Brand image, market leadership position and efficient skills enabled us to handle and cope up with these situations as well as prepare for future uncertainties.

While travel continues to be our key domain, Small Leather Goods (SLG) is a segment where we are standing out as one of the top brands in this category. Tommy Hilfiger is a highly sought after brand in the SLG category. Hence we do not foresee ourselves as just a travel products company but as a fashion accessory company with presence across travel, backpacks, belts, wallets, purses, etc. We have been the Number



1 brand across all offline channels & major online platforms where we are present, consistently for the past 4-5 years and have continued to maintain our dominating position. We are planning to enhance the distribution of SLG products in the coming year even as we look to enhance the product categories within this segment.

CSD (Canteen Stores Department of the Armed Forces) is another area we are foreseeing for growth. The approval process to enable us to sell through these CSD outlets has begun in this year, and we hope to see some positive developments towards this in the coming year.

The Company would soon be re-launching in house brands The Vertical and Sugarush digitally in the mass & popular segments. This would enable to the company to increase its reach in the youth consumer segments in India.

During the year we also worked extensively to improve our working capital. Marked improvement was seen in our overall Receivables, which helped free up working capital for the company.

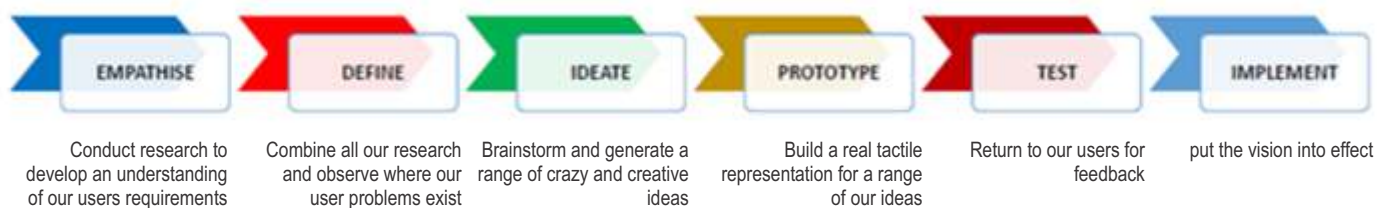
### **OPPORTUNITIES AND THREATS:**

India is a large emerging market towards our products and the company has a healthy lead over its competition in terms of our existing brand licensee Tommy Hilfiger. There is an accelerating consumer shift towards Ecommerce and the Company has increased its presence on these platforms by adding services like Omni channel and market place to our business model. During the year the company focused on other qualitative and quantitative aspects such as introduction of new Super Stockist, Master Distributor, Master Franchisee, efficient Debtor Management and Cost reduction.

Sourcing continues to be a challenge since infrastructure in India is weak for travel gear in high quality products. The situation with China poses a threat to the cost structure for adequate supplies. The company, in order to reduce the cost of imports and to have better sourcing, is working on shifting its supply chain dependency away from International Markets to domestic market for its products, and in the near future will work upon creating a model towards own manufacturing.

The Company will also continue to prepare itself in expanding its product line and increasing its brand portfolio bucket that are expected to do relatively well in the market. The Company has also increased the prices of its product to manage the increase in cost.

Our association as exclusive licensee to Tommy Hilfiger is not restricted to simply distributing the product. We are involved end to end from conceptualizing to designing to manufacturing to quality control to sales and distribution. We take full responsibility for our partner brands keeping in mind their reputation and work ethics.



While Tommy Hilfiger is one of our top brands, our approach has led to several international brands exploring a partnership with us as exclusive travel gear and SLG brand licensees for their brands for Indian markets.

Currently we are still confined to Tier 1 and Tier 2 cities. Hence opportunities for increasing penetration in these regions as well as in low tier cities is significant.

The third wave of Covid-19 is a key challenge we are looking to prepare ourselves and creating counter measures from now itself.

### **SEGMENTWISE OR PRODUCTWISE PERFORMANCE AND DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The total revenue of the company for the financial year 2020-21 has posted gross income of Rs. 42.79 crores as compared to Rs. 71.28 crores in the corresponding previous year, registering a drop of approx. 39.97% as compared to previous corresponding year. As a result, your company has posted net loss of Rs. 6.31 crores as compared to Rs. 1.11 crores net loss in the corresponding previous year.

### **OUTLOOKS AND RISKS**

Under a common goal, together we all look forward to capture both current and future market opportunities. We always seek opportunities to expand our product portfolio with relevant brands and categories. From Backpacks to Travel Gear, Belts & Wallets, Women Handbags & Women Wallets & Clutches and adding more which are more essential in the consumer demand.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to Key business objectives which came into

the path due to COVID-19 pandemic. The Company's internal control system has reviewed its expense and overall working capital cycle of the company to overcome the complexity and the challenges of the COVID-19 which company has faced due to COVID-19 situation. Major risks identified by the Board and systematically steps taken to mitigate on a continuous basis.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements. The internal control system is commensurate with its size and scale of operations. Roles and responsibilities are clearly defined and assigned. Standard operating procedures are in place and have been designed to provide a reasonable assurance. Internal checks from time to time ensure that responsibilities are executed effectively. The observations and good practices suggested are thoroughly reviewed by the Management and appropriately implemented for strengthening the controls of various business processes.

#### **Financial Performances and Key Ratios**

| Sr. No | Particular  | Ratio for F.Y |            |
|--------|---|---------------|------------|
|        |   | 2020-21       | 2019-20    |
| 1      | <b>Debtor Turnover Ratio</b><br><b>Formula:</b> Debtor Turnover Ratio = Net Credit Sales/Average Account Receivable<br><b>Definition:</b> The Debtors Turnover Ratio also called as Receivable Turnover Ratio shows how quickly the credit sales are converted into the cash. This ratio measures the efficiency of a firm in managing and collecting the credit issued to the customers.   | 1.11 Times    | 1.62 Times |
| 2      | <b>Inventory Turnover Ratio</b><br><b>Formula:</b> Inventory Turnover Ratio = Sales/Inventory<br><b>Definition:</b> The Inventory Turnover Ratio measures how many times a company has sold and replaced inventory during a given period. A company can then divide the days in the period by the inventory turnover formula to calculate the days it takes to sell the inventory on hand.  | 0.78 Times    | 1.68 Times |
| 3      | <b>Interest Coverage Ratio</b><br><b>Formula:</b> Interest Coverage Ratio = Interest Expense/EBIT<br><b>Definition:</b> The Interest Coverage Ratio measures how many times a company can cover its current interest payment with its available earnings. The ratio is calculated by dividing a company's earnings before interest and taxes (EBIT) by the company's interest expenses for the same period.   | -1.24 Times   | 0.63 Times |
| 4      | <b>Current Ratio</b><br><b>Formula:</b> Current Ratio = Current Assets/Current Liability<br><b>Definition:</b> The Current Ratio is a liquidity ratio that measures whether a firm has enough resources to meet its short-term obligations. It compares a firm's current assets to its current liabilities, and it expressed as follows. The current ratio is an indication of a firm's liquidity.  | 1.42 Times    | 1.50 Times |
| 5      | <b>Debt Equity Ratio</b><br><b>Formula:</b> Debt Equity Ratio = Debt/Total Equity<br><b>Definition:</b> The Debt-to-equity Ratio is a financial ratio indicating the relative proportion of shareholder equity and debt used to finance the company's assets. Closely related to leveraging, the ratio is also known as risk, gearing or leverage.  | 1.57 Times    | 0.95 Times |
| 6      | <b>Operating Profit Margin Ratio</b><br><b>Formula:</b> Operating Profit Margin Ratio = Operating Income/Total Revenue<br>*Operating Income Excluding exceptional item.<br><b>Definition:</b> In business, Operating Margin - also known as operating income margin, operating profit margin, EBIT Margin and return on sales - is the ratio of Operating Income to net sales, usually presented in percent. Net profit measure the profitability of ventures after accounting for all costs. | -6.9%         | 6.22%      |
| 7      | <b>Net Profit Margin Ratio</b><br><b>Formula:</b> Net Profit Margin Ratio = Net Profit/ Sales<br><b>Definition:</b> The Net Profit percentage is the ratio of after tax profit to net sales. It reveals the remaining profit after all cost of production, administration and financing have been deducted from sales and income tax recognised.  | -14.8%        | -1.55%     |

**HUMAN RESOURCE AND INDUSTRIAL RELATIONS**

Human resource has played a very important role in the growth of Brand Concepts. Managing a team of 10 people and managing a full team of more than 400 plus people at different locations needs a lot of efforts. We believe that our employees are key contributors to our success. Retail industry sees a high employee turnover. We have been fortunate enough to have people who have been committed to the organization at all times even under the crucial situation of COVID-19. Our Company also looks for specific skill-sets, interests and background that would be an asset for its kind of business. Our team has a good mix of experienced and young people, which gives us the dual advantage of stability and growth. Our people are our strength that drive our success. Our basic objective is to ensure that a robust talent pipeline and a high-performance culture, centered on accountability is in place. We feel this is critical to enable us retain our competitive edge

**CAUTIONARY STATEMENT**

Statement made in this report in describing the Company's Objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Many factors may affect the actual results, which could be different from what the directors envisage in terms of future performance and outlook. Important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, availability of inputs and their prices, changes in the Government policies, regulations, tax laws, economic developments within the country and outside and other factors such as litigation and industrial relations.

The Company assumes no responsibility to publically amend, modify or revise any forward-looking statements, on the basis of subsequent developments, information or events.

**For and on behalf of the Board of  
Brand Concepts Limited**

**Place: Indore  
Dated: 06.09.2021**

**Prateek Maheshwari  
Managing Director  
DIN- 00039340**

**Abhinav Kumar  
Whole-Time Director  
DIN-06687880**

**ANNEXURE-VI**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2021**

[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and  
Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Brand Concepts Limited**  
Lotus Star, Plot No. D- 5,  
Road No. 20, Marol MIDC, Andheri East  
Mumbai - 400093 - Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Brand Concepts Limited (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year commencing from 1st April, 2020 and ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; to the extent applicable.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable during the audit period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008(Not applicable during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable during the audit period).
- (vi) The management of the Company has informed that there is no Industry specific law applicable to the Company as the Company is a trading entity.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India as amended from time to time.

- (ii) The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable to SME Listed Company.

We further report that the compliance by the Company of applicable financial laws has not been reviewed in this audit since the same have been subject to review by the statutory financial auditor and other designated professionals. The Company has a proper system of compliance of these laws. The Company had installed software for maintaining structured digital database and other records as required under Insider Trading Regulations during the year.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

**OBSERVATIONS:**

As per the information and explanations provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I report that-

- a) Under the provisions of the Companies Act and the rules and regulations made thereunder the Company has filed eforms with the Registrar of Companies within time except few forms which were delayed due to procedural delay or few forms not filed as required.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, having 1/3rd of the total number of directors as Independent Directors, as per the provisions of section 149 (4) of the Companies Act, 2013, as LODR provisions of Reg. 17 regarding this was not applicable to the Company being SME listed Company. However, at end of the year due to resignation of one Independent Director w.e.f. 25-2-2021, there was only one Independent Director out of total 5 directors on Board. The intermittent vacancy was filled by the Board within the specified period by appointing existing NED Mr. Manish Saxena as Independent Director after the closure of the Financial year.

The company has incorporated a subsidiary company during the year on 26th March, 2021.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were carried through unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be. There is no dissenting view of members to capture and record as part of the minutes.

We further report that based on the review of compliance mechanism established by the Company and on the basis of the Compliance Certificates issued and taken on record by the Board of Directors at their meetings, and explanation and representation made by the Company and its Officers, we are of the opinion that the management has adequate systems and processes commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no instances having a bearing on the company's affairs and have no other Major issues like

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc. Only the company has issued ESOP during the year.
- (ii) Redemption / buy-back of securities
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations.

**For Manju Mundra & Co.**

**Place : Indore**

**Date : 06th September, 2020**

**CS Manju Mundra**  
**Proprietor**

**FCS No.- 4431**

**CP No.- 3454**

**UDIN : F004431C000904627**

Note : This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.



**ANNEXURE “A”**

To,  
The Members,  
**Brand Concepts Limited**  
Lotus Star, Plot No. D- 5,  
Road No. 20, Marol MIDC, Andheri East  
Mumbai - 400093 - Maharashtra

**Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Manju Mundra & Co.**

**Place : Indore**

**Date : 6th September, 2021**

**CS Manju Mundra**  
**Proprietor**  
**FCS No.- 4431**  
**C P No.- 3454**

## Independent Auditor's Opinion

To the Members of

**BRAND CONCEPTS LIMITED****Report on the Audit of Financial Statements****Opinion**

We have audited the accompanying financial statements of **BRAND CONCEPTS LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 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, 2021, and its loss, and its cash flows for the year ended on that date.

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Key Audit Matters**

Key audit matters 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone financial statements.

| Key Audit Matters  | How our audit addressed the Key Audit Matters  |
|--|--|
| <p><u>Rebates, discounts and schemes</u></p> <p>The Company sells its products through various channels like modern trade, distributors, retailers, institutions etc., and it entered in to different types of agreements with every business entity. Policies related to rebates, discounts and sales returns differ in every case as per the terms of agreement with such channels individually.</p> <p>The rebates/discounts are linked to sales, which are given to the customers pursuant to schemes offered by the Company. There are large variety and complexity of terms with different customers and with regard to various products and schemes offered by the Company.</p> <p>Company's customers offer discounts, schemes and rebates to the end customers from time to time at the behest of the Company as per understanding and approval by the Company.</p> <p>Our audit focused on this area because verification of claims by the customers pursuant to such schemes, rebates and discounts in terms of contracts / agreements or approvals given by the Company have a bearing on correct recognition of revenue.</p> <p>The matter has been determined to be a key audit matter in view of the involvement of significant complexity of the transactions.</p> | <p><u>Our procedures included the following Points:</u></p> <ul style="list-style-type: none"> <li>• Obtained an understanding from the management with regard to controls relating to recording of rebates, discounts, sales returns and tested the operating effectiveness of such controls.</li> <li>• Tested the approvals in context of rebates, discounts and schemes to source data</li> <li>• Tested credit notes issued to customers and payments/ credit made to them during the year and subsequent to the year-end along with the terms of the related schemes.</li> <li>• Based on the above procedures, we did not identify any significant variation in respect of rebates, discounts and schemes.</li> </ul> |

We have determined that there are no other key audit matters to communicate in our report.

### Information Other than the Financial Statements and Auditor's Report Thereupon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report 2020-21, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone 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 standalone financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the standalone 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.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standard specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act, for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditors' Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone 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 Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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 auditor's 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Orders"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B;
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, in our opinion and to the best of our information and according to the explanations given to us, remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act, and
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company does not have any pending litigations which would impact its financial position.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

**For MAHESHWARI & GUPTA**  
**Chartered Accountants**  
**FRN- 006179C**

**CA. SUNIL MAHESHWARI**  
**Partner (M. No. 403346)**  
**Place: INDORE**  
 Date: 29th June, 2021  
 UDIN: 21403346AAAAGS6960

**ANNEXURE A TO THE AUDITORS' REPORT**

Referred to in paragraph 1 of our report of even date

1.
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant & Equipment.
  - b. We are informed that Property, Plant & Equipment have been physically verified by the management during the year except those which have been placed at third party's premises, and no discrepancy has been noticed on such verification. In our opinion, frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
  - c. There is no immovable asset held by the company requiring possession of title deed.
2. We are informed that the inventories have been physically verified by the management during the year, frequency of which is reasonable. In our opinion and according to the information provided and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. Discrepancies noticed on physical verification were not material and the same have been properly dealt with in books of accounts.
3. As per information provided to us, the company has not granted any loan, secured or unsecured, to companies, firms, Limited Liability partnership or other parties covered in the register maintained under Section 189 of the Companies Act 2013 hence provisions of clauses 3(iii)(a) to (c) of the Order are not applicable.
4. There is no loan, investment, guarantee and security given by the company, hence provisions of section 185 & 186 of the companies act 2013 are not applicable.
5. According to the information and explanations given to us, the company has not accepted any deposits from the public during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act and the Rules framed there under.
6. As informed to us, the company is not required to maintain cost records as specified by the Central Government U/s 148(1) of the Act.
7.
  - a. According to the information and explanations given to us and the records examined by us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, customs duty, cess and other material statutory dues applicable to it and there were no arrears of such statutory dues as on 31st March, 2021 for a period of more than six months from the date they became payable.
  - b. According to the information given, the particulars of dues with appropriate authorities on account of dispute are stated as below:

| Name of Statute       | Nature of Dues | Amount  | Period    | Forum                                |
|-----------------------|----------------|---------|-----------|--------------------------------------|
| Sales Tax Act, Delhi. | Delhi CST Act  | 1893581 | 2016-2017 | Appellate Authority                  |
| Sales Tax Act, M.P.   | M.P. CST       | 775033  | 2009-2010 | Tribunal Appeal, M.P. Commercial Tax |
| Sales Tax Act, M.P.   | M.P. CST       | 1245863 | 2010-2011 | Tribunal Appeal, M.P. Commercial Tax |
| Sales Tax Act, M.P.   | M.P. CST       | 978760  | 2011-12   | Tribunal Appeal, M.P. Commercial Tax |
| Sales Tax Act, M.P.   | M.P. CST       | 1835536 | 2012-2013 | Tribunal Appeal, M.P. Commercial Tax |
| Sales Tax Act, M.P.   | M.P. CST Act   | 1365063 | 2016-17   | Appellate Authority                  |
| Sales Tax Act, MH.    | MH CST Act     | 827228  | 2009-10   | Appellate Authority                  |

8. our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
9. According to information and explanations given to us and based on the records of the company, examined by us, Company has not raised money by way of initial public offer during the year.



10. During the course of our examination of the books and records of the company as carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud by the company or on the company, by its officers or employees, nor have we been informed of any such instance noticed or reported by the management.
11. According to information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule 5 to the Companies Act, 2013.
12. The Company is not a nidhi Company.
13. According to information and explanations given to us, transactions with related parties are in compliance with section 177 and 188 of the companies Act 2013, wherever applicable, and details have been disclosed in the financial statement as required by the applicable accounting standard.
14. According to the information and explanations given to us, and as per the records of the company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence Clause 3 (xiv) is not applicable.
15. According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them.
16. As informed to us, Company is not required to be registered under section 45-IA of the Reserve Bank of India, 1934.

**For MAHESHWARI & GUPTA**  
**Chartered Accountants**  
**FRN- 006179C**

**CA. SUNIL MAHESHWARI**  
**Partner (M. No. 403346)**  
**Place: INDORE**  
Date: 29th June, 2021  
UDIN: 21403346AAAAGS6960

**ANNEXURE B to the 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")**

We have audited the internal financial control over financial reporting of **BRAND CONCEPTS LIMITED** (hereinafter referred to as 'the Company') as at 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Control**

The Respective Board of Directors of the Company are responsible for establishing and maintaining internal financial controls 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal financial controls 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 MAHESHWARI & GUPTA**  
**Chartered Accountants**  
**FRN- 006179C**

**CA. SUNIL MAHESHWARI**  
**Partner (M. No. 403346)**  
**Place: INDORE**  
Date: 29th June, 2021  
UDIN: 21403346AAAAGS6960

## Brand Concepts Limited (L51909MH2007PLC174702)

## Balance Sheet as at 31 March, 2021

| Particulars   | Notes | As at 31st<br>March, 2021<br>Rs. | As at 31st<br>March, 2020<br>Rs. |
|---|-------|----------------------------------|----------------------------------|
| <b>EQUITY &amp; LIABILITIES</b>   |       |                                  |                                  |
| <b>(1) Shareholders' funds</b>  |       |                                  |                                  |
| (a) Share Capital   | 3     | 105,828,000                      | 105,828,000                      |
| (b) Reserve and Surplus   | 4     | 81,337,108                       | 144,492,786                      |
| <b>(2) Non-current liabilities</b>  |       |                                  |                                  |
| (a) Long-term borrowings  | 5     | 56,195,137                       | 58,723,347                       |
| (b) Long-term provisions  | 6     | 7,845,733                        | 6,919,711                        |
| (c) Other long term Liabilities   | 7     | 16,066,000                       | 16,426,000                       |
| <b>(3) Current liabilities</b>  |       |                                  |                                  |
| (a) Short-term borrowings   | 8     | 208,110,484                      | 161,055,324                      |
| (b) Trade payables  | 9     |                                  |                                  |
| (i) Total Outstanding Dues of micro enterprises<br>and small enterprises              |       | 60,982,752                       | 109,489,787                      |
| (ii) Total Outstanding Dues of of creditors other than<br>micro and small enterprises |       | 124,210,419                      | 167,368,823                      |
| (c) Other current liabilities   | 10    | 49,514,819                       | 69,766,179                       |
| (d) Short-term provisions   |       | -                                | -                                |
| <b>TOTAL</b>  |       | <b>710,090,453</b>               | <b>840,069,957</b>               |
| <b>ASSETS</b>   |       |                                  |                                  |
| <b>(1) Non-current assets</b>   |       |                                  |                                  |
| (a) Property, Plant & Equipment   | 11    |                                  |                                  |
| (i) Tangible assets   |       | 28,527,975                       | 36,602,165                       |
| (ii) Intangible assets  |       | 479,207                          | 1,175,598                        |
| (iii) Capital Work in Progress  |       | -                                | 1,961,030                        |
| (b) Deferred tax assets (Net)   | 12    | 36,578,663                       | 12,756,888                       |
| (c) Long-term loans & advances  | 13    | 14,427,340                       | 18,279,354                       |
| <b>(2) Current assets</b>   |       |                                  |                                  |
| (a) Inventories   | 14    | 218,303,537                      | 263,663,492                      |
| (b) Trade receivables   | 15    | 343,479,944                      | 428,124,228                      |
| (c) Cash & cash equivalents   | 16    | 21,467,581                       | 37,556,841                       |
| (d) Short-term loans & advances   | 17    | 46,826,206                       | 39,950,360                       |
| (e) Other current assets  |       | -                                | -                                |
| <b>TOTAL</b>  |       | <b>710,090,453</b>               | <b>840,069,957</b>               |
| Corporate Information   | 1     |                                  |                                  |
| Summary of Significant Accounting Policies  | 2     |                                  |                                  |
| Other Notes on Financial Statement  | 25    |                                  |                                  |
| <b>The accompanying notes are integral part of the financial statements.</b>          |       |                                  |                                  |

As per our report of even date attached.

**For Maheshwari & Gupta**

Chartered Accountants

FRN- 006179C

For and on behalf of the Brand Concepts Limited

**Prateek Maheshwari**  
(Managing Director)

DIN (00039340)

**Abhinav Kumar**  
(CFO & Whole  
Time Director)  
DIN (06687880)**Swati Gupta**  
(Company Secretary)  
M.No. (A 33016)**CA. Sunil Maheshwari**

Partner (M.No. 403346)

Place : Indore

Date : 29th June, 2021

UDIN: 21403346AAAAGS6960

**Brand Concepts Limited (L51909MH2007PLC174702)**  
**Statement of Profit and Loss for the year ended 31 March, 2021**

| Particulars  | Notes | for the year ended<br>31st March, 2021<br>Rs. | for the year ended<br>31st March, 2020<br>Rs. |
|--|-------|---|---|
| <b>Revenue</b>   |       |   |   |
| (a) Revenue from operations  | 18    | 427,937,359                                   | 712,836,014                                   |
| (b) Other income   | 19    | 976,572                                       | 1,929,666                                     |
| <b>Total Revenue</b>   |       | <b>428,913,931</b>                            | <b>714,765,680</b>                            |
| <b>Expenses:</b>   |       |   |   |
| (a) Purchases of Traded Goods  |       | 193,540,714                                   | 387,091,838                                   |
| (b) Changes in Inventories of Stock in Trade                                 | 20    | 45,359,955                                    | (63,565,105)                                  |
| (c) Employee benefits expenses   | 21    | 75,347,519                                    | 140,834,043                                   |
| (d) Finance cost   | 22    | 46,047,378                                    | 43,662,680                                    |
| (e) Depreciation and amortization expenses                                   | 23    | 11,292,479                                    | 14,635,751                                    |
| (f) Other expenses   | 24    | 144,303,339                                   | 206,046,535                                   |
| <b>Total Expenses</b>  |       | <b>515,891,384</b>                            | <b>728,705,742</b>                            |
| <b>Profit before exceptional and extraordinary items and tax</b>             |       | <b>(86,977,452)</b>                           | <b>(13,940,062)</b>                           |
| <b>Tax expenses:</b>   |       |   |   |
| - Current Tax  |       | -   | -   |
| - Earlier Year Tax   |       | -   | -   |
| - Deferred Tax   |       | (23,821,775)                                  | (2,857,079)                                   |
|  |       | <b>(23,821,775)</b>                           | <b>(2,857,079)</b>                            |
| <b>Profit/(loss) for the period</b>  |       | <b>(63,155,677)</b>                           | <b>(11,082,983)</b>                           |
| <b>Earnings per equity share:</b>  |       |   |   |
| (a) Basic  |       | (5.97)  | (1.05)  |
| (b) Diluted  |       | (5.97)  | (1.05)  |
| Corporate Information  | 1     |   |   |
| Summary of Significant Accounting Policies                                   | 2     |   |   |
| Other Notes on Financial Statement   | 255   |   |   |
| <b>The accompanying notes are integral part of the financial statements.</b> |       |   |   |

As per our report of even date attached.

**For Maheshwari & Gupta**

Chartered Accountants

FRN- 006179C

**For and on behalf of the Brand Concepts Limited**

**Prateek Maheshwari**  
(Managing Director)  
DIN (00039340)

**Abhinav Kumar**  
(CFO & Whole  
Time Director)  
DIN (06687880)

**Swati Gupta**  
(Company Secretary)  
M.No. (A 33016)

**CA. Sunil Maheshwari**

Partner (M.No. 403346)

Place : Indore

Date : 29th June, 2021

**UDIN: 21403346AAAAGS6960**



**Brand Concepts Limited (L51909MH2007PLC174702)**

**Notes forming part of the financial Statements for the period ended 31 March, 2021**

## **NOTE: 1 CORPORATE INFORMATION**

Brand Concepts Limited was promoted as a Private Limited Company under the provisions of the Companies Act, 1956 and was converted into a public limited company on 08/12/2017. Company is a trading company which deals in branded fashion accessories, travel gear products and works on the basis of specialized marketing concepts, Products are got manufactured from others as per design and specification given by the company.

## **NOTE: 2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Basis of Accounting :**

The financial statements are prepared and presented under the historical cost convention, on the accrual basis except wherever otherwise stated, in accordance with the accounting principles generally accepted in India ('Indian GAAP'), and comply with the Accounting Standards prescribed u/s 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Accounting policies have been consistently applied by the Company.

### **2.2 Use of Estimates :**

The preparation of the financial statements in conformity with GAAP requires Management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

### **2.3 Property, Plant & Equipment :**

#### **2.3.1) Tangible Assets:-**

All Property, Plant & Equipment are stated at cost of acquisition less accumulated depreciation. Cost comprises of the purchase price and any other direct attributable costs of bringing the assets to its working conditions for its intended use. The cost of the Property, Plant & Equipment, subsequent expenditure relating to Property, Plant & Equipment is capitalized only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

#### **2.3.2) Intangible Assets:-**

Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. The cost of an intangible asset comprises its purchase cost and any directly attributable expenditure on making the assets ready for its intended use and net of any trade discounts and rebates. Subsequently expenditure on an intangible asset after its purchase / completion is recognized as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the cost of the assets.

#### **2.3.3) Capital Work in Progress:-**

Includes cost of fixed assets that are not ready to use at the balance sheet date. Advance paid for capital assets are not Considered as Capital Work in Progress but classified as Long Term Advances.

### **"2.4 Revenue Recognition :**

Revenue recognition in case of sale is done on the following basis:-

- In case of Franchises, Corporate Sales, Distributors, Online and Modern Trade: The sales are recognized as soon as the goods are dispatched from the premises and there is every expectation that delivery will be made, or when all significant risk and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects GST on behalf of the Government and therefore these are not economic benefits flowing to the Company hence they are excluded from the revenue.
- In case of Own showroom retail sales, the sales are recognized when goods are sold to the final customer.

**Notes forming part of the financial Statements for the period ended 31 March, 2021**

- Interest income is recognized on time proportion basis.
- Any other income is recognized when right to receive is established and there is no uncertainty regarding receipt.

**2.5 Inventory Valuation :**

Inventory has been valued as per FIFO basis at lower of cost or net realizable value after providing the obsolescence and other losses, where considered necessary. Cost comprises all costs including duties and taxes (other than those subsequently recoverable from tax authorities), conversion cost and other cost incurred for bringing goods to their present location as per accounting standard AS2.

**2.6 Employee Benefits :**

Short Term Employee Benefits :All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. are recognized in the period in which the employee renders the related services.

**Post employment benefits :**

- Defined Contribution Plans: The Employee State Insurance Scheme and Contributory Provident Fund administered by Provident Fund Commissioner are defined contribution plans. The Company's contribution paid/payable under the schemes is recognized as expense in the Statement of Profit and Loss during the period in which the employee renders the related service.
- Defined Benefit Plans: The present value of the company's obligation towards gratuity payment to employees is determined based on the actuarial valuation, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are as per actuarial valuation. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

**Retirement Benefits : Provision for Gratuity / Bonus / Provident Fund and other benefits is made on accrual basis.**

**2.7 Depreciation / Amortization :****Tangible Assets / Intangible Assets:-**

Depreciation on Property, Plant & Equipment acquired / installed has been provided on Written Down Value Method and in the manner prescribed in Schedule II to the Companies Act, 2013 except in respect of assets where useful life is different than those prescribed in Schedule II. Depreciation on assets capitalized / sold during the year is charged on pro rata basis.

**2.8 Foreign Currency Transactions and Translations :**

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit & Loss for the year.

Monetary assets and liabilities in foreign currency outstanding as at the end of the year are translated at the closing exchange rate and the resultant exchange rate differences are recognized in the Statement of Profit & Loss.

**2.9 Investments :**

Investments are classified into current and non current investments. Non current investments are carried at cost . Provision for diminution, if any, is made to recognize a decline other than temporary, in the value of the investments. Current investments are stated at lower of cost and fair value.

**2.10 Earning Per Share :**

Basic and diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year. There are no diluted potential equity share.

**Notes forming part of the financial Statements for the period ended 31 March, 2021****2.11 Provision and Contingencies :**

Provisions for contingencies comprise liabilities of uncertain timing or amount. Provisions are recognized when the company recognizes that it has a present obligation as a result of past events and it is more likely that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

Disclosures for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resource. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss/ contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized in the financial statements.

**2.12 Taxes on Income :**

Current Tax being the amount of tax payable on the taxable income for the year is determined in accordance with the provisions of Income Tax Act, 1961. Deferred Tax is recognized between the timing difference being the difference by taxable income and accounting income that originate in one period and are capable for reversal in one or more subsequent year.

**2.13 Impairment :**

Every Year the Company reviews carrying values of tangible and intangible assets for any possible impairment . In case of any indication of impairment then recoverable amount of such assets is estimated and impairment is recognized if the carrying amount of these assets exceeds their recoverable amount. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the statement of profit and loss, except in case of revalued assets.

**2.14 Borrowing Cost :**

Borrowing Costs includes interest , amortization of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the statement of profit and loss over the tenure of the loan. Borrowing Cost allocated to and utilized for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalization of such asset is added to the cost of the assets. Capitalization of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying asset is interrupted.

**2.15 Accounting Standards :**

The Company is a Small and Medium Sized Company (SMC) as defined in the General instruction in respect of Accounting Standards notified under the Companies Act, 2013. Accordingly, the company has complied with the Accounting standards as applicable to a small and Medium sized Company to the extent applicable.

**2.16 Share issue expenses :**

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52(2)(c) of the Companies Act, 2013, to the extent balance is available for utilization in the Securities Premium Account.

**2.17 Insurance claims :**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

As certified by the management the value on realization of loans and advances and current assets in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.

## Notes forming part of the financial Statements for the period ended 31 March, 2021

| Particulars   | As at 31st<br>March, 2021<br>Rs. | As at 31st<br>March, 2020<br>Rs. |
|---|----------------------------------|----------------------------------|
| <b>NOTE: 3 - SHARE CAPITAL</b>  |                                  |                                  |
| <b>Authorized Share Capital</b>   |                                  |                                  |
| <b>Equity Share Capital</b>   |                                  |                                  |
| 150,00,000 Equity Shares of Rs. 10/- each   | 150,000,000                      | 150,000,000                      |
| <b>Issued, Subscribed and Paid Up</b>   |                                  |                                  |
| <b>Equity Share Capital</b>   |                                  |                                  |
| 105,82,800, Equity Shares of Rs. 10/- each (Fully paid Up)  | 105,828,000                      | 105,828,000                      |
| <b>(A) Reconciliation of number of shares :</b>   |                                  |                                  |
| Balance as at the beginning of the year   | 10,582,800                       | 10,582,800                       |
| Add:- Shares Issued during the Year   | -                                | -                                |
| Balance as at the end of the year   | 10,582,800                       | 10,582,800                       |
| <b>(B) Terms/rights attached to Equity Shares</b>   |                                  |                                  |
| The Company has only one class of equity shares having a par value of Rs. 10 per share.   |                                  |                                  |
| Each holder of equity shares is entitled to one vote per share.   |                                  |                                  |
| % of Shares held by Holding company / Ultimate holding company / Subsidiary company / Associate of holding company / Associate of ultimate holding company.               |                                  |                                  |
| <b>(C) Shareholders holding more than 5% paid up Equity share capital</b>   | Number- %                        | Number- %                        |
| Annapurna Maheshwari  | 1050000 - 09.92%                 | 1050000 - 09.92%                 |
| Prateek Maheshwari  | 1101000 - 10.40%                 | 1050000 - 09.92%                 |
| Pradeep Maheshwari  | 2525000 - 23.86%                 | 2525000 - 23.86%                 |
| IFF Overseas Pvt. Ltd.  | 588000 - 05.56%                  | 588000 - 05.56%                  |
| Pradeep Maheshwari HUF  | 900000 - 08.50%                  | 900000 - 08.50%                  |
| Abhinav Kumar   | 763000 - 07.21%                  | 700000 - 06.61%                  |
| <b>NOTE: 4 RESERVES AND SURPLUS</b>   |                                  |                                  |
| <b>Securities Premium</b>   | 154,274,500                      | 154,274,500                      |
| <b>Surplus In Statement of Profit &amp; Loss</b>  |                                  |                                  |
| Balance As Per Previous Year  | (9,781,714)                      | 1,301,269                        |
| Add:- Profit (Loss) For the Year  | (63,155,677)                     | (11,082,983)                     |
|   | <b>81,337,108</b>                | <b>144,492,786</b>               |
| <b>NOTE: 5 LONG TERM BORROWINGS</b>   |                                  |                                  |
| <b>Secured Term Loans</b>   | 23,995,728                       | 1,881,006                        |
| <b>(Emergency Credit Line Guarantee Scheme (ECLGS))</b>   |                                  |                                  |
| secured by hypothecation of all current assets with equitable mortgage on existing collateral with bank & one vehicle loan secured by hypothecation of specified vehicle) |                                  |                                  |
| <b>Unsecured Loans</b>  |                                  |                                  |
| Intercompany Deposits   | 21,220,729                       | 25,712,142                       |
| Loans from Director   | 1,439,409                        | 663,201                          |
| Loans from Financial Institutions   | 9,539,272                        | 30,466,998                       |
|   | <b>56,195,137</b>                | <b>58,723,347</b>                |

## Notes forming part of the financial Statements for the period ended 31 March, 2021

| Particulars  | As at 31st<br>March, 2021<br>Rs. | As at 31st<br>March, 2020<br>Rs. |
|--|----------------------------------|----------------------------------|
| <b>NOTE : 6 LONG-TERM PROVISIONS</b>   |                                  |                                  |
| Provision for Gratuity   | 7,845,733                        | 6,919,711                        |
|  | <b>7,845,733</b>                 | <b>6,919,711</b>                 |
| <b>NOTE : 7 Other Long Term Liabilities</b>  |                                  |                                  |
| Store Deposits   | 16,066,000                       | 16,426,000                       |
|  | <b>16,066,000</b>                | <b>16,426,000</b>                |
| <b>NOTE: 8 SHORT TERM BORROWINGS</b>   |                                  |                                  |
| <b>Loans repayable on demand (Axis Bank Ltd.)</b>  |                                  |                                  |
| Working Capital Limits is secured by hypothecation of all Current Assets, Company's stock and book debts, present and future, and Personal Guarantee of directors of the Company and others with Equitable Mortgage on the property of another company.  | 138,560,970                      | 151,055,324                      |
| <b>Loans repayable on demand (Union Bank of India)</b>   |                                  |                                  |
| Working Capital Limits is secured by "Pari Passu" charge & hypothecation of all Current Assets, Company's stock and book debts, present and future, and Personal Guarantee of directors of the Company and others with Equitable Mortgage on the property of guarantors.   | 55,549,514                       |                                  |
| Repayable on demand. No default in payment of interest.  |                                  |                                  |
| <b>Unsecured Loans</b>   |                                  |                                  |
| Intercompany Deposits  | 14,000,000                       | 10,000,000                       |
|  | <b>208,110,484</b>               | <b>161,055,324</b>               |
| <b>NOTE : 9 TRADE PAYABLES</b>   |                                  |                                  |
| Sundry Creditors   |                                  |                                  |
| (a) Dues of micro enterprises and small enterprises  | 60,982,752                       | 109,489,787                      |
| (b) Dues of creditors other than micro and small enterprises   | 124,210,419                      | 167,368,823                      |
|  | <b>185,193,172</b>               | <b>276,858,610</b>               |
| <b>Note:</b>   |                                  |                                  |
| Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("the Act") is based on the information available with the company regarding the status of registration of such vendors under the Act, as per the intimation received from them on request made by the company |                                  |                                  |
| 1) The principal amount remaining unpaid to supplier as at the end of the accounting year.   | 60,982,752                       | 109,489,787                      |
| 2) The interest due thereon remaining unpaid to supplier as at the end of the accounting year.   | -                                | -                                |
| 3) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year.   | -                                | -                                |
| 4) The amount of interest due and payable for the year.  | 1,533,821                        | -                                |
| 5) The amount of interest accrued and remaining unpaid at the end of the accounting year.  | 1,533,821                        | -                                |
| 6) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid.  | -                                | -                                |

## Notes forming part of the financial Statements for the period ended 31 March, 2021

| Particulars  | As at 31st<br>March, 2021<br>Rs. | As at 31st<br>March, 2020<br>Rs. |
|--|----------------------------------|----------------------------------|
| <b>NOTE : 10 OTHER CURRENT LIABILITIES</b>   |                                  |                                  |
| Current maturities of long-term debts:- *  |                                  |                                  |
| Secured Term Loans   | 7,221,308                        | 2,186,376                        |
| Unsecured Loans  | 22,944,792                       | 15,983,002                       |
| Outstanding Expenses   | 14,266,134                       | 19,191,035                       |
| Statutory Dues   | 4,044,033                        | 30,242,310                       |
| Payable to Customers   | 1,028,404                        | 1,508,138                        |
| Other Current Liabilities  | 10,148                           | 655,318                          |
|  | <b>49,514,819</b>                | <b>69,766,179</b>                |
| <b>NOTE : 12 DEFERRED TAX ASSETS (NET)</b>   |                                  |                                  |
| Deferred Tax Assets/(Liability) for difference in written down value of Fixed Assets as per Companies Act and Income Tax Act | 12,756,888                       | 9,899,809                        |
| Provided During the year   | 23,821,775                       | 2,857,079                        |
| Deferred Tax Assets/(Liability)  | <b>36,578,663</b>                | <b>12,756,888</b>                |
| <b>NOTE : 13 LONG-TERM LOANS AND ADVANCES<br/>(Unsecured Considered Good)</b>  |                                  |                                  |
| Rent & Other Deposits  | 11,520,882                       | 13,570,711                       |
| Deposit With Mas Finance Against Unsecured Loan  | 2,906,458                        | 4,708,644                        |
|  | <b>14,427,340</b>                | <b>18,279,354</b>                |
| <b>NOTE : 14 INVENTORIES</b>   |                                  |                                  |
| Stock -in -trade   | <b>218,303,537</b>               | <b>263,663,492</b>               |
| <b>NOTE : 15 TRADE RECEIVABLES</b>   |                                  |                                  |
| Secured, Considered Good   | -                                | -                                |
| Unsecured, Considered Good   | 338,246,436                      | 426,606,966                      |
| Trade Receivable which have Significant increase in Credit Risks   | 4,885,517                        | 1,343,267                        |
| Trade Receivable - Credit Impaired   | 347,991                          | 173,995                          |
|  | <b>343,479,944</b>               | <b>428,124,228</b>               |
| <b>NOTE : 16 CASH AND BANK BALANCES</b>  |                                  |                                  |
| Cash and cash Equivalents  |                                  |                                  |
| Balance with Schedule banks in Current Accounts  | 2,251,178                        | 6,213,079                        |
| <b>Fixed Deposit</b>   |                                  |                                  |
| Under lien with the bank towards margin money against Letter of Credit having Maturity up to twelve months.                  | 5,000,000                        | 31,000,763                       |
| FD / RD as Collateral Security With Axis Bank  | 13,200,000                       |                                  |
| Others having Maturity up to twelve months.  | 500,000                          |                                  |
| Cash in Hand   | 516,404                          | 343,000                          |
|  | <b>21,467,581</b>                | <b>37,556,841</b>                |



## Notes forming part of the financial Statements for the period ended 31 March, 2021

| Particulars   | As at 31st<br>March, 2021<br>Rs. | As at 31st<br>March, 2020<br>Rs. |
|---|----------------------------------|----------------------------------|
| <b>NOTE : 17 SHORT TERM LOANS AND ADVANCES</b>          |                                  |                                  |
| Advance For Goods or Services                           | 26,208,444                       | 24,389,156                       |
| Balances With Revenue Authorities                       | 9,496,249                        | 9,708,024                        |
| Staff Loans / Advances                                  | 1,777,171                        | 1,612,437                        |
| Other Current Assets                                    | 9,344,342                        | 4,240,744                        |
|   | <b>46,826,206</b>                | <b>39,950,360</b>                |
| <b>NOTE : 18 REVENUE FROM OPERATIONS</b>                |                                  |                                  |
| Sale of Products  | 427,937,359                      | 712,836,014                      |
|   | <b>427,937,359</b>               | <b>712,836,014</b>               |
| <b>NOTE : 19 OTHER INCOME</b>                           |                                  |                                  |
| Interest  | 595,202                          | 1,907,945                        |
| Miscellaneous Income                                    | 381,370                          | 21,721                           |
|   | <b>976,572</b>                   | <b>1,929,666</b>                 |
| <b>NOTE : 20 CHANGES IN INVENTORIES</b>                 |                                  |                                  |
| Traded Goods as at the beginning of year                | 263,663,492                      | 200,098,387                      |
| Traded Goods at the end of the year                     | 218,303,537                      | 263,663,492                      |
| [Increase/(Decrease) in Inventory]                      | <b>45,359,955)</b>               | <b>63,565,105</b>                |
| <b>NOTE : 21 EMPLOYEE BENEFIT EXPENSES</b>              |                                  |                                  |
| Salaries & Other Employee's Benefits                    | 56,595,953                       | 113,574,315                      |
| Directors' Remuneration                                 | 14,284,992                       | 16,700,000                       |
| Contribution to Provident & Other Funds                 | 3,822,237                        | 8,646,317                        |
| Staff Welfare Expenses                                  | 644,337                          | 1,913,411                        |
|   | <b>75,347,519</b>                | <b>140,834,043</b>               |
| <b>NOTE : 22 FINANCE COST</b>                           |                                  |                                  |
| Interest  | 38,882,836                       | 37,741,848                       |
| Bank Charges and Other Borrowing Cost                   | 7,164,541                        | 5,920,832                        |
|   | <b>46,047,378</b>                | <b>43,662,680</b>                |
| <b>NOTE : 23 DEPRECIATION AND AMORTIZATION EXPENSES</b> |                                  |                                  |
| Depreciation  | 11,292,479                       | 14,635,751                       |
|   | <b>11,292,479</b>                | <b>14,635,751</b>                |

## Schedule Forming Part of Financial Statements For the period ended 31 March, 2021

| Particulars                      | As at 31st<br>March, 2021<br>Rs. | As at 31st<br>March, 2020<br>Rs. |
|----------------------------------|----------------------------------|----------------------------------|
| <b>NOTE : 24 OTHER EXPENSES</b>  |                                  |                                  |
| Audit Fees                       | 180,000                          | 180,000                          |
| Brand License Fees               | 47,393,495                       | 73,136,982                       |
| Business Development Expenses    | 13,710,962                       | 18,642,663                       |
| Conveyance Expenses              | 696,643                          | 1,870,795                        |
| Electricity Expenses             | 1,892,497                        | 2,845,015                        |
| Freight & Cartage                | 17,357,054                       | 28,549,223                       |
| Insurance                        | 1,910,156                        | 1,311,422                        |
| Legal & Professional Fees        | 7,380,038                        | 5,952,267                        |
| Office Expenses                  | 625,041                          | 771,784                          |
| Packing & Forwarding             | 4,769,797                        | 5,483,960                        |
| Postage & Courier Expenses       | 163,980                          | 667,054                          |
| Rent                             | 24,711,272                       | 43,041,815                       |
| Rates & Taxes                    | 8,828,818                        | 2,514,977                        |
| Repairs & Maintenance            | 1,369,787                        | 1,425,931                        |
| Stationery Printing              | 360,296                          | 355,080                          |
| Shortage & Pilferage             | 1,863,403                        | 1,974,469                        |
| Telephone Expenses               | 824,666                          | 1,352,933                        |
| Travelling Expenses              | 1,997,530                        | 11,030,361                       |
| Bad debts                        | 452,821                          | 527,849                          |
| Loss on Disposal of Asset        | 881,378                          | -                                |
| Commission & Other Exp. On Sales | 5,146,762                        | 394,000                          |
| Commission & Brokerage           | 716,832                          | 493,435                          |
| Other Expenses                   | 1,070,110                        | 3,524,519                        |
|                                  | <b>144,303,339</b>               | <b>206,046,535</b>               |

## Schedule Forming Part of Financial Statements For the period ended 31 March, 2021

## NOTE : 11 PROPERTY, PLANT &amp; EQUIPMENT

| PARTICULARS              | GROSS BLOCK         |                  |                  |                     | DEPRECIATION        |                    |                  | NET BLOCK           |                     |
|--------------------------|---------------------|------------------|------------------|---------------------|---------------------|--------------------|------------------|---------------------|---------------------|
|                          | AS ON<br>01.04.2020 | ADDITION         | DELETION         | AS ON<br>31.03.2021 | AS ON<br>01.04.2020 | DURING<br>THE YEAR | WRITTEN<br>BACK  | AS ON<br>31.03.2021 | AS ON<br>31.03.2020 |
| <b>Tangible Assets</b>   |                     |                  |                  |                     |                     |                    |                  |                     |                     |
| Office Equipments        | 8,057,120           | 5,253            | 740,140          | 7,322,234           | 5,667,348           | 1,023,902          | 700,691          | 5,990,559           | 2,389,772           |
| Computers                | 4,540,165           | 170,432          |                  | 4,710,597           | 3,969,474           | 285,845            |                  | 4,255,319           | 570,692             |
| Furniture & Fixtures     | 97,613,239          | 3,635,755        | 5,372,071        | 95,876,923          | 66,964,205          | 8,408,776          | 4,530,155        | 70,842,826          | 30,649,033          |
| Vehicle                  | 8,714,203           |                  | 1,341,130        | 7,373,073           | 5,721,825           | 877,564            | 932,951          | 5,666,439           | 2,992,378           |
| Cycle                    | 5,820               | -                | -                | 5,820               | 5,529               | -                  |                  | 5,529               | 291                 |
|                          | <b>118,930,547</b>  | <b>3,811,440</b> | <b>7,453,341</b> | <b>115,288,647</b>  | <b>82,328,382</b>   | <b>10,596,088</b>  | <b>6,163,798</b> | <b>86,760,672</b>   | <b>36,602,165</b>   |
| <b>Intangible Assets</b> |                     |                  |                  |                     |                     |                    |                  |                     |                     |
| Computer Software        | 3,707,731           |                  | -                | 3,707,731           | 2,532,133           | 696,391            |                  | 3,228,524           | 1,175,598           |
| <b>TOTAL</b>             | <b>122,638,278</b>  | <b>3,811,440</b> | <b>7,453,341</b> | <b>118,996,377</b>  | <b>84,860,515</b>   | <b>11,292,479</b>  | <b>6,163,798</b> | <b>89,989,196</b>   | <b>37,777,763</b>   |
| Previous Year            | 115,135,284         | 7,520,005        | 17,012           | 122,638,278         | 70,227,991          | 14,635,751         | 3,227            | 37,777,763          | 44,907,293          |

## Schedule Forming Part of Financial Statements For the period ended 31 March, 2021

| Particulars  | As at 31st<br>March, 2021<br>Rs. | As at 31st<br>March, 2020<br>Rs. |
|--|----------------------------------|----------------------------------|
| <b>NOTE: 25 OTHER NOTES ON FINANCIAL STATEMENTS</b>  |                                  |                                  |
| <b>25.1 Contingent liabilities and commitments (to the extent not provided for)</b>  |                                  |                                  |
| <b>(i) Contingent Liabilities</b>  | NIL                              | NIL                              |
| (a) Claims against the company not acknowledged as debt  | NIL                              | NIL                              |
| (b) Guarantees issued by bank (Letter of Credit)   | 49899275                         | 79293964                         |
| (c) Other money for which the company is contingently liable   | 8921064                          | 19977442                         |
| Sales Tax Demand in Appeal/ (Amount Paid)  | (3660003)                        | (3142678)                        |
| <b>(ii) Commitments</b>  |                                  |                                  |
| (a) Estimated amount of contracts remaining to be executed on capital account and not provided for and (Advances paid)   | NIL                              | 1961030                          |
| (b) Other Commitments  | NIL                              | NIL                              |
| <b>25.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>   |                                  |                                  |
| Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006 certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Management confirm that Credit from Major suppliers is 60-90 Days . So There is outstanding to the tune of Rs. 2,28,80,884/- which is for more than 45 days.  |                                  |                                  |
| 25.3 In Accordance with the Accounting Standards (AS) –11 “The effects of changes in foreign exchange rates” issued by the Institute of Chartered Accountants of India (ICAI) and notified under the Companies Accounting Standards Rules, 2006, the Payables at the balance sheet date are treated as monetary items and are therefore reported using the closing rates.  |                                  |                                  |
| <b>25.4 Segment Reporting :</b>  |                                  |                                  |
| In accordance with Accounting Standard 17 “Segmental Reporting”, the Company has determined its business segment as Trading of Travel Bags and accessories. Since more than 90% of business is from Trading of Travel Bags and fashion accessories, there are no other primary reportable segments. Thus, the segment revenue, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge of depreciation and amortization during the year are all as is reflected in the financial statements as at and for the year ended March 31, 2021. The Company is primarily operating in domestic market and hence there are no reportable geographical segments. |                                  |                                  |
| 25.5 Earning in Foreign Currency   | NIL                              | 5310291                          |
| 25.6 Expenditure in Foreign Currency   |                                  |                                  |
| Travelling Expenses  | NIL                              | 1,539,774                        |
| Royalty in Foreign Currency  | NIL                              | 475,767                          |
| Value of Import on C.I.F. basis  | 34637040                         | 107114261                        |
| <b>25.7 Payment to Auditors</b>  |                                  |                                  |
| Audit Fees   | 180,000                          | 180,000                          |
| Other Services & Certification   | -                                | -                                |
|  | 180,000                          | 180,000                          |
| 25.8 Directors' Remuneration   | 14,284,992                       | 16,699,980                       |

## Schedule Forming Part of Financial Statements For the period ended 31 March, 2021

|  |            |            |
|--|------------|------------|
| <b>25.9 Earning Per Share (AS-20)</b>                |            |            |
| Net Profit / (Loss) available to Equity Shareholders | (63155677) | (11082983) |
| Weighted Number of Equity Shares                     | 10,582,800 | 10,582,800 |
| Earning Per Share (Basic) in Rupees                  | (5.97)     | (1.05)     |
| Earning Per Share (Diluted) in Rupees                | (5.97)     | (1.05)     |
| Face value of share in Rupees                        | 10.00      | 10.00      |

**Note : 25.10**

- (i) General description of defined benefit plan:

## Gratuity plan

The company operates gratuity plan where is entitled to benefits equivalent to 15 days salary (includes dearness allowance) last drawn for each completed year of service. The same is payable on termination of service, or retirement, or death whichever is earlier. The benefits vests after five continuous service. Gratuity benefits valued were in accordance with the payment of Gratuity Act, 1972.

- (ii) The changes in the present value of obligation representing reconciliation of opening and closing balance there of are as follows:

| Particulars   | Wednesday,<br>March 31, 2021 | Tuesday,<br>March 31, 2020 |
|---|------------------------------|----------------------------|
| Present value of obligation as at the beginning of the year | 6919711                      | 5408990                    |
| Interest cost   | 470540                       | 367811                     |
| Current service cost  | 830424                       | 782252                     |
| Benefits paid   | (831885)                     | (683084)                   |
| Actuarial Losses (gain) on obligation                       | 456943                       | 1043742                    |
| Present value of obligation as at the end of year           | 7845733                      | 6919711                    |

- (iii) The amount recognized in balance sheet are as follow:

| Particulars   | Wednesday,<br>March 31, 2021 | Tuesday,<br>March 31, 2020 |
|---|------------------------------|----------------------------|
| Present value of obligation as at the end of the year     | 7845733                      | 6919711                    |
| Less: Fair value of plan assets as at the end of the year | -                            | -                          |
| Net liability recognized in balance sheet                 | 7845733                      | 6919711                    |

| Disclosed under      | Wednesday,<br>March 31, 2021 | Tuesday,<br>March 31, 2020 |
|----------------------|------------------------------|----------------------------|
| Long term provision  | 7509580                      | 6620811                    |
| Short term provision | 336153                       | 298900                     |

- (iv) The amounts recognized in statement of Profit and Loss are as follows:

| Particulars   | Wednesday,<br>March 31, 2021 | Tuesday,<br>March 31, 2020 |
|---|------------------------------|----------------------------|
| Current service cost                                    | 830424                       | 782252                     |
| Interest cost   | 470540                       | 367811                     |
| Expected return on plan assets                          | -                            | -                          |
| Net actuarial gain recognized in the year               | 456943                       | 1043742                    |
| Expenses recognized in the Statement of Profit and Loss | 1757907                      | 2193805                    |

## Notes forming part of the financial Statements for the period ended 31 March, 2021

(v) Principal actuarial assumption the balance sheet date are as follows

| Particulars        | Wednesday,<br>March 31, 2021 | Tuesday,<br>March 31, 2020 |
|--------------------|------------------------------|----------------------------|
| Discount rate      | 6.80%                        | 6.80%                      |
| Salary growth rate | 7.00%                        | 7.00%                      |
| Particulars        | Wednesday,<br>March 31, 2021 | Tuesday,<br>March 31, 2020 |
| Retirement age     | 60 Years                     | 60 Years                   |
|                    | IAL                          | IAL                        |
| Mortality          | 2012-14                      | 2012-14                    |

(vi) **Economic assumptions**

The principal assumptions are the discount rate and salary growth rate. The discount rate is based upon the prevailing market yield of government bonds as at the balance Sheet date for the estimates of future salary increase considered taking into account the inflation, seniority, promotion and other relevant factors.

## Notes forming part of the financial Statements for the period ended 31 March, 2021

## 25.11 Related Party Disclosures

| S. No. | Name of the Related Party     | Nature of Relationship | Nature of Transaction | Transaction during 2020-21 | Outstanding Balance as at 31.03.2021 Receivable/ (Payable) | Transaction during 2019-20 | Outstanding Balance as at 31.03.2020 Receivable/ (Payable) |
|--------|-------------------------------|------------------------|-----------------------|----------------------------|--|----------------------------|--|
| 1      | Shri Prateek Maheshwari       | Director               | Director Remuneration | 8299992                    | (315831)   | 8300000                    | 900970   |
|        |                               |                        | Interest Paid         | 239386                     | (239386)   | 601473                     | 541325   |
|        |                               |                        | Loan Received         | 8700024                    | (1200024)  | 13800000                   | 110000   |
| 2      | Smt. Annapurna Maheshwari     | Director               | Interest Paid         | -                          | -  | 13194                      | 11875  |
|        |                               |                        | Loan Received         | 4500000                    | -  | 800000                     | -  |
| 3      | Shri Abhinav Kumar            | Director               | Director Remuneration | 5985000                    | (403290)   | 8400000                    | -  |
| 4      | Ara Designs Prop. Purva Kumar | Director's Relative    | Purchase (Inc GST)    | 859031                     | -  | -                          | -  |
| 5      | IFF Overseas Pvt. Ltd.        | Associates             | Purchase (Inc GST)    | 396745                     | -  | 20492462                   | (19568275)   |
|        |                               |                        | Rent (Inc GST)        | 1720949                    | (2751245)  | 1770000                    | (1882482)  |



Notes forming part of the financial Statements for the period ended 31 March, 2021

## 25.12 Cash Flow Statement

| Particulars  | For the Year Ended<br>31st March, 2021 | For the Year Ended<br>31st March, 2020 |
|--|--|--|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>  |  |  |
| Net Profit before tax and extraordinary items  | (86,977,452)                           | (13,940,062)                           |
| Adjustments for:   |  |  |
| Depreciation & Misc. expenditure written off   | 11,292,479                             | 14,635,751                             |
| Interest and other charges   | 46,047,378                             | 43,662,680                             |
| Interest Income  | (595,202)                              | (1,907,945)                            |
| Operating profit before working capital changes  | <b>(30,232,798)</b>                    | <b>42,450,424</b>                      |
| Adjustments for:   |  |  |
| Trade and other receivables  | 81,620,453                             | 29,864,812                             |
| Inventories  | 45,359,955                             | (63,565,105)                           |
| Trade & other Payables   | (111,350,777)                          | 52,482,579                             |
| Cash generated from operations   | <b>(14,603,167)</b>                    | <b>61,232,710</b>                      |
| Direct taxes   | -                                      | -                                      |
| Net Cash from operating activities   | <b>(14,603,167)</b>                    | <b>61,232,710</b>                      |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>  |  |  |
| Purchase of Fixed Assets   | (560,867)                              | (9,467,250)                            |
| Deposits   |  |  |
| Interest Received  | 595,202                                | 1,907,945                              |
| Net Cash from/ (used) in investment activities   | <b>34,335</b>                          | <b>(7,559,306)</b>                     |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>  |  |  |
| Proceeds from long / short term borrowings (Net)   | 44,526,950                             | 11,973,075                             |
| Interest and other charges paid  | (46,047,378)                           | (43,662,680)                           |
| Dividend including Dividend Distribution Tax paid  |  |  |
| Net Cash (used) / from financing activities  | <b>(1,520,427)</b>                     | <b>(31,689,604)</b>                    |
| <b>D. Net increase / (decrease) in cash and cash equivalents</b>   | <b>(16,089,260)</b>                    | <b>21,983,800</b>                      |
| Opening balance of Cash and cash equivalents   | 37,556,841                             | 15,573,041                             |
| Closing balance of Cash and cash equivalents   | <b>21,467,581</b>                      | <b>37,556,841</b>                      |
| <b>Particulars</b>   |  |  |
| <b>25.13</b> Management certify that the value on realisation of loans and advances and current assets have the value, in the ordinary course of business, not less than the value at which they are stated in the Balance Sheet.  |  |  |
| <b>25.14</b> The Company has decided to enter into a new business of advanced machines and technologies for health, wellness and beauty, for which a new company has been promoted with the name "7E Wellness India Private Limited" on 26th March, 2021. Accounts of the new company are not prepared as on 31.03.2021. Since the capital contribution has not been made during the year, incorporation expenses have been shown under the head Loans and Advances. |  |  |
| <b>25.15</b> Company has came up with an Employee Stock Option Plan tilted as ESOP-2020 with 2% of paid up share capital for eligible employees of the company with exclusive power to remuneration and Nomination Committee to decide the price, vesting period on the basis of performance of the eligible employees.  |  |  |
| <b>25.16</b> Previous years figures have been re-grouped and re-arranged wherever considered necessary.  |  |  |

As per our report of even date attached.

For and on behalf of the Brand Concepts Limited

**For Maheshwari & Gupta**

Chartered Accountants

FRN- 006179C

**CA. Sunil Maheshwari**

Partner (M.No. 403346)

Place : Indore

Date : 29th June, 2021

UDIN: 21403346AAAAGS6960

**Prateek Maheshwari**  
(Managing Director)  
DIN (00039340)

**Abhinav Kumar**  
(CFO & Whole  
Time Director)  
DIN (06687880)

**Swati Gupta**  
(Company Secretary)  
M.No. (A 33016)

## **BRAND CONCEPTS LIMITED**

### **REGISTERED OFFICE**

Lotus Star, Plot No. D- 5, Road No. 20, Marol MIDC,  
Andheri East Mumbai - 400093 - Maharashtra

### **CORPORATE OFFICE**

140/2/2, Musakhedi Square, Ring Road, Indore - 452010 (MP)