

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Bazaar Style Retail Limited

Report on the Audit of the Special Purpose Standalone Interim Financial Statements

Opinion

We have audited the accompanying special purpose standalone interim financial statements of **Bazaar Style Retail Limited** ("the Company"), which comprise the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the period April 1, 2023 to December, 31 2023, and notes to the special purpose standalone interim financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the special purpose standalone interim financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose standalone interim financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the period April 1, 2023 to December 31, 2023.

Basis for Opinion

We conducted our audit of the special purpose standalone interim financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's 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 (ICAI) of India together with the ethical requirements that are relevant to our audit of the interim financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the special purpose standalone interim financial statements.

Management's Responsibility for the Special Purpose Standalone Interim 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 special purpose standalone interim financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the special purpose standalone interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

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

Auditor's Responsibilities for the Audit of the Special Purpose Standalone Interim Financial Statements

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

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

- Identify and assess the risks of material misstatement of these internal financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not purposes of expressing an opinion on the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
- Conclude on the appropriateness of Board of Directors' 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 special purpose standalone interim 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 interim financial statements, including the disclosures, and whether the interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



Basis of preparation and restriction on distribution and use

The Special Purpose Standalone Interim Financial Statements dealt with by this report have been prepared by the Company solely for the purpose of preparation of the Restated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time (the "ICDR Regulations"), which will be included in the Draft Red Herring Prospectus (the "DRHP") in connection with the proposed initial public offering of the Company. As a result, the Special Purpose Standalone Interim Financial Statements may not be suitable for any other purpose. The Special Purpose Standalone Interim Financial Statements cannot be referred to or distributed or included in any offering document other than those referred above or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated Financial Information and is not to be used, referred to or distributed for any other purpose without our prior written consent.



For Singhi & Co.
Chartered Accountants
Firm Registration No.302049E

Shrenik Mehta

SHRENIK MEHTA
Partner
Membership No. 063769
UDIN: 24063769BKFYJE5272

Place: Kolkata
Date: February 26, 2024

BAAZAR STYLE RETAIL LIMITED

(formerly known as Bazaar Style Retail Private Limited)

CIN : U18109WB2013PLC194160

STANDALONE BALANCE SHEET

as at December 31, 2023

₹ in Lakhs

Particulars	Notes	As at December 31, 2023	As at March 31, 2023
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	3	15,793.61	13,458.24
Right-of-Use Assets	3A	39,935.86	33,274.51
Capital Work-in-Progress	4	37.31	152.58
Intangible Assets	5	108.65	93.56
Investment in subsidiary	6	1.00	-
Financial Assets			
Loans	7	5.27	-
Other Financial Assets	8	1,842.43	1,688.51
Deferred Tax Assets (Net)	9	1,424.29	1,271.78
Tax Assets (Net)	10	0.65	232.60
Other Assets	11	415.25	12.38
		59,564.32	50,184.16
CURRENT ASSETS			
Inventories	12	32,219.42	31,689.69
Financial Assets			
Cash and Cash Equivalents	13	580.32	513.92
Bank Balances (other than cash and cash equivalents)	14	77.06	-
Loans	7	2.52	-
Other Financial Assets	8	569.71	420.17
Tax Assets (Net)	10	242.18	289.06
Other Assets	11	3,575.32	3,613.90
		37,266.53	36,526.74
TOTAL ASSETS		96,830.85	86,710.90
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	15	3,492.74	3,492.74
Other Equity	16	18,680.88	15,865.75
TOTAL EQUITY		22,173.62	19,358.49
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	17	1,769.46	1,810.21
Lease Liabilities	18	40,971.54	34,348.16
Provisions	19	255.13	213.91
		42,996.13	36,372.28
CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	17	11,062.11	9,707.87
Lease Liabilities	18	3,635.47	3,164.17
Trade Payables	20		
- Total outstanding dues of micro and small enterprises		311.12	748.48
- Total outstanding dues of creditors other than micro and small enterprises		14,780.51	15,851.03
Other Financial Liabilities	21	887.98	1,280.07
Provisions	19	5.48	12.70
Tax Liabilities (Net)	22	803.08	-
Other Liabilities	23	175.35	215.81
		31,661.10	30,980.13
TOTAL LIABILITIES		74,657.23	67,352.41
TOTAL EQUITY AND LIABILITIES		96,830.85	86,710.90

The accompanying notes form an integral part of the standalone interim financial statements 1 to 51

As per our report of even date attached

For and on behalf of the Board of Directors

For Singhi and Co.
Chartered Accountants
FRN: 302049E*Shrenik Mehta*Shrenik Mehta
Partner
M. No: 063769

Kolkata | February 26, 2024

*Pradeep Kumar Agarwal*
Pradeep Kumar Agarwal
Chairman
DIN: 02195697*Nitin Singhania*
Nitin Singhania
Chief Financial Officer*Shreyans Surana*Shreyans Surana
Managing Director
DIN: 02559280*Abinash Singh*
Abinash Singh
Company Secretary
M.No.: A35070

STANDALONE STATEMENT OF PROFIT AND LOSS
for the period ended December 31, 2023

₹ in Lakhs

Particulars	Notes	For the period ended December 31, 2023	For the period ended December 31, 2022
Income			
Revenue from operations	24	74,923.71	62,805.71
Other income	25	862.00	465.37
Total Income		75,785.71	63,271.08
Expenses			
Purchase of stock-in-trade	26	50,112.00	44,701.08
Change in inventories	27	(529.73)	(3,057.64)
Employee benefits expense	28	6,051.85	5,117.55
Finance costs	29	3,550.31	2,988.18
Depreciation and amortization expense	30	5,370.70	4,488.12
Other expenses	31	7,428.60	6,448.41
Total Expenses		71,983.73	60,685.70
Profit/(Loss) before Tax		3,801.98	2,585.38
Tax Expenses			
Current tax	32	1,105.64	734.44
Income tax for earlier years		0.23	0.19
Deferred tax (credit)		(144.08)	(190.77)
Total Tax Expenses		961.79	543.86
Profit/(Loss) for the period from operations		2,840.19	2,041.52
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or (loss)			
Re-measurement gain/(loss) on defined benefit plans	33	(33.49)	(4.04)
Income tax relating to item above		8.43	1.02
Other Comprehensive Income/(Loss) for the period		(25.06)	(3.02)
Total Comprehensive Income/(Loss) for the period		2,815.13	2,038.50
Earnings per share			
Basic (₹)	34	4.07	3.03
Diluted (₹)		4.07	3.03

The accompanying notes form an integral part of the standalone interim financial statements 1 to 51

As per our report of even date attached

For and on behalf of the Board of Directors

For Singhi and Co.
Chartered Accountants
FRN: 302049E

Shrenik Mehta

Shrenik Mehta
Partner
M. No: 063769

Kolkata | February 26, 2024



Pradeep Kumar Agarwal

Pradeep Kumar Agarwal
Chairman
DIN: 02195697

Nitin Singhania

Nitin Singhania
Chief Financial Officer

Shreyans Surana

Shreyans Surana
Managing Director
DIN: 02559280

Abinash Singh

Abinash Singh
Company Secretary
M.No.: A35070



BAAZAR STYLE RETAIL LIMITED

(formerly known as Bazaar Style Retail Private Limited)

CIN : U18109WB2013PLC194160

STANDALONE STATEMENT OF CHANGES IN EQUITY
for the period ended December 31, 2023**A) Equity Share Capital**

₹ in Lakhs

Balance as at April 1, 2022	3,329.27
Add/(Less): Changes in equity share capital during the period	45.97
Balance as at December 31, 2022	3,375.24
Balance as at April 1, 2023	3,492.74
Add/(Less): Changes in equity share capital during the period	-
Balance as at December 31, 2023	3,492.74

B) Other Equity

₹ in Lakhs

Particulars	Reserves and Surplus			Total
	Securities Premium	Capital Reserve	Retained Earnings	
Balance as at April 1, 2022	11,965.51	256.30	(1,173.68)	11,048.13
Additions during the Year	1,009.04	-	-	1,009.04
Share issue Expenses	(1.62)	-	-	(1.62)
Profit/(Loss) for the period	-	-	2,041.52	2,041.52
Remeasurement gain/(loss) of defined benefit obligations	-	-	(4.04)	(4.04)
Impact of tax	-	-	1.02	1.02
Balance as at December 31, 2022	12,972.93	256.30	864.82	14,094.05
Balance as at April 1, 2023	16,280.29	256.30	(670.84)	15,865.75
Profit/(Loss) for the period	-	-	2,840.19	2,840.19
Remeasurement gain/(loss) of defined benefit obligations	-	-	(33.49)	(33.49)
Impact of tax	-	-	8.43	8.43
Balance as at December 31, 2023	16,280.29	256.30	2,144.29	18,680.88

The accompanying notes form an integral part of the standalone interim financial statements 1 to 51

As per our report of even date attached

For and on behalf of the Board of Directors

For Singhi and Co.

Chartered Accountants

FRN: 302049E


Shrenik Mehta

Partner

M. No: 063769

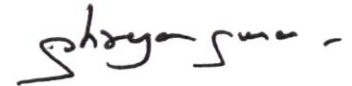
Kolkata | February 26, 2024



Pradeep Kumar Agarwal

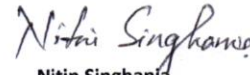
Chairman

DIN: 02195697


Shreyans Surana

Managing Director

DIN: 02559280


Nitin Singhania

Chief Financial Officer


Abinash Singh

Company Secretary

M.No.: A35070



BAAZAR STYLE RETAIL LIMITED

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CIN : U18109WB2013PLC194160

STANDALONE CASH FLOW STATEMENT

for the period ended December 31, 2023

₹ in Lakhs

Particulars	For the period ended December 31, 2023	For the period ended December 31, 2022
A. Cash Flow from Operating Activities		
Profit/ (loss) before tax	3,801.98	2,585.38
Adjustments for :-		
Depreciation and Amortization Expenses	5,370.70	4,488.12
Finance Costs	3,550.31	2,988.18
Loss on Sale and Discard of Property, Plant and Equipment	98.66	68.92
Amortisation of Prepaid Lease Rental	-	-
Interest Income on Income Tax Refund	(10.43)	(1.74)
Interest Income on Fixed Deposits	(6.56)	(6.68)
Interest Income on Fair Valuation on Security Deposits	(60.82)	(49.46)
Rent Concession on Lease Rentals	-	-
(Profit)/loss on Lease Modification	(642.42)	(207.17)
Reclassification of Actuarial gain/ (loss)	(33.49)	(4.04)
Operating Profit Before Working Capital Changes	12,067.93	9,861.51
Adjustments for changes in Working Capital :-		
Decrease / (Increase) in Financial Assets	(553.52)	(309.68)
Decrease / (Increase) in Other Assets	(364.29)	(147.16)
Decrease / (Increase) in Inventories	(529.73)	(3,057.64)
(Decrease) / Increase in Trade Payables	(1,507.89)	(2,101.61)
(Decrease) / Increase in Other Financial Liabilities	(556.66)	(811.83)
(Decrease) / Increase in Other Liabilities	(40.46)	(47.30)
(Decrease) / Increase in Provisions	33.98	(11.19)
Cash generated from Operations	8,549.36	3,375.10
Taxes Paid (Net of Refunds)	(13.53)	(552.39)
Net cash from Operating Activities (A)	8,535.83	2,822.71
B. Cash Flow from Investing Activities		
Purchase of Property, Plant and Equipment Including Capital Work-In-Progress and Intangible Assets	(3,945.93)	(3,648.44)
Proceeds from Sale of Property, Plant and Equipment	2.67	29.55
Investment in subsidiary	(1.00)	-
Interest Received	6.56	6.68
Net cash (Used In) / From Investing Activities (B)	(3,937.70)	(3,612.21)
C. Cash Flow from Financing Activities:		
Proceeds From Issue Of Equity Shares Including Securities Premium (Net of Share Issue Expenses)	-	1,053.39
Proceeds from Long Term Borrowings (including Current Maturities)	507.05	1,135.99
Repayments of Long Term Borrowings (including Current Maturities)	(753.19)	(579.43)
Proceeds/ (Repayments) of Short Term Borrowings (net)	1,555.98	2,014.26
Payment of Lease obligations (Net off Rent Concession)	(5,088.14)	(4,188.64)
Finance Charges Paid	(753.43)	(533.16)
Net Cash (Used In) / From Financing Activities (C)	(4,531.73)	(1,097.59)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A + B + C)	66.40	(1,887.09)
Cash and Cash Equivalents at the beginning of the period	513.92	2,297.23
Cash and Cash Equivalents at the end of the period	580.32	410.14

Notes :

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
- The composition of Cash and Cash Equivalent has been determined based on the Accounting Policy No. 2.3(q)
- Figures for the previous year have been re-grouped wherever considered necessary.
- Direct Taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.
- The Notes are an integral part of the Financial Statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For Singhi and Co.
Chartered Accountants
FRN: 302049E

Shrenik Mehta
Shrenik Mehta
Partner
M. No: 063769



Kolkata | February 26, 2024



Pradeep Kumar Agarwal
Pradeep Kumar Agarwal
Chairman
DIN: 02195697
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Chief Financial Officer

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Managing Director
DIN: 02559280
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Company Secretary
M.No.: A35070

BAAZAR STYLE RETAIL LIMITED

(formerly known as Baazar Style Retail Private Limited)

CIN : U18109WB2013PLC194160

Notes forming part of the standalone interim financial statements as at and for the period ended December 31, 2023**1 Corporate and General Information**

Baazar Style Retail Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in business of retailing a variety of apparels and non-apparels consumer products through retail stores under the Brand/Trade name of Style Baazar and Express Baazar.

The financial statements have been approved and adopted by the Board in their meeting held on February 26, 2024.

The Company was originally incorporated on June 3rd, 2013 under the name "Dwarkadas Mohanlal Private Limited", subsequently changed to "Baazar Style Retail Private Limited" on November 26th, 2013.

The Company was converted into a public limited company under the Companies Act, 2013 on January 6th, 2022 and consequently, the name was changed to "Baazar Style Retail Limited".

2 Material accounting policies**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2018, read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable.

The financial statements have been prepared on accrual basis under the historical cost convention, except the following assets and liabilities, which have been measured at fair value as required by the relevant IND AS:

- Certain financial assets and liabilities (refer accounting policy regarding financial instruments);
- Defined employee benefit plans;

Rounding off amounts

The financial statements are presented in Indian Rupee (₹) and all values are rounded to the nearest lakhs, except when otherwise indicated.

2.2 Use of Estimates and Judgements

The preparation of the Company's financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, income and expenses, the accompanying disclosures and disclosures of contingent liabilities. Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumption in these financial statements have been disclosed below. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates and judgments used are as below:

- Defined benefit obligation
- Recognition of current tax and deferred tax
- Recognition and measurement of provisions and contingencies
- Fair value measurement of Financial instruments
- Provision for Doubtful Debts and advances

2.3 Summary of material accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements.



BAAZAR STYLE RETAIL LIMITED

(formerly known as Baazar Style Retail Private Limited)

CIN : U18109WB2013PLC194160

Notes forming part of the standalone interim financial statements as at and for the period ended December 31, 2023**a) Current versus non-current classification**

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

An asset is treated as current when it is:

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

All other assets are classified as non-current

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is an unconditional right to defer the settlement of the liability for at least twelve months' after the reporting period.

All other liabilities are classified as non-current.

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

b) Segment information

Segments are identified based on the manner in which the Chief Operating Decision Maker ('CODM') decides about resource allocation and reviews performance. Segment results that are reported to the CODM include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

c) Fair value measurements and hierarchy

The Company measures financial instruments, at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure the fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

d) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss).
- Those measured at amortized cost.

Initial recognition and measurement

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



BAAZAR STYLE RETAIL LIMITED

(formerly known as Bazaar Style Retail Private Limited)

CIN : U18109WB2013PLC194160

Notes forming part of the standalone interim financial statements as at and for the period ended December 31, 2023**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of profit and loss (i.e. fair value through profit or loss) or recognized in other comprehensive income (i.e., fair value through other comprehensive income)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Cash flow characteristics test:

The contractual terms of the Debt instrument give rise on specific dates to cash flows that are solely payments of principal and interest on principal amount outstanding. After initial measurement, financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

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

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

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognised.



BAAZAR STYLE RETAIL LIMITED

(formerly known as Bazaar Style Retail Private Limited)

CIN : U18109WB2013PLC194160

Notes forming part of the standalone interim financial statements as at and for the period ended December 31, 2023

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

e) Foreign currencies**Transactions and balances:**

Transactions in foreign currency are recorded applying the exchange rate at the date of transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of the year, are translated at the closing exchange rates prevailing on the Balance Sheet date. Exchange differences arising on settlement of monetary items are recognised in the Statement of Profit and Loss. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in Other Comprehensive Income (OCI) or the Statement of Profit and Loss are also reclassified in OCI or the Statement of Profit and Loss, respectively).

f) Revenue recognition

Revenue from contracts with customer is recognised upon transfer of control of promised goods/services to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ services.

To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenues when a performance obligation is satisfied.



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Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Goods and Service Tax (GST) is not received by the Company in its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The property in the merchandise of third-party concession stores located within the main departmental store of the Company passes to the Company once a customer decides to purchase an item from the concession store. The Company, in turn, sells the item to the customer and is accordingly included under Retail sales.

Gift voucher sales are recognised when the vouchers are redeemed and the goods are sold to the customer.

The Company operates a loyalty programme which allows customers to accumulate points on purchases made in retail stores. The points give rise to a separate performance obligation as it entitles them to discount on future purchases. Consideration received is allocated between the sale of products and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of points is determined by applying a statistical analysis based on the historical results of the Company.

Revenue related to award points are deferred and recognised when points are redeemed. The amount of revenue is based on the number of points redeemed.

Income from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties, and recognised net of goods and services tax/ applicable taxes.

Interest income on all debt instruments is measured either at amortised cost or at fair value through OCI. Interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example: prepayment, extension, call and similar options), but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

g) Government grants

Government grants are recognised where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with:

- When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
- When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, at a below market rate of interest, the effect of this favourable interest is treated as a government grant. The loan or assistance is initially recognised and measured at fair value, and the government grant is measured as the difference between the proceeds received and the initial carrying value of the loan. The loan is subsequently measured as per the accounting policies applicable to financial liabilities.

h) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur in the Statement of Profit and Loss.

Borrowing cost includes interest and other costs incurred in connection with the arrangement of borrowings. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the interest costs.

i) Income Taxes**Current tax**

The Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

