

M/S FIRST STEPS BABYWEAR PRIVATE LIMITED

NO. 235-D, III PHASE, BOMMASANDRA INDL AREA, HOSUR ROAD, B'LORE

CIN-U17114KA2001PTC029486

REPORT OF THE DIRECTORS

To,
The Members,
M/s First Steps Babywear Private Limited,
Bangalore.

We are pleased to present the Twenty-First Annual Report and the Audited Statement of Accounts of the company for the year ended 31st March 2023 and report as under:

1. FINANCIAL RESULTS:

Snapshot of the Company's financial performance, for the year ended March 31, 2023:

(Rs.in Lakhs)

Particulars	Year ended 31 st March 2023	Year ended 31 st March 2022
Gross Income	1,12,071.41	96,292.38
Profit Before Tax	21,457.76	9,708.14
Less: Current Tax	5,765.86	2,395.41
Deferred Tax	-237.30	196.61
Income Tax earlier years	-	-
Profit For The Year	15,929.21	7,116.13
Add: Balance in Profit and Loss Account	36,249.28	29,133.15
Add: Adjustments on account of Transitional Provisions	-	-
Amount Available for Appropriation	52,178.49	36,249.28
Less: Appropriation		-
Preference Dividend	-	-
Tax on Preference Dividend	-	-
Transferred to Reserve	-	-
Balance to be Carried Forward	52,178.49	36,249.28

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STATE OF AFFAIRS:

- (i) The Company is engaged in the business of Manufacturing Babywear.
- ii) There has been no change in the nature of the business of the Company during the financial year ended 31st March, 2023.

The highlights of the Company's performance are as follows:-

- (a) Revenue from operations increased by 18.30% from Rs. 93,830.65 lakhs to Rs. 1,11,000.40 lakhs.
- (b) Net Profit for the year increased by 123.85% from Rs. 7,116.13 Lakhs to Rs. 15,929.21 Lakhs

3. DIVIDEND:

No dividend has been proposed for the financial year ended 31st March 2023 in view of the ongoing Investment in the wholly owned subsidiary – Colortone Textiles Pvt Ltd and proposed garmenting capacity expansion plans.

4. EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

5. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:

The Company has three wholly owned subsidiaries in India and one Wholly Owned Subsidiary abroad as listed below:

First Steps Babywear Lanka (Private) Limited – Foreign Subsidiary

Colortone Textiles Private Limited – Indian Subsidiary

Miniklub Retail Private Limited – Indian Subsidiary

Colortone Garments Private Limited- Indian Subsidiary

6. MEETINGS:

Nine meetings (06/04/2022, 21/06/2022, 19/08/2022, 21/09/2022, 24/09/2022, 29/09/2022, 09/11/2022, 10/12/2022, and 01/03/2023) of the Board of Directors were held during the financial year.

7. INTERNAL FINANCIAL CONTROL:

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same. Mr. Pradeep Kumar Danda (02685265) has been reappointed as Whole Time Director with effect from 6th April 2022.

In view of the applicable provisions of the Companies Act, 2013, the Company is not mandatorily required to appoint any whole time KMPs. However, the company has in place, Whole-time company secretary, Mr. N.H. Viswanathan.

9. AUDITORS:

RAGHAVAN CHAUDHURY & NARAYANAN, Firm of Chartered Accountants with Firm Registration Number 007761S, are the statutory auditors of the company. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away by Companies Amendment Act, 2017 vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of the appointment of Auditors.

SECRETARIAL AUDITORS:

Pursuant to provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed Dusmanta Kumar Barick (DBK & Associates), Company Secretaries to undertake the Secretarial Audit of the Company for Financial Year 2022-23.

COST AUDITORS:

The Company is not required to appoint Cost Auditors as per Companies (Cost Record and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013.

10. PARTICULARS OF LOANS AND INVESTMENT:

The Company has not given guarantee and securities under section 186 of Companies Act, 2013 other than Corporate Guarantee issued in favour of SBI, Federal Bank and HDFC Bank for Colortone Textiles Private Limited.

Particulars of Investments made are provided in the Notes to Financial Statements.

11. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

12. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Your Directors confirm that in line with the mandatory requirements of the new Companies Act, your Company has constituted a Corporate Social Responsibility Committee on 30th October, 2014 and has also established a formal CSR Policy in accordance with the Act.

The CSR obligation of the Company for the FY 2022-2023 is Rs. 116.36 Lakhs.

As per section 135 of the Act read with Companies (Corporate Social Responsibility) Rules, 2014, as amended, the Company is required to transfer any unspent amount, pursuant to any ongoing project undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, within a period of thirty days from the end of the financial year to a special account opened by the Company in that behalf for that financial year in any scheduled bank called Unspent Corporate Social Responsibility Account.

Due to delay in commencement of project as compared to approved timelines, some part of the mandatory spend for few ongoing projects remained unspent as on 31 March 2023, thereby requiring it to be transferred to Unspent CSR Account.

The Company had voluntarily transferred a sum of Rs. 3,41,31,070 to unspent CSR Account (Escrow Account) in the financial year 2020-2021 under Section 135 (6) of the Companies Act to earmark the funds for CSR Purpose, which is well in excess of the amount required to be transferred to Unspent CSR Account for the financial year 2022-2023.

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Your Directors believe that in the coming financial year, the CSR amount as stipulated by the Companies Act will be spent on the qualifying activities.

The CSR policy has been hosted on the website of the Company and can be accessed at <https://www.firststepsindia.com/csr/index.html>

Annual Report details of CSR activities is annexed hereto as Annexure A and forms part of this report.

13. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:

No agreement was entered with related parties by the Company other than the loan agreements entered into with the Subsidiary Companies and the supply arrangements with Knits and Weaves Private Limited (A Private Company in which Mr. Manish Pasi, Managing Director of the Company, is a Director)

Particulars of contracts or arrangements made with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed form AOC-2 is appended as an Annexure to the Board's report. The disclosure of transactions with related party for the year is also given under the Notes to the Financial Statements.

14. DEPOSIT:

The Company has neither accepted nor renewed any deposits during the year under review.

15. RISK MANAGEMENT POLICY:

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have also been formulated and clearly spelt out in the said policy.

16. TRANSFER TO RESERVE:

No amount was transferred to the reserves during the financial year ended 31st March, 2023.

17. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS:

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

18. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND:

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

19. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complaint during the year 2022-2023.

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

a. Conservation of Energy:

(i) The steps taken or impact on conservation of energy – Nil

(ii) The steps taken by the company for utilising alternate sources of energy: Nil.

(iii) The capital investment on energy conservation equipments: Nil.

b. Technology Absorption: The Company has not spent any amount towards Technology Absorption.

c. Foreign Exchange Earnings and Outgo:

- i. Total earnings in foreign exchange - 95,089.08 Lakhs
- ii. Total outgo in foreign exchange - 24,194.21 Lakhs

21. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197(12) read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is applicable only for Listed Company. Hence the above data is not applicable.

22. WEB LINK OF ANNUAL RETURN:

The Company is having website i.e. www.firststepsindia.com and annual return of Company has been published on the following link:
<https://firststepsindia.com/annualreturn/index.html>.

23. BOARD'S COMMENT ON THE AUDITORS' REPORT:

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment:

24. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings

25. ESTABLISHMENT OF VIGIL MECHANISM:

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder is implemented through the Company's Whistle Blower Policy to enable the Directors, employees and all stakeholders of the Company to report genuine concerns, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the higher levels of supervisors.

Whistle Blower Policy of your Company is available on the Company's website and can be accessed at the Web-link:

<https://firststepsindia.com/whistleblowerpolicy/index.html>.

26. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- a) In the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same.
- b) The Directors 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 as at March 31, 2023 and of the profit of the Company for the year ended on that date.
- c) The Directors 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) The Directors have prepared the annual accounts on a 'going concern' basis.
- e) The Company being unlisted, sub clause (e) of section 134(3) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.

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- f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such system are adequate and operating effectively.

26A.PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE,2016:

No application has been made or any proceeding is pending under the IBC, 2016. Hence this clause is not applicable.

26B.ONE TIME SETTLEMENT:

The Company has never made any one-time settlement against the loans obtained from Banks and Financial Institution during the financial year. Hence this clause is not applicable.

27. FUTURE PROSPECTS:

High inventories, persistent inflation, and poor customer sentiment has impacted demand for garments. Turnover and profits would be flat during FY 23-24. The conclusion of free trade pacts with UK, Europe and Australia, would help in getting new customers / increasing market share in the coming years. The wholly owned subsidiary – Colortone Textiles Pvt Ltd., commenced operations in March 2023. This should help in reducing fabric inventory and lead time for servicing orders. Expansion of garmenting capacity is planned for which suitable location is being evaluated. These plans will be firmed up during the current financial year and work should commence on the new plant.

28. GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- (i) Details relating to deposits covered under Chapter V of the Companies Act, 2013.

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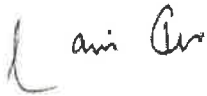
(ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.

(iii) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

29. ACKNOWLEDGEMENT:

The Board of Directors wishes to place on record its sincere appreciation for the support and co-operation received from the shareholders, bankers, various departments of the Central and State Government, staff, vendors and the continued patronage of the customers. The Board of Directors also wish to thank all the employees for their unstinted efforts and Co-operation. With your continued support, the Company's turnover and profits would continue to grow during this financial year.

For and on behalf of the Board



Manish Pasi
Managing Director
DIN:00369354

Place: Bangalore

Date: 28th September, 2023



Anjana Pasi
Whole Time Director
DIN:00366791

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ANNEXURE A**ANNUAL REPORT DETAILS OF CSR ACTIVITIES:****1. Brief outline of the Company's CSR policy:**

The Board of Directors adopted the CSR policy on October 24, 2014. Corporate Social Responsibility (CSR) at First Steps Babywear goes beyond business and extends to the implementation of socially relevant activities for the benefit of society at large.

2. Composition of CSR Committee:

S.No	Name of the Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Manish Pasi	Managing Director	2	2
2	Anjana Pasi	Whole Time Director	2	2
3.	Balasubramaniam Senthilnathan	Whole Time Director	2	2

3. Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company<https://firststepsindia.com/csr/index.html>**4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

Not Applicable - As the Company does not have an average CSR obligation of 10 Crores or more in the three immediately preceding financial years.

5. (a) Average net profit of the Company as per sub-section (5) of section 135: Rs. 5818.17 Lakhs

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135: Rs. 116.36 Lakhs

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set-off for the financial year, if any: Rs. 23.70 Lakhs

(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Rs. 92.66 Lakhs

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Nil

(b) Amount spent in Administrative Overheads: Nil

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- (c) Amount spent on Impact Assessment, if applicable: NA
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Nil
- (e) CSR amount spent or unspent for the financial year: Rs 116.36 Lakhs -23.70 Lakhs = Rs. 92.66 lakhs i.e., Total CSR obligation for the current financial year after offsetting the excess amount spent in the previous financial year(s).

Total Amount Spent for the Financial Year (in Rs. Lakhs)	Amount Unspent (in Rs. Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of Transfer	Name of the fund	Amount	Date of Transfer
Nil	341.31*	31-3-2021*	N.A	Nil	N.A

Note: Details of Amount transferred to Unspent CSR Account:

Particulars	Amount (in Rs. Lakhs)
Amount Required to be transferred under Section 135 (6) for the Financial Year 2020-2021 (1)	Nil
Amount Voluntarily transferred under Section 135 (6) for the Financial Year 2020-2021 (2)	341.31
Bank Charges	0.07
Balance in Unspent CSR Account (1)+(2)- (3)	341.24

The Company has not spent the required CSR amount for the first time in the financial year 2022-2023 and hence the Company will spend the same within next 3 years towards the ongoing project out of the funds available in Unspent CSR Account.

- (f) Excess amount for set-off, if any:

S.No	Particulars	Amount (in Rs.Lakhs)
i.	Two percent of average net profit of the Company as per sub-section (5) of section 135	Rs. 116.36 Lakhs
ii.	Total amount spent for the Financial Year	-
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	-
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
V.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

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7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

S.No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account Under subsection (6) of section 135	Balance Amount in Unspent CSR Account under Subsection (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
1	FY 2019-20	--	-	-	-	-	-	-
2	FY 2020-21	341.31*	341.24*	-	-	-	-	-
3	FY 2021-22	-	-	-	-	-	-	-

* Refer Note under 6 (e) of this annexure.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of section 135: Due to delay in commencement of project as compared to approved timelines, some part of the mandatory spend with respect to ongoing project remained unspent as on 31 March 2023

Manish Pasi

Manish Pasi
Chairman, CSR Committee
DIN:00369354

Place: Bangalore

Date: 28th September, 2023

Anjana Pasi

Anjana Pasi
Whole Time Director
DIN:00366791

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CONTENTS OF CSR POLICY
(APPROVED BY THE BOARD OF DIRECTORS AS ON OCTOBER 24, 2014)

Our aim is to be one of the most respected companies in India delivering superior and sustainable value to all our customers, business partners, employees and other stakeholders.

The Company's commitment to CSR projects and programmes will be by investing resources into any of the following areas:

- Improving the quality of life in rural areas;
- Eradicating hunger, poverty and malnutrition;
- Promoting healthcare including preventive healthcare;
- Employment enhancing vocational skills;
- Promotion of education including investment in technology and infrastructure in schools;
- Ensuring environmental sustainability including measures for reducing inequalities faced by socially and economically backward groups;
- Promoting Sports including rural and Olympic Sports;
- Contribution to funds for promoting technology;
- Investing in various rural development projects;
- Contributing to the Prime Minister's National Relief Fund or any other fund setup by the Central Government for development and relief; and
- Other areas approved by CSR Committee that are covered in the CSR Rules as amended from time to time.



Manish Pasi
Chairman, CSR Committee
DIN:00369354



Anjana Pasi
Whole Time Director
DIN:00366791

Place: Bangalore
Date: 28th September, 2023

**Annexure-A
Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "A": Subsidiaries (Rs. In Lakhs)

Sl. No.	1	2	3	4
Name of the subsidiary	First Steps Babywear Lanka (Private) Limited	Colortone Textiles Private Limited	Miniklub Retail Private Limited	Colortone Garments Private Limited
Financial Year ending on	31 st March, 2023	31 st March, 2023	31 st March, 2023	31 st March, 2023
Reporting currency	Sri Lankan Rupee	Indian Rupee	Indian Rupee	Indian Rupee
Exchange Rate on the last day of the financial year	0.2495	-	-	-
Equity Share Capital	1378.22	9441.30	110	10
Preference Share Capital	-	-	6700	-
Reserves & Surplus	215.21	(1367.10)	(2053.82)	(0.72)
Total Assets	2945.60	38393.48	10258.81	20.85
Total Liabilities	2945.60	38393.48	10258.81	20.85
Investments	-	-	-	-
Turnover	10267.95	1008.78	10174.40	-
Profit before taxation	168.99	(1549.56)	(1420.93)	(0.72)
Provision for taxation	64.05	(233.47)	(354.39)	-
Profit after taxation	104.93	(1316.09)	(1066.54)	(0.72)
Proposed Dividend	-	-	-	-

% of shareholding	100.00	99.99	99.99	99.99
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Notes:

- Names of subsidiaries which are yet to commence operations - Colortone Garments Private Limited
- Names of subsidiaries which have been liquidated or sold during the year - **None**

Part "B": Associates and Joint Ventures - Not Applicable

For and on behalf of Board of Directors

Manish Pasi

Manish Pasi

Anjana Pasi

Managing Director

Whole Time Director

DIN: 00369354

DIN: 00366791

For First Steps Babywear Private Limited

B. Senthil Nathan

B. Senthil Nathan

NH. Viswanathan

Chief Finance Officer

Company Secretary

Place: Bangalore

Date: 28th September, 2023

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 sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto,s

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

Name of Related Party and Nature of Relationship	Nature of Transactions	Transaction Value (Rs. In Lakhs)	Salient Terms	Date of approval by the Board	Amount paid as advances, if any:
First Steps Babywear Lanka (Private) Limited : Wholly Owned Subsidiary	Purchase Sale of Fabrics etc. Re-instatement Receipts Payments	10522.97 12093.51 25.04 11900.81 9598.23	Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis	Since Related Party Transactions are in the ordinary course of business and are at arm's length basis, approval of the board is not applicable	N/A
Minkclub Retail Private Limited - Wholly Owned Subsidiary	Investment in Equity Investment in Preference Shares Reimbursement Sale of Garments Interest Income Loans and Advances Purchases Receipts	100.00 6700.00 (2.71) 1015.42 33.29 700.00 338.24 300.84			N/A

Name of Related Party and Nature of Relationship	Nature of Transactions	Transaction Value (Rs. In Lakhs)	Salient Terms	Date of approval by the Board	Amount paid as advances, if any: (Rs. In Lakhs)
Colortone Textiles Private Limited : Wholly Owned Subsidiary	Investment Reimbursement Purchases and Job work Advances Sales	9431.30 354.68 846.38 4811.79 1886.82			4811.79
Colortone Garments Private Limited : Wholly Owned Subsidiary	Advances	0.79	Related Party Transactions entered during the year were in the ordinary course of business and on arm's length basis	Since Related Party Transactions are in the ordinary course of business and are at arm's length basis, approval of the board is not applicable	0.79
Knits and Weaves Private Limited: Mr. Manish Pasi, Managing Director of the Company, is a Director	Knitting Charges	247.15			N/A

For and on behalf of the Board

Manish Pasi

Anjana Pasi

Manish Pasi

Anjana Pasi

Director

Director

DIN: 00369354

DIN: 00366791,

Place: Bangalore

Date: 28th September, 2023

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
**The Members,
First Steps Babywear Private Limited
Bangalore**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by First Steps Babywear Private Limited (CIN: U17114KA2001PTC029486) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2023, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2023 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has generally complied with the provisions of the Act, Rules and Standards mentioned above.

The Board of Directors of the Company is duly constituted as required for a private company. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notices were given to all directors to schedule the Board meetings, agenda and detailed note on agenda were sent at least seven days in advance and with necessary compliance wherever sent at shorter period 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.

The decisions are carried through majority and are recorded in the minutes and there are no dissenting views required or accordingly recorded in the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no specific actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.



For DKB & Associates
Peer Review No:4606/2023

A handwritten signature in black ink, appearing to read "Dushmantha".

DUSMANTA KUMAR BARICK
Practising Company Secretary
ACS No.: 28512; CP No:17071
UDIN: A028512E001234277

Place: Bangalore

Date: 28/09/2023

Annexure to Secretarial Audit Report (Auditors Responsibility)

To,
First Steps Babywear Private Limited
Bangalore

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. Wherever 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 the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.



For DKB & Associates
Peer Review No:4606/2023

DUSMANTA KUMAR BARICK
Practising Company Secretary
ACS No.: 28512; CP No:17071
UDIN: A028512E001234277

Place: Bangalore

Date: 28/09/2023

Independent Auditor's Report

To the Members of FIRST STEPS BABYWEAR PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **FIRST STEPS BABYWEAR PRIVATE LIMITED** ("the Company"), having its registered office at 235-D, Bommasandra Industrial Area, Phase III, Hosur Road, Bangalore - 560 099 which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and 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 standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S. No	Key Audit Matter	Auditor's Responses
1	<p>Application of IND AS 116</p> <p>Ind AS 116 – “Leases” introduces a new lease accounting model, whereby lessees are required to recognise a right-of-use assets (ROU) and a lease liability arising from a lease on its balance sheet.</p> <p>Significant judgement is required in determining whether a contract is appropriately identified as being within or outside the scope of Ind AS 116, assessment of lease term and determination of appropriate incremental borrowing rate there by affecting the measurement of lease liability and corresponding ROU asset.</p> <p>In view of the above we have identified measurement of lease liability and corresponding ROU asset determination as a key audit matter.</p>	<p>Principal Audit Procedures</p> <p>In view of the significance of the matter we applied the following audit procedures in this area, among other procedures, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none">• We assessed the appropriateness of the accounting policy for leases.• We examined relevant contracts on a sample basis to identify those which may contain a lease and tested whether the same has been so accounted for.• We examined sample contracts to evaluate whether Company's determination of the lease term is appropriate.• On a sample basis, we have assessed the appropriateness of incremental borrowing rate considered for calculating the lease obligation. We have also involved specialists to evaluate key assumptions/ judgements relating to the discount rate considered by the Company.• For samples selected using statistical sampling, we verified that the amounts considered for calculations of ROU assets and lease liabilities are in accordance with the terms of the contract.• Assessed the adequacy of the disclosures included in the standalone financial statements



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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the standalone financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

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 the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the 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 Standalone Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Standalone 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 Standards on Auditing 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 Standards on Auditing, 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 standalone 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, 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 standalone 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.

Other Matter

The standalone financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor, **Prakash Bhat & Associates** who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 24th September 2022.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) The provisions of Section 197(16) of the Act is not applicable to the Company, hence reporting under the same is not required;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - (i) There company doesn't have any pending litigations as at 31 March 2023.
 - (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31 March 2023.
 - (iii) There has been no delay in transferring amounts, required to be transferred, the Investor Education and Protection Fund by the Company.



- (iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The company has not declared any dividends during the year.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

for Raghavan, Chaudhuri & Narayanan
Chartered Accountants
FRN: 007761S



Kiran Roy Chaudhuri
Partner

Membership No. 027360

Place : Bangalore

Date : 28th September 2023

UDIN : 23027360BGWPZD1633



Annexure 'A' to Independent Auditors' Report - 31st March 202(Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets;
(B) The Company has maintained proper records showing full particulars of intangible assets;
 - (b) The company has a regular program of physically verifying all the Property, Plant and Equipment at its plants/ offices in a phased manner, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification;
 - (c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the standalone financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date;
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year;
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;
- ii.
 - (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies noticed on such physical verification, were less than 10% in aggregate for each class of inventory and have been properly dealt with in the books of account;
In respect of inventories with third parties, which have not been physically verified, there is a process of obtaining confirmation from such parties;
 - (b) The Company has been sanctioned working capital limits in excess of ₹ 5 crore during the year, from banks on the basis of security of current assets and in our opinion, the quarterly returns or statements filed by the company are in agreement with the books of the accounts



- iii. (a) The Company has provided loans or advances in the nature of loans, or guarantee or security to Subsidiaries as per details given below:

Particulars	Guarantees	Loans	Investments
Aggregate amount provided / granted/ invested during the year - Subsidiaries	RS. Nil/-	RS.701.00 lakhs	RS.1,610.00Lakhs
Balance outstanding as at balance sheet date in respect of above cases: - Subsidiaries	RS.3,1440.00 Lakhs	RS.1,375.00 Lakhs	RS. 18,533.68 Lakhs

- (b) In our opinion, and according to the information and explanations given to us, the Loans granted, investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company;
- (c) In respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has not been stipulated and repayment or receipts are regular.
- (d) According to the information and explanation given to us, in respect to loans and advances there is no overdue amount as at balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (f) The Company has not provided advances in the nature of loans repayable on demand or without specification of any terms or period of repayment.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of 186 of the Act in respect of investments & Loans granted. Further, in our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of guarantees provided;
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable;



vii. In respect of statutory dues:

- (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and service tax, duty of customs, and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable;
- (b) There are no dues in respect of income-tax, sales-tax, Goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);

ix. (a) The Company has not defaulted in repayment of loans or borrowings to any lender during the year;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained;

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company;

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting on clause 3(ix)(e) of the order is not applicable;

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed reported during the year;



- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act;
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures;
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;
- (d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;
- xviii. There has been resignation of the statutory auditors of the Company during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors ;
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;



- xx. (a) According to the information and explanations given to us in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note No. 43 to the Standalone financial statements;
- (b) According to the information and explanations given to us and based on the records, there are no unspent amounts in respect of ongoing projects that are required to be transferred.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S


Kiran Roy Chaudhuri
Partner



Membership No. 027360
Place : Bangalore
Date : 28th September 2023
UDIN : 23027360BGWPZD1633

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of FIRST STEPS BABYWEAR PRIVATE LIMITED of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls over financial reporting of FIRST STEPS BABYWEAR PRIVATE LIMITED (the “Company”) as of March 31, 2023 in conjunction with our audit of the Ind AS standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Management of the Company is 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 (the “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 Act

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 standalone 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 standalone 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.

Other Matter

The standalone financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor, **Prakash Bhat & Associates**, who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 24th September 2022.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting 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 ICAI.

for Raghavan, Chaudhuri & Narayanan

Chartered Accountants

FRN: 007761S



Kiran Roy Chaudhuri
Partner

Membership No. 027360

Place : Bangalore

Date : 28th September 2023

UDIN : 23027360BGWPZD1633



FINANCIAL STATEMENTS OF RAGHAVAN CHAUDHURI & NARAYANAN

Chartered Accountants (Firm) (Incorporated in India) Bangalore - 560059

Statement of Income of RagHAVAN CHAUDHURI & NARAYANAN for the year ended 31.03.2023

As per the accounts maintained by the company and after due verification of the same

Particulars	Notes	As at 31.03.2023	As at 31.03.2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	8,923.69	9,610.13
Other intangible assets	2a	178.83	154.39
Right-to-use assets	3	3,248.11	2,538.03
Financial assets			
(i) Investments	4	8,553.68	16,923.68
(ii) Loans	5	763.78	34.39
(iii) Other Financial Assets	6	488.98	441.96
Other Non-Current assets	7	145.02	141.89
Total Non-Current assets		32,244.09	29,844.47
Current assets			
Inventories	8	10,211.58	17,539.72
Financial assets			
(i) Investments	4a	4,262.91	1,308.60
(ii) Trade receivable	9	16,607.35	7,898.73
(iii) Cash and cash equivalents	10	3,074.39	2,168.25
(iv) Bank balances other than (ii) above	11	1,275.19	240.36
(v) Loans	5	32.82	35.87
(vi) Other financial Assets	6	47.22	159.60
Current tax assets (net)	12	-	295.14
Other Current Assets	7	10,487.60	11,493.73
Total Current Assets		45,999.06	41,149.01
Total Assets		78,243.15	70,993.48
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	925.00	925.00
Other equity	14	53,023.32	37,314.61
Total equity		53,948.32	38,239.61
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	15	1,700.00	2,469.42
(ii) Lease Liability	16	3,029.74	2,357.71
Deferred tax liabilities (Net)	18	516.80	828.30
Total non-current liabilities		5,246.54	5,655.43
Current liabilities			
Financial liabilities			
(i) Borrowings	15	9,370.49	16,703.49
(ii) Lease liability	16	443.46	211.41
(iii) Trade payables	19		
a) Total outstanding dues to micro and small enterprises		470.37	1,051.82
b) Total outstanding of creditors other than micro and small enterprises		4,769.36	6,132.87
(iv) Other Financial Liabilities	17	1,196.31	1,145.62
Other Current liabilities	20	365.77	446.09
Provisions	21	1,297.27	1,407.14
Current Tax Liabilities (Net)	12	1,135.26	-
Total current liabilities		19,048.29	27,098.44
Total liabilities		24,294.83	32,753.87
Total equity and liabilities		78,243.15	70,993.48
Significant Accounting Policies	1		

The accompanying notes are an integral part of these financial statements for and on behalf of the Board of Directors

for RagHAVAN, Chaudhuri & Narayanan

Chartered Accountants

FRN : 007761S

KIRAN ROY CHAUDHURI

Partner

Membership No. 027360

Place, Bangalore

Date: 28-09-2023

UDIN:23027360BGWPZD1653



MANISH PASI
Managing Director
DIN:00369354

B.SENTHIL NATHAN
Chief Finance Officer
Place, Bangalore
Date: 28-09-2023

ANJANA PASI
Whole Time Director
DIN:00366791

NILVISWANATHAN
Company Secretary

FIRST STEPS BABYWEAR PRIVATE LIMITED

233-D, Bommasandra Industrial Area, Phase II, Hosur Road, Bangalore-560 089

Standalone Statement of Profit and Loss for the year ended 31 March 2023

(All the amounts are in Indian Rupees lakhs except for share information, if otherwise stated)

	Particulars	Notes	Year ended 31.03.2023	Year ended 31.03.2022
I	Income			
	Revenue from operations	22	1,11,000.41	93,830.65
	Other income	23	1,071.00	2,461.73
	Total income		1,12,071.41	96,292.38
II	Expenses			
	Cost of materials consumed	24	49,824.53	45,869.68
	Changes in inventories of finished goods, work-in-process and Stock-in-Trade	25	1,756.20	2,732.51
	Employee benefit expenses	26	19,313.72	17,128.26
	Finance costs	27	2,088.52	1,648.38
	Depreciation and amortisation expense	28	1,525.97	1,605.05
	Other expenses	29	16,104.69	17,600.36
	Total expenses		90,613.63	86,584.24
III	Profit before exceptional items and tax		21,457.78	9,708.14
IV	Exceptional items - income / (expense)		-	-
V	Profit before tax		21,457.78	9,708.14
VI	Income tax expense			
	Current tax	30	5,765.86	2,395.41
	Deferred tax charge/(credit)	31	(237.29)	196.61
VII	Total Tax Expense		5,528.57	2,592.02
	Profit for the year		15,929.21	7,116.13
VIII	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurement of post employment benefit obligations		(104.21)	54.18
	Income tax relating to these items		26.23	(13.64)
	Items that will be reclassified to profit or loss			
	Transactions relating to Derivative instruments		(190.49)	118.32
	Income tax relating to these items		47.98	(29.78)
	Other comprehensive income for the year, net of tax		(220.49)	129.08
IX	Total comprehensive income for the year		15,708.72	7,245.21
X	Earnings per equity share:	41	1,722.08	769.31
	Basic & Diluted earnings per share	41	1,722.08	769.31

The accompanying notes are an integral part of these financial statements

for Raghavan, Chaudhuri & Narayanan

Chartered Accountants

FRN : 007761S



KIRAN ROY CHAUDHURI

Partner

Membership No.: 027360

Place : Bangalore

Date: 28-09-2023

UDIN:23027360BGWPZD1633



for and on behalf of the Board of Directors



MANISH PASI
Managing Director
DIN:00369354


B. SENTHIL NATHAN
Chief Finance Officer
Place : Bangalore
Date : 28-09-2023



ANJANA PASI
Whole Time Director
DIN:00366791


N. VISWANATHAN
Company Secretary

FIRST STEPS BABYWEAR PRIVATE LIMITED

235/1, Bommasandra Industrial Area, 1st Stage, 1st Cross, Bengaluru - 560099

Cash Flow Statement for the year ended 31st March 2023

(All the amounts are in Indian Rupees, unless stated for share information or otherwise stated)

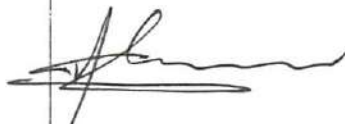
Particulars	For the Year Ended 31 Mar 2023	For the Year Ended 31 Mar 2022
Cash flow from operating activities		
Profit before tax from continuing operations	21,457.78	9,708.14
Adjusted for:		
Depreciation / Amortization and Depletion Expense	1,525.97	1,605.05
(Profit) / Loss on sale of fixed assets	(12.12)	(19.34)
Interest expense	2,088.52	1,648.38
Interest income	(130.94)	(65.47)
Interest on fair valuation	(19.12)	(30.87)
Fair Valuation of Assets	256.75	(24.65)
Income from Investment	(68.04)	(523.40)
Operating profit before working capital changes	25,098.80	12,297.85
Adjusted for:		
Trade Payables	(1,944.96)	(25.88)
Short Term Provisions	(109.87)	324.77
Other Current Liabilities	(80.32)	11.57
Other Financial Liabilities-Non Current	-	(161.77)
Other financial current liabilities-Current	50.69	-
Trade Receivables	(8,708.62)	5,775.55
Inventories	7,328.14	(1,053.96)
Other financial assets - current	(10.86)	(75.75)
Other financial assets - non current	(47.02)	(427.31)
Other Current Assets	1,002.89	(2,590.47)
Other non-current assets	(3.13)	89.33
Tax expense	(4,600.10)	(2,395.41)
Net Cash flow from / (Used) in operating activities (A)	17,975.65	11,768.51
Cash flow from investing activities		
Purchase of Property, Plant and Equipment	(364.06)	(504.50)
Proceeds from Disposal of Property, Plant & Equipment	105.61	827.17
Purchase of Investments	(5,830.00)	(14,504.51)
Amount given as loan	(726.34)	(645.00)
Proceeds from sale of Investments	1,200.00	6,500.00
Interest received	122.61	65.47
Net cash flow from / (Used) in Investing activities (B)	(5,492.18)	(8,261.38)
Cash flow from financing activities		
Proceeds from Short Term Borrowings	(7,333.00)	(2,175.57)
(Repayment) / proceeds from Long Term Borrowings	(769.42)	1,031.99
Repayment of lease liability	(621.90)	(598.12)
Interest Paid	(1,827.18)	(1,615.23)
Net cash flow from / (Used) in financing activities (C)	(10,551.50)	(3,356.93)
Net increase in cash and cash equivalents (A + B + C)	1,931.97	150.21
Cash and cash equivalents at the beginning of the year	2,417.61	2,267.41
Cash and cash equivalents at the end of the year	4,349.58	2,417.61

Components of Cash and Bank balances

for Raghavan, Chaudhuri & Narayanan

Chartered Accountants

FRN - 007761S


KIRAN ROY CHAUDHURI
Partner

Membership No.: 027360

Place : Bangalore

Date: 28-09-2023

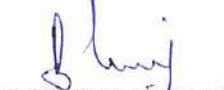
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for and on behalf of the Board of Directors


MANISH PASI
Managing Director
DIN:00369354


ANJANA PASI
Whole Time Director
DIN: 00366791


B.SENTHIL NATHAN
Chief Finance Officer
Place : Bangalore
Date: 28-09-2023


NILVISWANATHAN
Company Secretary

FIRST STEPS BABYWEAR PRIVATE LIMITED

235/15, Bommasandra Road, Bengaluru - 560 099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees (Rs), except for share information or otherwise stated)


A. Equity Share Capital

Particulars	No. of Shares	Amount
As at 31st March, 2021	9.25	925
Changes in equity share capital during the year:	-	-
As at 31st March, 2022	9.25	925
Changes in equity share capital during the year:	-	-
As at 31st March, 2023	9.25	925

B. Other Equity

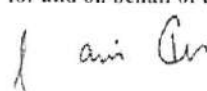
Particulars	Reserves and surplus		Other reserves	Capital reserve	Total
	General reserve	Retained earnings	Fair Value through Other Comprehensive Income		
Balance as at March 31, 2020	250.66	25,194.44	-	-	25,445.10
Add: Profit for the period	-	3,938.71	-	-	3,938.71
Add: Other comprehensive income	-	-	425.71	-	425.71
Total Comprehensive Income for the year	-	29,133.15	425.71	-	29,809.52
Add/ (Less): Change in fair value of equity instruments	-	-	-	-	-
Balance as at March 31, 2021	250.66	29,133.15	425.71	-	29,809.52
Add: Profit for the period	-	7,116.13	-	-	7,116.13
Add: Other comprehensive income	-	-	129.08	-	129.08
Add / (Less): Reclassified to retained earnings	-	-	-	-	-
Total Comprehensive Income for the year	-	7,116.13	129.08	-	7,245.21
Add/ (Less): Change in fair value of equity instruments	-	-	-	-	-
Add: Ind As impact on slump sale	-	259.88	-	-	259.88
Balance as at March 31, 2022	250.66	36,509.16	554.79	-	37,314.61
Add: Profit for the period	-	15,929.21	-	-	15,929.21
Add: Other comprehensive income	-	-	(220.50)	-	(220.50)
Total Adjustment	-	15,929.21	(220.50)	-	15,708.71
Balance as at March 31, 2023	250.66	52,438.37	334.29	-	53,023.32

As per our report annexed
for Raghavan, Chaudhuri & Narayanan
Chartered Accountants
FRN : 007761S



KIRAN ROY CHAUDHURI
Partner
Membership No.: 027360
Place : Bangalore
Date: 28-09-2023
UDIN: 23027360BGWPZD1633

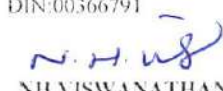


for and on behalf of the Board of Directors


MANISH PASI
Managing Director
DIN:00369354


B. SENTHIL NATHAN
Chief Finance Officer
Place : Bangalore
Date: 28-09-2023


ANJANA PASI
Whole Time Director
DIN:00366791


NILVISWANATHAN
Company Secretary

FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

2	Property, Plant and Equipment(PPE)										
	Particulars	Gross Block				Depreciation Block					Written Down Value
		As at 01-04-2022	Addition	Deletion	As at 31-03-2023	As at 01-04-2022	For the year	On additions	With drawn	As at 31-03-2023	As at 31-03-2023
	Building	4,553.41	22.06	-	4,575.47	908.81	143.76	0.16	-	1,052.73	3,522.73
	Plant & Machinery	5,931.34	123.62	17.28	6,037.69	2,691.66	348.11	5.39	9.64	3,035.51	3,002.18
	Electrical Installation	1,455.83	16.51	-	1,472.34	925.13	115.58	1.15	-	1,041.87	430.47
	Lab Equipments	67.12	1.96	24.54	44.54	44.17	3.77	0.09	17.63	30.40	14.14
	Office Equipments	569.52	31.74	10.33	590.94	447.80	48.25	3.38	3.63	495.79	95.14
	Computers	428.06	38.83	-	466.89	375.28	24.22	9.15	-	408.64	58.25
	Furniture & Fixtures	1,778.03	15.16	-	1,793.19	1,244.22	132.63	0.83	-	1,377.68	415.51
	Vehicles	441.43	99.16	154.35	386.24	185.47	28.71	4.92	82.10	137.00	249.24
	Windmill	912.00	-	-	912.00	480.51	38.59	-	-	519.10	392.90
	Solar Plant	612.65	-	-	612.65	199.74	29.10	-	-	228.84	383.81
	Lease Hold Land	216.97	-	-	216.97	31.00	2.21	-	-	33.21	183.76
	Land - Soolagiri	177.55	-	-	177.55	-	-	-	-	-	177.55
	Total PPE	17,143.91	349.06	206.50	17,286.47	7,533.78	914.94	25.06	113.01	8,360.78	8,925.69
2a	Other Intangible Assets										
	Particulars	As at 01.04.2022	Addition	Deletion	As at 31.03.2023	As at 01.04.2022	For the year	On additions	With drawn	As at 31.03.2023	As at 31.03.2023
	Softwares & Servers	195.05	15.00	-	210.05	40.66	30.52	0.05	-	71.23	138.83
	Total	195.05	15.00	-	210.05	40.66	30.52	0.05	-	71.23	138.83



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

2	Property, Plant and Equipment (PPE)										
	Particulars	Gross Block				Depreciation Block				Written Down Value	
		As at 01-04-2021	Addition	Deletion	As at 31-03-2022	As at 01-04-2021	For the year	On additions	With drawn	As at 31-03-2022	As at 31-03-2022
	Building	4,553.41	-	-	4,553.41	765.05	143.76	-	-	908.81	3,644.60
	Plant & Machinery	5,826.89	241.31	136.86	5,931.34	2,437.16	352.31	4.87	102.68	2,691.66	3,239.69
	Electrical Installation	1,516.05	48.07	108.30	1,455.83	816.39	131.06	2.16	24.47	925.13	530.69
	Lab Equipments	66.47	0.65	-	67.12	38.69	5.43	0.06	-	44.17	22.95
	Office Equipments	689.43	39.64	159.55	569.52	459.61	44.38	4.14	60.33	447.80	121.73
	Computers	459.41	23.36	54.71	428.06	386.35	19.19	2.85	33.12	375.28	52.78
	Leasehold Improvements	150.48	4.26	154.74	-	16.58	6.05	-	22.63	-0.00	0.00
	Furniture & Fixtures	2,248.71	75.11	545.79	1,778.03	1,181.75	168.26	2.05	107.84	1,244.22	533.81
	Vehicles	425.80	21.37	5.75	441.43	154.91	35.85	0.18	5.46	185.47	255.95
	Windmill	912.00	-	-	912.00	441.92	38.59	-	-	480.51	431.49
	Solar Plant	612.65	-	-	612.65	170.64	29.10	-	-	199.74	412.91
	Lease Hold Land	216.97	-	-	216.97	28.78	2.21	-	-	31.00	185.97
	Land - Soolagiri	177.55	-	-	177.55	-	-	-	-	-	177.55
	Total PPE	17,855.83	453.77	1,165.69	17,143.91	6,897.81	976.19	16.31	356.53	7,533.78	9,610.13
2a	Other Intangible Assets										
	Softwares & Servers	144.33	50.73	-	195.05	20.61	19.63	0.42	-	40.66	154.39
	Total	144.33	50.73	-	195.05	20.61	19.63	0.42	-	40.66	154.39



FIRST STEPS RABYWEEL PRIVATE LIMITED

238-D Bonnamasandra Indl. Estate, Phase-2, Cholan Road Bangalore - 561099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees unless specified for share information or otherwise stated)

3	Right to use Asset	
	Particulars	Amount
	Gross carrying amount	
	Balance as at 1 April 2021 -(A)	3,168.08
	Additions	2,765.48
	Deduction	-
	Balance as at 31 March 2022 -(B)	5,933.56
	Additions/ Modifications	1,265.48
	Deduction	-
	Balance as at 31 March 2023 -(C)	7,199.04
	Accumulated amortization	-
	Balance as at 1 April 2021 -(D)	2,803.02
	Additions	592.51
	Deduction	-
	Balance as at 31 March 2022 -(E)	3,395.53
	Additions	555.40
	Deduction	-
	Balance as at 31 March 2023 -(F)	3,950.93
	Net carrying amount	
	Written down value as at 1 April 2021- (A-D)	365.06
	Written down value as at 31 March 2022- (B-E)	2,538.03
	Written down value as at 31 March 2023 -(C-F)	3,248.11



FIRST STEPS BABYWEAR PRIVATE LIMITED			
235-12, Bommasandra Industrial Area Phase III, Hosur Road, Bangalore - 560020			
Notes forming part of Financial Statements			
(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)			
4	Non Current Investments		
	Particulars	As at 31.03.2023	As at 31.03.2022
	a. Investment in Equity Instruments of Subsidiary Companies		
	- First steps Babywear Lanka Pvt Ltd. (31 March 2023: 55,23,928; 1 April 2022: 55,23,928) equity shares of Lankan Rupee 100 each]	2,272.38	2,272.38
	- Mini Klub Retail P Ltd. (31 March 2023: 1,10,000; 1 April 2022: 10,000) equity shares of Rs.100 each]	110.00	10.00
	- Colortone Garments Private limited [(31 March 2023: 10,000; 1 April 2022: 10,000) Equity shares of Rs.100 each]	10.00	10.00
	- Colortone Textiles Pvt Ltd [(31 Mar 2023: 94,41,300; 1 April 2022: 10,000) equity shares of Rs.100 each]	9,441.30	10.00
	- Share Application money paid- Pending allotment (Miniklub Pvt Ltd.)	-	6,800.00
	- Share Application money paid- Pending allotment (Colortone Textiles Pvt Ltd. Miniklub Pvt Ltd.)	-	7,821.30
	b. Investment in Preference shares of Subsidiary Company	-	-
	- Investments in Zero coupon optionally Convertible Redeemable Pref Shares_MK Retail P Ltd (67,00,000 preferential shares of Rs.100 each)	6,700.00	-
	Total (A)	18,533.68	16,923.68
4a	Current Investments		
	Particulars	As at 31.03.2023	As at 31.03.2022
	a) Investments in Mutual Funds		
	- ICICI Prudential Ultra Short Term - Direct Plan - Growth	2,313.01	1,308.60
	- Investments - BOI Liquid Fund	1,949.90	-
	Sub total (A)	4,262.91	1,308.60



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indi Area Phase III Hosur Road, Bangalore - 560 099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

5	Loans		
	Particulars	As at 31.03.2023	As at 31.03.2022
	Non- Current		
	Loan to related parties		
	- Miniklub	763.22	32.89
	Loans to Employees - Recoverable after 12 Months	0.56	1.50
		763.78	34.39
	Current		
	Loans to Employees	33.38	37.37
	Less: Recoverable after 12 months	(0.56)	(1.50)
		32.82	35.87
	*Loans to employees are interest free loans		
6	Other Financial Assets		
	Particulars	As at 31.03.2023	As at 31.03.2022
	Non Current		
	(Unsecured considered good)		
	Rental Deposits	309.87	298.98
	Receivable Others	179.11	142.98
	Total	488.98	441.96
	Current		
	(Unsecured considered good)		
	Derivative Financial Asset	-	159.60
	Interest receivable	8.33	-
	Receivable Others	38.89	-
	Total	47.22	159.60
7	Other Current assets		
	Particulars	As at 31.03.2023	As at 31.03.2022
	Non-current		
	Deposit With Government Departments	136.91	133.78
	Deposits for Gas, Fuel, Canteen supplies etc with Private agencies,	8.11	8.11
	Others	-	-
	Total	145.02	141.89
	Current		
	Incentives Receivable	609.95	4,010.69
	GST Receivable	3,575.50	3,577.17
	Advances payments to Suppliers and Service providers		
	-Others	284.75	1,524.35
	-Related party*	5,136.92	816.04
	Prepaid Expenses	377.36	715.60
	Employee Benefit Asset	418.96	552.74
	Other Current Assets	84.16	297.15
	Total	10,487.60	11,493.73
	*Refer note 40		
8	Inventories		
	Particulars	As at 31.03.2023	As at 31.03.2022
	(valued at lower of cost and net realisable values and as certified by the Management)		
	Raw materials, trims, accessories and spares	4,920.86	10,448.62
	Semi-finished goods	2,688.80	3,403.96
	Finished goods	2,524.78	3,565.82
	Goods in Transit	77.14	121.33
	Total	10,211.58	17,539.72



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D Bommasandra Indl Area Phase III - Hosur Road Bangalore - 560 099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

the amounts are in million rupees unless specified otherwise

9	Trade Receivables					
	Particulars	As at 31.03.2023	As at 31.03.2022			
	Unsecured, considered good					
	- related party	3,757.93	2,262.35			
	- others	12,849.42	5,636.38			
	Unsecured, considered doubtful					
	- related party	-	-			
	- others	-	-			
	Total	16,607.35	7,898.73			
	* Includes receivables from related party (refer note 40)					
	A. Trade receivable ageing schedule for the year ended as on 31 March 2023					
	Particulars	Outstanding for following periods from due date of payment				Total
		less than 6 Months	6 months to 1 year	1-2 years	More than 3 years	
	Undisputed trade receivables- considered good	15,814.69	577.00	215.67	-	16,607.35
	Undisputed trade receivables- increase in credit risk	-	-	-	-	-
	Undisputed trade receivables-credit impaired	-	-	-	-	-
	Disputed trade receivables- considered good	-	-	-	-	-
	Disputed trade receivables- credit impaired	-	-	-	-	-
	Total	15,814.69	577.00	215.67	-	16,607.35
	Less: Allowance for credit loss	-	-	-	-	-
	Total trade receivable as at 31 March 2023	15,814.69	577.00	215.67	-	16,607.35
	B. Trade receivable ageing schedule for the year ended as on 31 March 2022					
	Particulars	Outstanding for following periods from due date of payment				Total
		less than 6 Months	6 months to 1 year	1-2 years	More than 3 years	
	Undisputed trade receivables- considered good	7,414.82	483.91	-	-	7,898.73
	Undisputed trade receivables- increase in credit risk	-	-	-	-	-
	Undisputed trade receivables-credit impaired	-	-	-	-	-
	Disputed trade receivables- considered good	-	-	-	-	-
	Disputed trade receivables- credit impaired	-	-	-	-	-
	Total	7,414.82	483.91	-	-	7,898.73
	Less: Allowance for credit loss	-	-	-	-	-
	Total trade receivable as at 31 March 2022	7,414.82	483.91	-	-	7,898.73
10	Cash and cash equivalents					
	Particulars	As at 31.03.2023	As at 31.03.2022			
	Cash on hand	20.41	22.05			
	Balances with banks					
	- in current Account	3,053.98	2,146.20			
	Total	3,074.39	2,168.25			
11	Other balance with bank					
	Particulars	As at 31.03.2023	As at 31.03.2022			
	Deposits with original maturity of more than 3 months	1,099.77	81.72			
	In earmarked accounts*	175.42	167.64			
		1,275.19	249.36			
	* Company had Deposited amount of Rs.85.20 lakhs and Rs.90.22 lakhs with BOI as guaranty for EPC/PCFC loan and Letter of Credit respectively					
12	Current Taxes (net)					
	Particulars	As at 31.03.2023	As at 31.03.2022			
	Taxes paid	4,600.10	2,050.00			
	Less: Provision for tax	(5,755.34)	(2,395.81)			
	Income Tax Refund due	1.07	601.73			
	TCS Receivable	0.76	15.01			
	TDS receivable	18.15				
		(1,135.26)	295.14			



FIRST STEPS BABYWEAR PRIVATE LIMITED
235-D, Bommasandra Indl Area Phase III, Hosur Road, Bangalore - 560 099
Notes forming part of Financial Statements
(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

13 a) Details of authorized, issued and subscribed share capital

Particulars	As at 31.03.2023	As at 31.03.2022
Share Capital		
Authorized Share Capital:		
18,00,000 equity shares of Rs.100/- each	1,800.00	1,800.00
10,00,000 8% Cumulative convertible preference shares of Rs.100 each	1,000.00	1,000.00
Issued, subscribed and paid up capital		
9,25,000 equity share of Rs.100/- each fully paid up	925.00	925.00

b) period

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of shares	Amount	No. of shares	Amount
Shares outstanding at the beginning of the year	9.25	925.00	9.25	925.00
Add: Fresh Shares issued and allotted for cash during the period	-	-	-	-
Less: Shares bought back during the period	-	-	-	-
Shares outstanding at the end of the year	9.25	925.00	9.25	925.00

c) Details of shareholders holding more than 5% shares in the Company:

Name of Shareholders	As at 31.03.2023		As at 31.03.2022	
	No. of shares	% Holding	No. of shares	% Holding
First Steps Clothing International Pvt Ltd	3.75	40.54%	3.75	40.54%
Anjana pasi	2.89	31.26%	2.89	31.26%
Manish Pasi	2.61	28.20%	2.61	28.20%
Total	9.25	100.00%	9.25	100.00%

d) Details of shares held by the promoters at the end of the year

Promoter Name	No. of shares	% of shares	No. of shares	% of shares
Anjana pasi	2.89	31.26%	2.89	31.26%
Manish Pasi	2.61	28.20%	2.61	28.20%

During the Year there is no change in the percentage of holding by the promoters

e) Terms / Rights attached to shares:

The company has only one class of equity shares. Each holder of equity shares is entitled to one vote in respect of each equity share held by him. Equity dividend proposed by the directors is subject to approval by the shareholders in the ensuing Annual General meeting.



FIRST STEPS BABYWEAR PRIVATE LIMITED 255-D, Bommasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099 Notes forming part of Financial Statements (All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)			
14	Other Equity		
	Particulars	As at 31.03.2023	As at 31.03.2022
	General reserve		
	Balance at the beginning of the year	250.66	250.66
	Add/(less) Movement during the year	-	-
	Balance at the end of the year	250.66	250.66
	Retained earnings		
	Balance at the beginning of the year	36,249.28	29,133.15
	Add: Profit for the year	15,929.21	7,116.13
	Less: Dividend paid	-	-
	Balance at the end of the year	52,178.49	36,249.28
	Other Comprehensive Income		
	Balance at the beginning of the year	814.67	425.71
	Add/(less) profit/(loss) for the period	(220.50)	129.08
	Add: IND AS impact on slump sale	-	259.88
	Balance at the end of the year	594.17	814.67
	Total reserve at the end of the year	53,023.32	37,314.61



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indl Area "Phase II" Hosur Road, Bangalore - 560 099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

15 Borrowings

Particulars	As at 31.03.2023	As at 31.03.2022
Non Current		
Secured		
(i) Term Loan - 1	1,050.00	1,400.00
(ii) Term Loan - 2 (refer note 1)	1,400.00	1,600.00
(iii) Vehicle Loan (refer note 2)	19.42	37.44
	2,469.42	3,037.44
Less: Current maturities of term loan disclosed under the head "Current Borrowings"		
(i) Term Loan - 1	350.00	350.00
(ii) Term Loan - 2	400.00	200.00
(iii) Vehicle Loan	19.42	18.02
	769.42	568.02
Non Current borrowings (net)	1,700.00	2,469.42
Current		
Secured loans		
Export credit - Pre and Post shipment Credit - (refer note 3)	7,300.00	14,759.37
Short term loan - (refer note 4)	1,300.00	1,300.00
Cash credit -(refer note 5)	1.07	76.09
Current maturities of long term borrowings	769.42	568.02
	9,370.49	16,703.49

Note 1 : Working Capital Term Loan from HDFC Bank are received under ECLGS (Emergency credit Line Guaranty Scheme) extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of bank. The tenor of term loans is for period of 60 months which includes moratorium period of 12 months. The rate of interest applicable to the term loan varies with the Base rate and the margin charged by the bank. Presently the rate of interest applicable to the term loans is 6.50% p.a.

Note 2 : Mercedes - Car Loan from Bank of India are secured by First charge on Mercedes Vehicle of the Company. The tenor of term loans is for period of 3 years. The rate of interest applicable to the term loan varies with the Base rate and the margin charged by the bank. Presently the rate of interest applicable to the term loans is 7.50% p.a.

Note 3: Export credit is secured by hypothecation of raw-materials, semi-finished and finished goods meant for export and export receivables, while the Cash credit facility is secured by hypothecation of raw-materials, semi-finished and finished goods meant for sale in the domestic market and domestic receivables. The export credit is granted for a maximum period of 180 days.

Note:4

	As at 31.03.2023	As at 31.03.2022	Maturity Period
Maturities of Short Term Loan			
Short Term loan 1	900	900	120 Days
Short Term loan 2	400	600	90 Days

Short Term Loan 1 - It is borrowed from Indusind Bank are secured by 1st pari passu charge by way of hypothecation on entire current assets of company (present and future). The tenor of term loans is for a period of 120 days. The rate of interest applicable to the term loan varies with the Base rate and the MCLR. Presently the rate of interest applicable to the term loans is 10.15% p.a.

Short Term Loan 2 - It is borrowed from Bank of India are secured by 1st pari passu charge by way of hypothecation on entire current assets of company (present and future). The tenor of term loans is for a period of 90 days. The rate of interest applicable to the term loan varies with the Base rate and the MCLR. Presently the rate of interest applicable to the term loans is 10.15% p.a.

Note 5: The cash credit facility is repayable on demand. In addition to stocks and receivables the facilities are also secured by first charge on all fixed assets and pledge of term deposit receipts being margin held against Letters of credit and Bank guarantees.



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bonmasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

16	Lease Liability		
	Particulars	As at 31.03.2023	As at 31.03.2022
	Non - Current		
	Lease Liability *	3,029.74	2,357.71
		3,029.74	2,357.71
	Current		
	Lease Liability *	443.46	211.41
	Total	443.46	211.41
	(*Refer note 34)		
17	Other Financial Liabilities		
	Particulars	As at 31.03.2023	As at 31.03.2022
	Current		
	Employee related liabilities	1,039.59	1,121.45
	Creditors for Capital Expenditure	2.60	24.17
	Derivative financial Liability	154.12	-
	Total	1,196.31	1,145.62
18	Deferred tax		
	Particulars	As at 31.03.2023	As at 31.03.2022
	Deferred tax liability:		
	Disallowance U/s 40(a)(ia)	-	23.04
	Disallowance u/s 40A(7)	-	-
	Property plant and equipment	749.66	775.40
	Employee benefit Asset	-	-
	Derivative payable/receivable	(38.79)	10.39
	Investments - Debt Instruments	38.13	71.66
	DTA opening balance	-	43.42
	Total -A	749.00	923.90
	Deferred tax assets:		
	Disallowance U/s 40(a)(ia)	1.43	0.36
	Disallowance u/s 43B	172.82	86.67
	Lease liability(net) as per IND AS 116	56.65	7.83
	Lease Deposit(net) IND AS 109	1.30	0.75
	Total -B	232.20	95.60
	Deferred tax liability (net) (A-B)	516.80	828.30



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indl Area, Phase III Hosur Road, Bangalore - 560 099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

19	Trade Payables					
	Particulars	As at 31.03.2023	As at 31.03.2022			
	Undisputed dues to micro and small enterprises	470.37	1,051.82			
	Undisputed dues to creditors other than micro and small enterprises	4,769.36	6,132.87			
	Disputed dues to micro and small enterprises	-	-			
	Disputed dues to creditors other than micro and small enterprises	-	-			
	Total	5,239.73	7,184.69			
	A. Trade payables ageing schedule for the year ended as on 31 March 2023					
	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Undisputed dues to micro and small enterprises	470.36	0.00	-	-	470.37
	Undisputed dues to creditors other than micro and small enterprises	4,758.18	8.43	0.64	2.10	4,769.36
	Disputed dues to micro and small enterprises	-	-	-	-	-
	Disputed dues to creditors other than micro and small enterprises	-	-	-	-	-
	Total trade payable as at 31 March 2023	5,228.55	8.44	0.64	2.10	5,239.73
	B. Trade payables ageing schedule for the year ended as on 31 March 2022					
	Particulars	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
	Undisputed dues to micro and small enterprises	1,051.82	-	-	-	1,051.82
	Undisputed dues to creditors other than micro and small enterprises	6,130.32	1.80	0.71	0.04	6,132.87
	Disputed dues to micro and small enterprises	-	-	-	-	-
	Disputed dues to creditors other than micro and small enterprises	-	-	-	-	-
	Total trade payable as at 31 March 2022	7,182.14	1.80	0.71	0.04	7,184.69
	** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same.					
20	Other Current Liabilities					
	Particulars	As at 31.03.2023	As at 31.03.2022			
	Advance From Customers	41.64	104.21			
	Statutory Dues	306.73	323.46			
	Miscellaneous Receipts	17.40	18.42			
	Total	365.77	446.09			
21	Current - Provisions					
	Particulars	As at 31.03.2023	As at 31.03.2022			
	Provision for Employee Benefits					
	-Leave encashment	352.89	227.34			
	-Bonus provision	944.38	785.13			
	Provision for Expenses	-	394.67			
	Total	1,297.27	1,407.14			



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indi Area, Phase II, Hosur Road, Bangalore - 560 089

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

22	Revenue from operations		
	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Sale of products		
	- Manufactured Goods	1,07,084.62	90,225.28
	Other operating revenue	3,915.79	3,605.37
	Total	1,11,000.41	93,830.65
	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Sale of products		
	Contract price	1,07,084.62	90,225.28
	Revenue recognised		
	ii. Contract balance:		
	a. Contract assets- Trade receivables (refer note 09)	16,607.35	7,898.73
	b. Contract liabilities- Advance received from customers (refer note 20)	41.64	104.21
	Refer Note No. 40 for sales with related party		
23	Other income		
	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Forex fluctuation Income	744.55	1,726.39
	Profit/loss on mutual fund	68.04	460.94
	Sale of energy from Windmills	92.30	89.54
	Interest Income fair Valuation	19.12	30.87
	Interest Income	130.94	65.47
	Profit or Loss on Sale of Fixed Assets	12.12	19.34
	Profit on slump sale*	-	62.45
	Miscellaneous Income	3.93	6.73
		1,071.00	2,461.73
	*The Company has done slump sale of retail business under the brand Miniklub		
24	Cost of Materials consumed:		
	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Raw Material consumption:		
	Inventory at the beginning of the year	10,448.62	6,762.90
	Yarn	18,338.25	18,426.34
	Fabric	5,164.71	12,388.51
	Fasteners	2,660.80	3,031.94
	Trims & Accessories	3,644.92	3,980.40
	Packing Material	3,519.40	4,400.15
	Traded Goods	10,420.96	6,894.89
	Rates And Taxes	119.66	137.98
	Import Duty	428.07	295.18
	Less: Inventory at the end of the year	(4,920.86)	(10,448.62)
	Consumption of raw materials and components	49,824.53	45,869.68
	Refer Note no.40 for purchases from related parties		



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indi Area, Phase III, Hosur Road, Bangalore - 560 099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

25	Changes in inventories of finished goods, WIP and Stock in Trade		
	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Opening stock:		
	Work-in-process	3,403.96	3,104.51
	Finished goods	3,565.82	6,597.78
	Total - (A)	6,969.78	9,702.28
	Closing stock:		
	Work-in-process	2,688.80	3,403.96
	Finished goods	2,524.78	3,565.82
	Total - (B)	5,213.58	6,969.78
	Total (A)-(B)	1,756.20	2,732.51
26	Employee benefit expenses*		
	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Salaries and wages	15,422.21	14,310.67
	Contribution to provident and other funds	2,149.37	1,426.72
	Staff welfare expenses	1,742.14	1,390.87
	Total employee benefit expense	19,313.72	17,128.26
	(* Refer Note 40 for payment to Key Managerial personal)		
27	Finance Costs		
	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Interest Expense	779.56	967.32
	Interest on Term loans	213.39	155.53
	Bank charges	148.84	270.28
	Bill Discounting Charges	685.39	222.10
	Interest on Lease Liabilities*	261.34	33.15
	Total finance costs	2,088.52	1,648.38
	*Refer note 34		
28	Depreciation and amortisation expense		
	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Depreciation on Property, Plant and Equipment	940.00	992.50
	Depreciation on Right-to-use asset*	555.40	592.51
	Amortisation on Intangible assets	30.57	20.04
	Total depreciation and amortisation expense	1,525.97	1,605.05
	*Refer note 3		



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D, Bommasandra Indl Area, Phase III, Hosur Road, Bangalore - 560 099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

29	Other expenses		
	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Manufacturing Expenses		
	Printing and Processing Charges	8,268.72	7,480.50
	Job Work Charges	2,004.40	2,815.72
	Power and Fuel	621.30	592.86
	Knitting Charges	821.16	686.38
	Import Clearing and Forwarding Charges	365.12	439.07
	Repairs and Maintenance	450.28	422.65
	Other Manufacturing Expenses	362.39	306.91
	(A)	12,893.37	12,744.08
	Administrative Expenses		
	Rent/ Maintenance Expenses	152.11	317.61
	Loss on Sale of Fixed Assets	-	-
	Registrations, Licence, And Renewal Fee	40.76	17.14
	Travelling Expenses	257.50	294.36
	Security and Manpower Charges	297.33	415.16
	Insurance Charges - Marine, Fire and Vehicle	88.09	76.33
	Consultancy and Other Professional Charges	285.42	243.33
	Other Expenses	88.00	211.44
	Vehicle Repairs and Maintenance	117.69	126.88
	Courier, Postage and Telegrams	130.89	77.74
	Printing and Stationery	61.73	42.43
	Telephone Charges	33.08	48.06
	Water Charges	29.35	28.04
	Payment to Auditors- For Audit work	18.88	18.62
	Electricity Charges	-	-
	CSR Expenses	116.36	68.99
	Decrease in Fair Value of Financial Assets	256.75	93.73
	(B)	1,973.94	2,079.85
	Selling and Forwarding Expenses		
	Discount	209.63	1,068.06
	Advertisement And Publicity	2.69	206.08
	Freight Charges-Outward	371.25	272.25
	Clearing and Forwarding Charges	517.08	928.22
	ECGC Premium	99.54	76.68
	Sales Comission	-	3.18
	Business Promotion Expenses	16.07	96.28
	Other Selling and Distribution	21.12	125.68
	(C)	1,237.38	2,776.43
	Total (A+B+C)	16,104.69	17,600.36
30	Tax Expense		
	Current Tax		
	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Current tax on profits for the year	5,755.34	2,395.41
	Adjustments for current tax of prior periods	10.52	-
	Total	5,765.86	2,395.41



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D Bommasandra Indl Area Ph. 2/10, Bommasandra Bangalore - 560 092

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees unless specified for share information or otherwise stated)

31 Deferred Tax

The major components of deferred tax liabilities and assets arising on account of timing differences are as follows:

As at 31 March 2023

Particulars	As at 31 March 2022	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	MAT (Utilized) / availed (net)	As at 31 March 2023
Tax effect of item constituting deferred tax liabilities					
Disallowance u/s 43B	23.04	23.04			-
Property plant and equipment	775.40	25.74			749.66
Derivative payable/receivable	10.39	1.20	47.98		(38.79)
Investments - Debt Instruments	71.66	33.53			38.13
DTA others	43.42	43.42			-
Total	923.90	126.92	47.98	-	749.00
Tax effect of item constituting deferred tax assets					
Disallowance U/s 40(a)(ia)	0.36	(1.07)			1.43
Disallowance u/s 43B	86.67	(59.92)	(26.23)		172.82
Lease liability(net) as per IND AS 116	7.83	(48.82)			56.65
Lease Deposit(net) IND AS 109	0.75	(0.55)			1.30
Total	95.60	(110.37)	(26.23)	-	232.20
Net deferred tax liability/ (asset)	828.30	(237.29)	(74.21)	-	516.80

As at 31 March 2022

Particulars	As at 01 April 2021	Recognized/ reversed through profit and loss	Recognized in other comprehensive income	MAT (Utilized) / availed (net)	As at 31 March 2022
Tax effect of item constituting deferred tax liabilities					
Disallowance u/s 43B	-	(23.04)			23.04
Property plant and equipment	792.48	17.08			775.40
Lease liability(net) as per IND AS 116	64.79	64.79			-
Lease Deposit(net) IND AS 109	14.37	14.37			-
Derivative payable/receivable	(37.49)	(18.10)	(29.78)		10.39
Investments - Debt Instruments	(68.22)	(139.89)			71.66
DTA others		(43.42)			43.42
Total	765.92	(128.20)	(29.78)	-	923.90
Tax effect of item constituting deferred tax assets					
Disallowance U/s 40(a)(ia)	1.03	0.67			0.36
Disallowance u/s 43B	176.61	76.31	13.64		86.67
Lease liability(net) as per IND AS 116	-	(7.83)			7.83
Lease Deposit(net) IND AS 109	-	(0.75)			0.75
Total	177.65	68.41	13.64	-	95.60
Net deferred tax liability/ (asset)	588.28	196.61	43.42	-	828.30



32. Financial risk management objectives and policies**Risk management framework**

The Board of Directors of the Company have the overall responsibility for the establishment and oversight of the their risk management framework. The Company has constituted a Risk Management Committee. The Company has in place a Risk management framework to identify, evaluate business risks and challenges across the Company. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit which regularly reviews risk management controls and procedures, the results of which are reported to the Audit Committee. These risks include foreign currency risk, credit risk, liquidity risk and interest rate risk.

Foreign currency risk management

The Company's functional currency in Indian Rupees (INR). The Company undertakes transactions denominated in foreign currencies due to which it is exposed to exchange rate fluctuations. Volatility in exchange rate of foreign currencies affects the cost of imports, primarily in relation to raw materials. The Company is generally exposed to foreign exchange risk arising through its sales and purchases denominated in foreign currency predominantly in US dollars and Euro.

During the current year, the Company has imported leather and other raw materials which is subject to foreign exchange risk. Refer note 38 for foreign currency risk exposure as at standalone balance sheet date.

Commodity price risk

The Company doesn't enter into any long term contract with its suppliers for hedging its commodity price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company is exposed to credit risk from its operating activities mainly trade receivables. The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit risk is managed by the Company through approved credit norms, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The provision for doubtful receivables has been historically negligible. The assessment is done at regular intervals and allowance for doubtful trade receivables as at 31 March 2023, 31 March 2022 is considered to be adequate.

Particulars	31 March 2023		31 March 2022	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross carrying amount	16,391.68	215.67	7,898.73	-
Expected credit losses (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables (net of expected credit losses)	16,391.68	215.67	7,898.73	-



b) Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Ultimate responsibility for managing the liquidity risk rests with the management, which has established an appropriate liquidity risk management framework for managing the Company's short-term, medium-term and long-term funding. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual short-term and long-term cash flows, and by matching the maturity profiles of financial assets and liabilities. The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

As at 31 March 2023

Financial liabilities	Due within (years)			Total
	Less than 1 year	1 - 3 years	3+ years	
Borrowings (refer note 15)	9,370.49	1,700.00	-	11,070.49
Trade payable (refer note 19)	5,228.55	9.08	2.10	5,239.73
Other financial liabilities (refer note 17)	1,196.31	-	-	1,196.31
	15,795.35	1,709.08	2.10	17,506.53

As at 31 March 2022

Financial liabilities	Due within (years)			Total
	Less than 1 year	1 - 3 years	3+ years	
Borrowings (refer note 15)	16,703.49	2,469.42	-	19,172.91
Trade payable (refer note 19)	7,182.14	2.51	0.04	7,184.69
Other financial liabilities (refer note 17)	1,145.62	-	-	1,145.62
	25,031.25	2,471.93	0.04	27,503.22

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk because funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees at floating rates of interest.

Total borrowings as at the standalone Balance Sheet date is as follows:

Financial liabilities	31 March 2023	31 March 2022
Term loan (including current maturities) (refer note 15)	2,469.42	3,037.44
Cash credit and package credit (refer note 15)	8,601.07	16,135.47
Total	11,070.49	19,172.91

Capital management

The Company's objective for capital management is to maximize shareholder's wealth, safeguard business continuity and support the growth of the Company. The Company determines the capital management requirement based on annual operating plans and long term and other strategic investment plans. The funding requirement are met through equity, borrowings and operating cash flows required.

Particulars	31 March 2023	31 March 2022
Borrowings (including current maturities) (refer note 15)	11,070.49	19,172.91
Less:		
Cash and cash equivalents (refer note 10)	3,074.39	2,168.25
Bank balances other than cash and cash equivalents (refer note 11)	1,275.19	249.36
Net debt	6,720.91	16,755.29
Total equity	53,948.32	38,239.61
Capital gearing ratio	0.12	0.44



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-49 Bommasandra Indl Area Phase III Hosur Road Bangalore - 560 090

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

33 Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the standalone financial statements.

Financial instruments by category and hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are no transfers between levels during the year.

The management considers that the carrying amount of financial assets and financial liabilities recognised in these standalone financial statements at amortised cost approximate their fair values.

A) The carrying value and Fair value of Financial assets and liabilities by categories are as follows :

Particulars	Level	31 March 2023				
		Amortised Cost	Fair value through profit or loss	Fair value through Other Comprehensive Income	Total carrying value	Total fair value
Financial assets						
(a) Investments						
- in subsidiaries (refer note 4)	3	18,533.68	-	-	18,533.68	18,533.68
- in Mutual Funds	1	4,111.39	151.52	-	4,262.91	4,262.91
(b) Loan to related party (refer note 5)	3	796.60	-	-	796.60	796.60
(c) Other financial assets						
- Security deposit (refer note 6)	3	309.87	-	-	309.87	309.87
- other Receivables (refer note 6)		179.11	-	-	179.11	179.11
(d) Trade receivables (refer note 9)	3	16,607.35	-	-	16,607.35	16,607.35
(e) Cash and cash equivalents (refer note 10)	3	3,074.39	-	-	3,074.39	3,074.39
(f) Bank balances other than (d) above (refer note 11)	3	1,275.19	-	-	1,275.19	1,275.19
(g) Other financial assets (refer note 6)	3	47.22	-	-	47.22	47.22
Total		44,934.80	151.52	-	45,086.32	45,086.32
Financial liabilities						
(a) Borrowings (refer note 15)	3	11,070.49	-	-	11,070.49	11,070.49
(b) Trade payables (refer note 19)	3	5,239.73	-	-	5,239.73	5,239.73
(c) Lease liabilities (refer note 34)	3	3,473.20	-	-	3,473.20	3,473.20
(e) Other financial liabilities (refer note 17)	3		-	-	-	-
i) Employee related liability		1,039.59			1,039.59	1,039.59
ii) Creditors for Capital Goods		2.60			2.60	2.60
iii) Derivative Liability		-	75.20	78.92	154.12	154.12
Total		20,825.61	75.20	78.92	20,979.73	20,979.73



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Notes forming part of Financial Statements

(All the amounts are in Indian Rupees, lakhs except for share information or otherwise stated)

Particulars	Level	31 March 2022				
		Amortised Cost	Fair value through profit or loss	Fair value through Other Comprehensive	Total carrying value	Total fair value
Financial assets						
(a) Investments						
- in subsidiaries (refer note 4)	3	16,923.68	-	-	16,923.68	16,923.68
- in Mutual Funds	1	1,037.53	271.08	-	1,308.60	1,308.60
(b) Loan to related party (refer note 5)	3	70.26	-	-	70.26	70.26
(c) Other financial assets- Non current	3	-	-	-	-	-
- Security deposit (refer note 6)	3	298.98	-	-	298.98	298.98
- other Receivables (refer note 6)	3	142.98	-	-	142.98	142.98
(d) Trade receivables (refer note 9)	3	7,898.73	-	-	7,898.73	7,898.73
(e) Cash and cash equivalents (refer note 10)	3	2,168.25	-	-	2,168.25	2,168.25
(f) Bank balances other than (d) above (refer note 11)	3	249.36	-	-	249.36	249.36
(g) Other current financial assets (refer note 6)	3	-	48.03	111.56	159.60	159.60
Total		28,789.78	319.11	111.56	29,220.45	29,220.45
Financial liabilities						
(a) Borrowings (refer note 15)	3	19,172.91	-	-	19,172.91	19,172.91
(b) Trade payables (refer note 19)	3	7,184.69	-	-	7,184.69	7,184.69
(c) Lease liabilities (refer note 34)	3	2,569.12	-	-	2,569.12	2,569.12
(e) Other financial liabilities (refer note 17)	3	1,145.62	-	-	1,145.62	1,145.62
Total		30,072.34	-	-	30,072.34	30,072.34

Note:

The Company has not disclosed the fair value for of trade receivables, cash and cash equivalents, other bank balances, other financial assets, lease liabilities, trade payables and other financial liabilities because their carrying amounts are the approximation of fair values.



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(All the amounts are in Indian Rupees lakhs except for share information or otherwise stated)

Information on leases as per Ind AS 116 on "1 cases":

Particulars	31 March 2023	31 March 2022
Opening balance	2,538.03	365.06
Additions/modifications	1,265.48	2,765.48
Deletions/adjustments	-	-
Depreciation	(555.40)	(592.51)
Closing balance	3,248.11	2,538.03

(b) The following is the break-up of current and non-current lease liabilities:

Particulars	31 March 2023		31 March 2022	
	Current	Non-current	Current	Non-current
Lease liabilities	443.46	3,029.74	211.41	2,357.71

Particulars	Lease liabilities
As at 1 April 2021	368.62
Additions/modifications	2,765.47
Finance cost	33.15
Lease rentals paid	598.12
Balance as at 31 March 2022	2,569.12
Additions/modifications	1,265.48
Deletions	-
Finance cost	261.34
Lease rentals paid	622.74
Balance as at 31 March 2023	3,473.20



35 Employee benefits**a. Defined contribution plan**

The Company's contribution to defined contribution plan has been recognized as expense in the standalone Statement of Profit & Loss under the head employee benefit expense for the year are as under.

Particulars	31 March 2023	31 March 2022
Employer's contribution to provident fund and family pension fund	1,061.45	991.78
Employer's contribution to employees state insurance scheme	334.52	343.11

b. Defined benefit plan - Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per The Payment of Gratuity Act, 1972 and the Company's scheme applicable to the employee. The Company makes annual contributions to an Insurance managed fund to fund its gratuity liability. The Company operates single type of gratuity plans wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service depending on the date of joining and eligibility terms. The same is payable on termination of service or retirement whichever is earlier. The benefit vests after five years of continuous service.

The following tables summaries the components of net benefit expense recognized in the standalone Statement of Profit & Loss and the funded status and amounts recognized in the standalone balance sheet for the respective plans.

Particulars	31 March 2023	31 March 2022
i) Changes in present value of defined benefit obligation during the year:		
Opening defined benefit obligation	1,170.55	998.52
Interest cost	73.06	58.04
Current service cost	284.18	241.56
Past service cost	-	-
Benefits paid directly from employer	-	-
Benefits paid from the fund	(220.42)	(145.54)
Actuarial (gains)/losses on obligations	-	-
Due to change in demographic	(60.75)	-
Due to change in financial assumptions	(1.43)	187.70
Due to experience	166.64	(169.74)
Closing defined benefit obligation	1,411.82	1,170.55

Particulars	31 March 2023	31 March 2022
ii) Changes in fair value of plan assets during the year:		
Opening fair value of planned assets	1,688.82	1,482.33
Interest income	117.20	94.20
Contributions by employer	244.92	185.68
Benefits paid	(220.42)	(145.54)
Return on plan assets, excluding interest income	0.26	72.15
Closing fair value of plan assets	1,830.78	1,688.82

Particulars	31 March 2023	31 March 2022
iii) Net (asset)/liability recognized in the standalone Balance Sheet:		
Present value of benefit obligation at the end of the year	(1,411.82)	(1,170.55)
Fair value of plan assets at the end of the year	1,830.78	1,688.82
Net asset/(liability) recognized in the standalone balance sheet	418.96	518.28
Net liability – current (refer note no. 7)	418.96	514.39
Net liability – non-current	-	-

Particulars	31 March 2023	31 March 2022
iv) Expenses recognized in the standalone Statement of Profit and Loss for the year:		
Current service cost	284.18	241.56
Net interest Cost	(44.15)	(36.16)
Past service cost	-	-
Expenses recognized in standalone Statement of Profit and Loss	240.03	205.40



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Particulars	31 March 2023	31 March 2022
v) Recognized in standalone other comprehensive income (OCI) for the year:		
Actuarial (gains)/losses on obligations:		
Due to change in demographic	(60.75)	-
Due to change in financial assumptions	(1.43)	187.70
Due to experience	166.64	(169.74)
Return on plan assets, excluding interest income	(0.26)	(72.15)
Net (income)/expense for the period recognized in standalone OCI	104.21	(54.18)

Particulars	31 March 2023	31 March 2022
vi) Actuarial assumptions:		
Expected return on plan assets	6.89%	6.27%
Rate of discounting	7.35%	6.89%
Rate of salary increase	10.00%	9.50%
Attrition rate	45.00%	36.20%

Particulars	31 March 2023	31 March 2022
vii) Maturity profile of defined benefit obligation:		
1st following year	333.26	200.33
2nd following year	226.59	149.08
3rd following year	157.77	117.79
4th following year	107.86	90.83
5th following year	81.58	79.33
Sum of years 6 to 10	356.66	292.61
Sum of years 11 and above	888.89	972.04

Particulars	31 March 2023	31 March 2022
viii) Standalone Balance Sheet reconciliation:		
Opening net asset	514.39	483.81
Opening balance adjustment as per actuarial valuation	3.88	-
Expenses recognized in standalone Statement of Profit or Loss	(584.90)	(211.18)
Expenses recognized in standalone OCI	(104.21)	54.18
Net liability/(asset) transfer in	-	-
Net (liability)/asset transfer out	-	-
Benefit paid directly by the employer	-	-
Previous year contribution expensed off during the year	344.87	-
Employer's contribution	244.92	185.68
Net liability/(asset) recognized in the standalone Balance Sheet	418.96	512.49

Sensitivity analysis

The key actuarial assumptions to which the defined benefit plan is particularly sensitive to are discount rate and salary growth rate. The following table summarises the impact on the reported defined benefit obligation at the end of the year arising on account of an increase or decrease in the assumption by 100 basis points:

Particulars	31 March 2023	31 March 2022
Delta Effect of +1% Change in Rate of Discounting	-4.43%	-5.42%
Delta Effect of -1% Change in Rate of Discounting	4.89%	6.07%
Delta Effect of +1% Change in Rate of Salary Increase	3.87%	4.99%
Delta Effect of -1% Change in Rate of Salary Increase	-3.64%	-4.63%
Delta Effect of +1% Change in Rate of Employee Turnover	-0.98%	-1.30%
Delta Effect of -1% Change in Rate of Employee Turnover	1.05%	1.41%
Mortality rate 10% up	-0.02%	-0.03%
Effect of no Ceiling	2.88%	2.00%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the standalone Balance Sheet.



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Notes forming part of Financial Statements

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36 Contingent liabilities and commitments (to the extent not provided for)

Particulars	31 March 2023	31 March 2022
(i) Contingent liabilities:		
(a) Income tax (relating to disallowance of expenses/deduction, expenses claimed &)	-	-
(ii) Commitments:		
(a) Corporate Guarantee - excluding financial	51,440.00	34,000.00

37 Disclosures under "The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)"

Particulars	31 March 2023	31 March 2022
a The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	-	-
b The amount of interest paid by the buyer in terms of Section 16 of the Micro and Small enterprise Development Act, 2006, along with the amounts of the payment made to the supplier	-	-
c The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest	-	-
d The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	-	-

* There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days at the Balance Sheet date. The above information regarding Micro Enterprises and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

38 The following are outstanding currency options contracts, which have been designated as cash flow hedges

Foreign currency	As at 31st March, 2023			As at 31st March, 2022		
	No. of contracts	Nominal Amount of Contract	Fair Value	No. of contracts	Nominal Amount of Contract	Fair Value
USD	2.00	308.50	(154.12)	2.00	159.60	159.60

Particulars	As at 31st March, 2023	As at 31st March, 2022
	₹	₹
Balance at the beginning of the year	159.60	148.97
Change in fair value of effective portion of cash flow hedges	(313.72)	10.63
Reclassification to statement of profit and loss	(123.23)	(100.94)
Reclassification to OCI	(190.49)	111.57
Deferred tax on change in fair value of effective portion of cash	(47.95)	267.56
Balance at the end of the year	(154.12)	159.60



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39 Segment information

The primary reporting of the Company has been made on the basis of Business Segments. The Company has a single business segment as defined in Ind AS on Segment Reporting, namely business of manufacturing and trading of readymade garments products. As the relevant information is available from balance sheet and the statement of profit and loss itself, and the Company's operations are predominantly in the export market in India, no other disclosures are considered necessary.

40 Related party transactions**40.a Details of related parties:**

Description of relationship	Names of related parties
Key Managerial Personnel	Manish Pasi, Managing Director Anjana Pasi, Whole Time Director B. Senthilnathan, Whole Time Director S. Jaimurugan, Whole Time Director Richard D Souza Whole Time Director M.Hari Harasudhan Whole Time Director Pradeep Kumar Dhanda Whole Time Director NH Viswanathan - Company Secretary
Subsidiary Company	First Steps Clothing (International) P Ltd First Steps Babywear Lanka (Private) Ltd. ColorTone Textiles Private Limited MiniKlub Retail Private Limited
Associate Company	Knits and Weaves Private Limited

40.b Particular of Transactions with Related parties during the year

Particulars	Relationship	For the year ended 31 March	For the year ended 31 March 2022
First Steps Babywear Lanka (Private) Limited	Subsidiary		
Purchase		10,522.97	7,706.09
Sale of fabrics etc.		12,093.51	9,450.41
Re- instatement		25.04	-
Receipts		11,900.81	-
Payment		9,598.23	9,566.27
MiniKlub Retail Private Limited	Subsidiary		
Investment in equity		100.00	10.00
Investment in preference shares		6,700.00	-
Share application money		-	6,800.00
Reimbursements (inter-co)		(2.71)	32.89
Sale of garments		1,015.42	941.28
Interest income		33.29	-
Loans and advances		700.00	-
Purchases		338.24	335.05
Receipts		300.84	-
Color Tone Textiles Private Limited	Subsidiary		
Investment		9,431.30	10.00
Share application money		-	7,176.47
Reimbursements (inter-co)		354.68	160.19
Corporate Loan		-	645.00
Purchases & Job Work		846.38	-
Advances		4,811.79	-
Sales		1,886.82	-
Colortone Garments Private Limited	Subsidiary		
Advances		0.79	20.85
Knits and Weaves Private Limited	Associate		
Knitting charges		247.15	222.12



FIRST STEPS BABYWEAR PRIVATE LIMITED

235+D Bommasandra Indl Area Phase III Hosur Road Bangalore - 560 099

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs unless otherwise stated)

Key Managerial Personnel Remuneration				
MANISH PASI		252.36		417.80
ANJANA PASI		131.40		128.66
B.SENTHINATHAN		55.45		49.22
JAIMURUGAN S		23.65		21.59
RICHARD D SOUZA		30.23		28.11
HARIHARASUDAN		52.56		50.64
NH Viswanathan		18.22		16.50

40 c Balances as at year end

Particulars	Relationship	31.03.2023	31.03.2022
First Steps Babywear Lanka (Private) Limited	Subsidiary		
Receivable (S.Drs+Advances)		1,173.64	1,603.45
Payable		1,365.42	554.41
MiniKlub Retail Private Limited	Subsidiary		
Receivable		1,942.13	956.66
Payable		164.53	351.80
Color Tone Textiles Private Limited	Subsidiary		
Receivable		7,063.69	
Color Tone Garments Private Limited	Subsidiary		
Receivable		10.14	-
Knits and Weaves Private Limited	Associate		
Receivable (S.Drs+Advances)		1.10	233.88
Payable		-	38.14

41 Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	31 March 2023	31 March 2022
I. Basic earning per share		
Profits attributable to equity shareholders (A)	15,929.21	7,116.13
Weighted average number of equity shares outstanding during the year (B)	9.25	9.25
Basic earning per share (A/B)	1,722.08	769.31
II. Diluted earning per share		
Weighted average number of equity shares outstanding during the year (C)	9.25	9.25
Diluted earning per share (A/C)	1,722.08	769.31



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D Bommasandra Industrial Phase II, Hosur Road Bangalore - 560 090

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs unless otherwise stated)

42 Significant accounting ratios

The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022.

Ratio	Numerator	Denominator	March 2023	31 March 2022	% of change	Reason
Current ratio	Current	Current	2.41	1.52	59%	Refer note (i)
Debt- equity ratio	Total debt ¹	Shareholder's	0.27	0.57	-53%	Refer note (ii)
Debt- service coverage ratio	Earnings available for	Debt service ²	1.51	0.55	172%	Refer note (iii)
Return on equity ratio	Net profits after taxes	Average shareholder's	17.22	7.69	124%	Refer note (iv)
Inventory turnover ratio	Cost of	Average	3.72	2.86	30%	Refer note (v)
Trade receivables turnover ratio	Revenue from	Average trade	9.06	8.70	4%	-
Trade payables turnover ratio	Total purchase ⁵	Average trade	7.04	6.82	3%	-
Net capital turnover ratio	Revenue from	Working capital ⁷	4.12	6.68	-38%	Refer note (vi)
Net profit ratio	Net Profit after taxes	Revenue from	0.14	0.08	89%	Refer note (vii)
Return on capital employed	Earning before	Capital employed ³	0.51	0.26	93%	Refer note (viii)
Return on investment	Profit after tax	Equity shareholders	0.42	0.23	80%	Refer note (ix)

¹ Debt includes current and non current portion of lease liabilities.² Earnings for debt service includes net profit after taxes and non-cash operating expenses like depreciation, profit/ loss on sale³ Debt service includes interest & lease payments.⁴ Revenue from operations means gross credit sales after deducting sales return.⁵ Total purchases means gross credit purchases after deducting purchase return.⁶ Working capital is calculated by deducting current liabilities from current assets.⁷ Capital employed is calculated by Net worth + total debt + deferred tax liability - Intangible asset**Explanations for variances change more than 25%**

(i) The increase in current ratio is because of better financial performance during the year

(ii) The Debt equity ratio is increased because of better financial performance as compared to last year.

(iii) The increase in Debt service ratio is because of better financial performance as compared to last year.

(iv) The return on equity ratio is increased because of better financial performance compared to the previous year

(v) The Inventory turnover is increased on account of increase in purchases compared to previous year

(vi) The net capital turnover ratio is reduced on account of increase in current year working capital, compared to previous year

(vii) The net profit ratio is increased because of the better financial performance during the year compared to the previous year

(viii) The Return on capital employed is increased, because of better financial performance as compared to the previous year

(ix) The Return on investment is increased on account of increase in the current year profit compared to the previous year



FIRST STEPS BABYWEAR PRIVATE LIMITED

235-D Bommasandra Indl Area Phase III Hosur Road Bangalore - 560 009

Notes forming part of Financial Statements

(All the amounts are in Indian Rupees lakhs unless otherwise stated)

43 Details of Corporate Social Responsibility (CSR) expenditure

As per section 135 of the Companies Act, 2013 a CSR committee has been formed by the Company. The areas for CSR activities are promoting education, art and culture, healthcare, destitute care and rehabilitation and rural development projects as specified in Schedule VII of the Companies Act, 2013. The details of amount required to be spent and actual expenses spent during the year is as under:

Particulars	For the year ended 31st Mar, 2023	For the year ended 31st Mar, 2022
1 Construction / Acquisition of Assets		
- In Cash		
- Yet to be paid		
2 On purpose other than (i) above		
- In Cash		
- Yet to be paid	116.36	68.99

Particulars	For the year ended 31st Mar, 2023	For the year ended 31st Mar, 2022
Gross amount required to be spent by the company during the year	116.36	68.99
Amount spent during the year	-	57.03

The Company has an excess amount spend on CSR Rs.35.66 lakhs available for set off from the preceeding financial years, therefore the short spend of Rs.11.96 lakhs for the FY 21-22 is adjusted from excess amount spend in the preceeding year. Further there are no unspend amount that are required required to be transferred to a fund specified in Schedule VII of the Companies Act

- 44 (i) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
(ii) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
(iii) The Company has not traded or invested in crypto currency or virtual currency during the financial period.
(iv) The Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.
(v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

- 45 As required under Section 186(4) of the companies Act,2013,the particulars of loans and advances made during the year and which are outstanding as at year-end are as follows:-

Name of the entity and relationship with the company	Rate of Interest	Due Date	Secured/ Unsecured	As on 31st March,2023	As on 31st March,2022
MiniKlub Retail Private Limited	8%	31-Mar-30	Unsecured	763.22	-

46 Previous year figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

for Raghavan, Chaudhuri & Narayanan

Chartered Accountants

FRN : 007761S

KIRAN ROY CHAUDHURI

Partner

Membership No.: 027360

Place : Bangalore

Date: 28-09-2023



for and on behalf of the Board of Directors

MANISH PASI
Managing Director
DIN:00369354

B. SENTHIL NATHAN
Chief Finance Officer
Place : Bangalore
Date: 28-09-2023

ANJANA PASI
Whole Time Director
DIN:00366791

N. VISWANATHAN
Company Secretary