

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Manyavar Creations Private Limited

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Manyavar Creations Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit/loss including other 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 financial statements in accordance with the Standards on Auditing (SAs), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Information Other than the 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 the Director's report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## **Responsibility of Management for the 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 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 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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.

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not 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 for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## **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 of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;



- (f) This This report does not include Report on the internal financial controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the 'Report on internal financial controls'), since in our opinion and according to the information and explanation given to us, the said report on internal financial controls is not applicable to the Company basis the exemption available to the Company under MCA notification no. G.S.R. 583(E) dated June 13, 2017, read with corrigendum dated July 13, 2017 on reporting on internal financial controls with reference to financial statements;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2022;
- (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. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented to us that, to the best of its knowledge and belief, no funds 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(s) or entity(ies), including foreign entities ("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 to us that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("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/Parties ["Ultimate Beneficiaries"] or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



# **S.R. BATLIBOI & Co. LLP**


Chartered Accountants

- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations provided to us, as set out in sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**per Bhaswar Sarkar**

Partner

Membership Number: 055596

UDIN: 22055596AIQWPJ3243

Place of Signature: Kolkata

Date: May 09, 2022





**Annexure 1 referred to in paragraph 1 of the section on “Report on other legal and regulatory requirements” of our report of even date**

**TO THE MEMBERS OF MANYAVAR CREATIONS PRIVATE LIMITED**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) According to the information and explanations provided to us, property, plant and equipment were physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the Company has not revalued its property, plant and equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) According to the information and explanations provided to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate.
- (b) The Company does not have any sanctioned working capital limits from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations provided to us, during the year the Company has not granted loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii) of the Order is not applicable and hence not commented upon.



- (iv) According to the information and explanations provided to us, there were no loans, investments, guarantees and securities to which provisions of sections 185 and 186 of the Act were applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable and hence not commented upon.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company. Therefore, the requirement to report on clause 3(vi) of the Order is not applicable and hence not commented upon.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other applicable statutory dues have generally been regularly deposited with appropriate authorities though there has been a slight delay in a few cases. The Company did not have any undisputed dues towards sales tax, service tax, duty of excise and value added tax that were outstanding during the year. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of applicable statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations provided to us, there are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.
- (viii) According to the information and explanations provided to us, the Company has not surrendered or disclosed an income in tax assessments during the year under the Income tax Act, 1961 any transaction, previously not recorded in the books of account. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable and hence not commented upon.
- (ix) (a) According to the information and explanations provided to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations provided to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.





- (c) According to the information and explanations provided to us, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations provided to us and based on the overall examination of the financial statements, no funds raised by the Company on short-term basis have been used for long-term purposes.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company and hence not commented upon.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company and hence not commented upon.
- (x) (a) According to the information and explanations provided to us, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable and hence not commented upon.
- (b) According to the information and explanations provided to us, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable and hence not commented upon.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations provided to us, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirements to report on clause 3(xii)(a) (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the notes to the financial statements for the year, as required by applicable accounting standards.





- (xiv) (a) In our opinion and according to the information and explanations provided to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) In our opinion and according to the information and explanations provided to us, the internal audit reports pertaining to the year under audit that have been issued till the date of this audit report, have been considered by us while determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations provided to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, requirement to report on clause 3(xv) of the Order is not applicable to the Company and hence not commented upon.
- (xvi) (a) In our opinion and according to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable and hence not commented upon.
- (b) According to the information and explanations provided to us, during the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities as defined under the provisions of Reserve Bank of India Act, 1934.
- (c) According to the information and explanations provided to us, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable and hence not commented upon.
- (d) Accordingly, to information and explanation provided to us, there are no Core Investment Companies as defined in the Core Investment Companies (Reserve Bank) Directions. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable and hence not commented upon.
- (xvii) According to the information and explanations provided to us, the Company has not incurred cash losses in the current year and in the immediately preceding financial year. Accordingly, the requirement to report on clause 3(xvii) of the Order is not applicable and hence not commented upon.
- (xviii) There has been no resignation of statutory auditor of the Company during the year. Accordingly, requirement to report on Clause 3(xviii) of the Order is not applicable and hence not commented upon.
- (xix) In our opinion and according to the information and explanations provided to us and on the basis of the financial ratios disclosed in note 47 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the plans of the



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Board of Directors and management nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of our audit report that Company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the date of balance sheet. 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 the Company will not be able to meet all liabilities as and when they fall due within a period of one year from the date of balance sheet.

(xx) (a) In our opinion and according to the information and explanations provided to us, the provisions of section 135 of the said Act are not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable and hence not commented upon.

(b) In our opinion and according to the information and explanations provided to us, the provisions of section 135 of the said Act are not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable and hence not commented upon.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/ E300005



A handwritten signature in black ink, appearing to read 'Bhaswar Sarkar'.

**per Bhaswar Sarkar**

Partner

Membership Number: 055596

UDIN: 22055596AIQWPJ3243

Place of Signature: Kolkata

Date: May 09, 2022



Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	14.44	23.08
(b) Right of use assets	4	148.30	63.38
(c) Other intangible assets	5	32.41	44.97
(d) Financial assets			
(i) Others	6	26.80	30.08
(e) Deferred tax assets (net)	7	13.06	15.61
(f) Other assets	8	-	1.54
(g) Non-current tax assets (net)	9	2.85	2.20
<b>Total non-current assets</b>		<b>237.86</b>	<b>180.86</b>
<b>Current assets</b>			
(a) Inventories	10	24.24	30.63
(b) Financial assets			
(i) Investments	11	86.42	28.24
(ii) Trade receivables	12	26.41	41.84
(iii) Cash and cash equivalents	13	5.43	1.60
(iv) Others	14	6.71	15.91
(c) Other assets	15	37.18	39.18
<b>Total current assets</b>		<b>186.39</b>	<b>157.40</b>
<b>Total assets</b>		<b>424.25</b>	<b>338.26</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	16	40.10	40.10
(b) Other equity	17	152.96	91.78
<b>Total Equity</b>		<b>193.06</b>	<b>131.88</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	18	106.07	48.68
(ii) Deposits	19	2.46	5.46
(b) Provisions	20	0.85	0.72
(c) Other non-current liabilities	21	0.31	2.86
<b>Total Non-current Liabilities</b>		<b>109.69</b>	<b>57.72</b>
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	22	52.26	18.45
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	23	0.01	0.16
- total outstanding dues of creditors other than micro enterprises and small enterprises	23	53.30	111.05
(iii) Others	24	1.70	1.43
(b) Other current liabilities	25	14.18	17.54
(c) Provisions	26	0.05	0.03
<b>Total current liabilities</b>		<b>121.50</b>	<b>148.66</b>
<b>Total liabilities</b>		<b>231.19</b>	<b>206.38</b>
<b>Total equity and liabilities</b>		<b>424.25</b>	<b>338.26</b>
Summary of Significant Accounting Policies	3		

The accompanying notes are an integral part of the financial statements  
 in terms of our report attached of the even date

For S. R. Batliboi & Co. LLP  
 Chartered Accountants  
 ICAI Firm registration number: 301003E/E300005

  
 per Bhaswar Sarkar  
 Partner  
 Membership No. 055596



Place: Kolkata  
 Date: May 09, 2022

Manyavar Creations Private Limited  
 For and on behalf of the Board of Directors

  
 Ravi Modi  
 Director  
 DIN : 00361853

  
 Shilpi Modi  
 Director  
 DIN : 00361954

  
 Navin Pareek  
 Company Secretary  
 ICSI Membership No. F10672



Manyavar Creations Private Limited  
Statement of profit and loss for the year ended March 31, 2022  
(All amounts are in INR Million, unless otherwise stated)

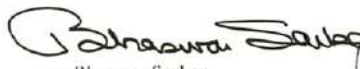
Particulars	Notes	For the year ended	
		March 31, 2022	March 31, 2021
<b>Income:</b>			
I Revenue from operations	27	513.10	334.26
II Other income	28	13.46	27.29
III <b>Total income ( I + II )</b>		<b>526.56</b>	<b>361.55</b>
<b>Expenses:</b>			
Purchases of stock-in-trade	29	192.14	110.18
Changes in inventories of stock-in-trade	30	7.97	129.60
Employee benefits expense	31	14.00	15.16
Finance costs	32	13.55	8.31
Depreciation and amortisation expense	33	63.24	64.84
Other expenses	34	148.90	87.84
<b>Total expenses</b>		<b>439.80</b>	<b>415.93</b>
V <b>Profit / (Loss) before tax (III-IV)</b>		<b>86.76</b>	<b>(54.38)</b>
<b>Tax expense/(credit):</b>			
-Current tax		23.04	-
-Deferred tax charge/(credit)		2.54	(9.63)
VII <b>Profit / (Loss) for the year (V-VI)</b>		<b>61.18</b>	<b>(44.75)</b>
<b>Other comprehensive income for the year</b>			
<b>Item that will not be subsequently reclassified to profit or loss</b>			
(a) Re-measurement gains on defined benefit obligations*		0.00	0.30
(b) Income tax effect on above*		(0.00)	(0.07)
<b>Total other comprehensive income, net of tax*</b>		<b>0.00</b>	<b>0.23</b>
IX <b>Total comprehensive profit / (loss) for the year</b>		<b>61.18</b>	<b>(44.52)</b>
X Earnings per equity share (EPS) (face value of share of INR 10 each)			
<b>Basic and Diluted ( in INR per share)</b>	35	<b>15.26</b>	<b>(11.16)</b>
Summary of Significant Accounting Policies	3		


\* Amount is below the rounding off norms adopted by the Company.


The accompanying Notes are an integral part of the financial statements  
In terms of our report attached of the even date


For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

Manyavar Creations Private Limited  
For and on behalf of the Board of Directors

  
per Bhaswar Sarkar  
Partner  
Membership No. 055596



  
Ravi Modi  
Director  
DIN : 00361853

  
Shilpi Modi  
Director  
DIN : 00361954

Place: Kolkata  
Date: May 09, 2022

  
Navin Pareek  
Company Secretary  
ICSI Membership No. F10672





Manyavar Creations Private Limited  
Cash Flow Statement for the year ended March 31, 2022  
(All amounts are in INR Million, unless otherwise stated)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
<b>A. Cash flow from Operating Activities</b>		
Profit / (Loss) before tax	86.76	(54.38)
Adjustments for:		
Depreciation & amortisation expenses	63.24	64.84
Profit on sale of property, plant & equipment (net)	(0.40)	(6.78)
Interest income	(3.17)	(2.95)
Profit on sale of investments	(1.26)	(0.15)
Profit on fair valuation of investments carried at fair value through profit and loss	(0.53)	(0.02)
Provision for doubtful debts & advances	7.26	0.93
Bad debts/advances written off	0.02	0.47
Liabilities/provisions no longer required written back	(0.74)	(1.01)
Rent concession on lease arrangements (Refer Note 28)	(6.25)	(13.66)
Finance cost on lease liabilities	12.82	7.26
Finance cost on others	0.73	1.05
<b>Operating profit / (loss) before working capital changes</b>	<b>158.48</b>	<b>(4.40)</b>
<b>Movement in working capital:</b>		
(Increase)/decrease in other financial assets	15.54	(14.43)
Decrease in non financial assets	1.09	17.41
(Increase)/decrease in trade receivables	8.15	(12.41)
Decrease in inventories	6.39	134.72
Increase in provisions	0.14	0.17
Decrease in trade payables	(57.16)	(131.11)
Increase/(decrease) in other financial and non financial liabilities	(9.36)	9.96
<b>Cash generated from/(used in) operations</b>	<b>123.27</b>	<b>(0.09)</b>
Income tax paid (net of refund)	(23.69)	(0.64)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>99.58</b>	<b>(0.73)</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of property, plant and equipments & intangible assets (including capital advances)	(2.52)	(9.35)
Proceeds from sale of property, plant and equipments & intangible assets (including advance received)	3.29	52.45
Interest received	0.11	0.01
Purchase of investments	(321.13)	(176.54)
Sale/redemption of investments	264.75	149.47
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(55.50)</b>	<b>16.04</b>
<b>C. Cash flow from Financing Activities</b>		
Interest paid other than interest on lease liabilities	-	(0.82)
Interest on lease liabilities	(12.82)	(7.26)
Principal payment of lease liabilities	(27.43)	(9.03)
<b>Net cash used in financing activities (C)</b>	<b>(40.25)</b>	<b>(17.11)</b>
Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	3.83	(1.80)
Cash and Cash Equivalents at the beginning of the year	1.60	3.40
<b>Cash and Cash Equivalents for the year ended</b>	<b>5.43</b>	<b>1.60</b>

Particulars	March 31, 2022	March 31, 2021
<b>Components of Cash &amp; Cash Equivalents (Refer Note 13)</b>		
Balance with Banks	5.35	1.29
Cash in hand	0.08	0.31
<b>Cash and Cash Equivalents at the end of the year</b>	<b>5.43</b>	<b>1.60</b>


Non-Cash Financing and Investing activities

Particulars	March 31, 2022	March 31, 2021
Acquisition of Right of use assets( Refer Note 4)	124.88	-

\* Amount is below the rounding off norms adopted by the Company.

The accompanying notes are an integral part of the financial statements in terms of our report attached of the even date

For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

  
per Rakeshwar Sarkar  
Partner  
Membership No. 055596



Place: Kolkata  
Date: May 09, 2022

Manyavar Creations Private Limited  
For and on behalf of the Board of Directors

   
Ravi Modi                      Shilpi Modi  
Director                              Director  
DIN : 00361853                      DIN : 00361954

  
Navin Pareek  
Company Secretary  
ICSI Membership No. F10672



Manyavar Creations Private Limited  
Statement of changes in equity for the year ended March 31, 2022  
(All amounts are in INR Million, unless otherwise stated)

A. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	4,010,000	40.10	4,010,000	40.10
Equity shares outstanding at the end of the year	4,010,000	40.10	4,010,000	40.10

B. Other equity

As at March 31, 2022

Particulars	Attributable to the equity shareholders		
	Reserve and Surplus		
	Securities Premium	Retained Earnings	Total Equity
As at March 31, 2021	160.00	(68.22)	91.78
Profit for the year	-	61.18	61.18
Other comprehensive income for the year			
- Remeasurement of net defined benefit liability (net of tax)*	-	0.00	0.00
<b>Total Comprehensive Income</b>		<b>61.18</b>	<b>61.18</b>
As at March 31, 2022	160.00	(7.04)	152.96

As at March 31, 2021

Particulars	Attributable to the equity shareholders		
	Reserve and Surplus		
	Securities Premium	Retained Earnings	Total Equity
As at March 31, 2020	160.00	(23.70)	136.30
Loss for the year	-	(44.75)	(44.75)
Other comprehensive income for the year			
- Remeasurement of net defined benefit liability (net of tax)	-	0.23	0.23
<b>Total Comprehensive Income</b>		<b>(44.52)</b>	<b>(44.52)</b>
Balance as at March 31, 2021	160.00	(68.22)	91.78

\* Amount is below the rounding off norms adopted by the Company.

The accompanying Notes are an integral part of the financial statements.  
In terms of our report attached of the even date.


For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

Manyavar Creations Private Limited  
For and on behalf of the Board of Directors

  
per Bhaswar Sarkar  
Partner  
Membership No. 055596



  
Ravi Modi  
Director  
DIN : 00361853

  
Shilpi Modi  
Director  
DIN : 00361954

Place: Kolkata  
Date: May 09, 2022

  
Navin Pareek  
Company Secretary  
ICSI Membership No. F10672





## Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2022

### 1. COMPANY OVERVIEW

Manyavar Creations Private Limited (the Company) is domiciled in India and was incorporated on March 10, 2017 under the provisions of the Companies Act, 2013. The Company is primarily engaged in trading of readymade garments being men's ethnic wear like Sherwanis, Indo-Western, Kurtas, Suits etc. and women's ethnic wear like Lehanga, Saree, Suit, Kurti, etc. and related accessories. It is a subsidiary of Vedant Fashions Limited (formerly known as Vedant Fashions Pvt. Ltd.). The Company mainly runs its business under the brand names Manyavar, Mohey, Mebaz and Twamev.

Registered office of the Company is located at 1<sup>st</sup> Floor, Unit No. 5, Part C, Block A, Srijan Industrial Logistics Park, NH6, Bombay Road, Howrah-711302.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### a) Basis of preparation

These financial statements of the company, have been prepared in accordance with requirements of Indian Accounting Standard, as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III of the Act (as amended).

These Financial Statement are presented in Indian Rupees "INR" or "Rs." and all values are stated as INR millions, unless indicated otherwise.

These notes provide a list of the significant accounting policies adopted in the preparation of these standalone Financial Statement. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared under the historical cost convention on the accrual basis except the following assets and liabilities which have been measured at fair value as required by the relevant Indian Accounting Standards: -

- a) Certain financial assets and liabilities measured at fair value (refer accounting policies regarding financial instruments)
- b) Defined employee benefit plans

#### b) Basis of fair value measurement

The Company measures financial instruments, such as, derivatives 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:

- In the principal market for the asset or liability, or
- 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.



## Manyavar Creations Private Limited

### Notes to the financial statements as at and for the year ended March 31, 2022

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 fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.





## Manyavar Creations Private Limited

### Notes to the financial statements as at and for the year ended March 31, 2022

The performance obligations in our contracts are fulfilled at the time of delivery or upon formal customer acceptance depending on customer terms where the Company acts as principal.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Revenue is only recognised to the extent that it is highly probable and a significant reversal will not occur.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

#### Contract balances

##### *Trade receivables*

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Section e - Financial instruments.

##### *Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

#### Assets and liabilities arising from rights of return

##### *Refund liabilities*

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities at the end of each reporting year.

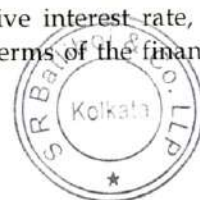
Corresponding Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory and a corresponding adjustment is made in cost of sales. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

#### Export benefits

Export benefits are accounted on recognition of export sales where there is reasonable assurance that the benefits will be received, and all attached conditions will be complied with.

#### Interest income

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial





## Manyavar Creations Private Limited

### Notes to the financial statements as at and for the year ended March 31, 2022

- Disclosures for valuation methods, significant estimates and assumptions (note 47)
- Quantitative disclosures of fair value measurement hierarchy (note 42)
- Property, plant and equipment (note 4)
- Financial instruments (including those carried at amortised cost) (note 41)

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 - "Inventories".

#### c) Functional and presentation currency

These Ind AS financial statements are prepared in Indian Rupee Million and has been rounded to the nearest Million with two decimals unless otherwise indicated.

#### d) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from July 1, 2021.

MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 1, 2021. Consequent to amendments to the Schedule III to the Companies Act, 2013, The Company has disclosed all the relevant information for the current year ended March 31, 2022 and previous year ended March 31, 2021.

#### New and amended standards

##### Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 1, 2021.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company has applied following accounting policies to all years presented in these Ind AS financial statements.

#### a) i) Revenue recognition from contract with customer

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and that reflects the consideration to which the Company expect to be entitled to in exchange of products. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 49.



## Manyavar Creations Private Limited

### Notes to the financial statements as at and for the year ended March 31, 2022

instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

#### Dividend income

Dividend income is recognized when the right to receive payment is established, provided it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

#### b) Property, Plant and Equipment

##### (i) Property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalised if the recognition criteria are met.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

##### (ii) Capital work in progress

Assets in the course of construction are capitalised in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

##### (iii) Depreciation

Assets in the course of development or construction are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss, if any. Depreciation commences when the assets are ready for their intended use.





## Manyavar Creations Private Limited

### Notes to the financial statements as at and for the year ended March 31, 2022

Depreciation is provided on written down value method over the estimated useful lives of the assets and are in line with the requirements of Part C of Schedule II of the Companies Act, 2013 except certain items of furniture as detailed in next paragraph.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a written down value basis over its expected useful lives. The estimated useful lives are as follows:

• Computers	3 years
• Computers - Servers	6 years
• Plant and equipment	15 years
• Furniture and fixtures	5-10 years
• Office equipment	5 years

The Company, based on technical assessment and management estimate, depreciates certain items of furniture over 5 years. This estimated useful life is different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

#### c) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets acquired in a business combination is valued at fair value at the date of acquisition. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

The estimated useful lives of the intangible assets are as follows:-

• Computer Software	3 years
• Tenancy Right	5 years

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon





## Manyavar Creations Private Limited

### Notes to the financial statements as at and for the year ended March 31, 2022

derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

#### d) Financial instruments

##### Initial recognition and measurement

##### i. Financial assets

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 are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (a) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Statement of Profits and Losses.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### ii. Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized 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 and derivative financial instruments.



### Classification and subsequent measurement

#### i. Financial assets

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

- (i) those to be measured at fair value through profit or loss; and
- (ii) those to be measured at fair value through other comprehensive income;
- (iii) those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their recognition, except during the year the Company changes its business model for managing financial assets.

Realised and unrealised gains/ losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" investment category are included in the statement of profit and loss in the year in which they arise and "Changes in fair value of investments" are included in the Other comprehensive income for the year.

#### ii. Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest rate method. For trade and other payables, the carrying amounts represents the fair value due to the short maturity of these instruments. Realised and unrealised gains/ losses arising from changes in the fair value of the "financial liabilities at fair value through profit or loss" are included in the statement of profit and loss in the period in which they arise.

### Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109- 'Financial Instruments'. A financial liability (or part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk. For trade receivables, the Company applies the simplified approach permitted by Ind AS 109- 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### e) Derivative financial instruments

##### Initial recognition and subsequent measurement

In order to hedge its exposure to foreign exchange the Company enters into forward contracts. The Company does not hold derivative financial instruments for speculative purposes.

Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.





## Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2022

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss, except for the effective portion of cash flow hedges, which is recognized in other comprehensive income and later reclassified to statement of profit and loss when the hedge item affects profit and loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

### f) Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

### g) 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 or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### h) Inventories

- a. Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on an annual weighted average method.
- b. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- c. Obsolete, slow moving and defective inventories are identified and written down to net realisable value.

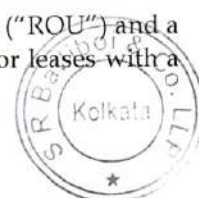
### i) Leases

#### Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the year of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a





## Manyavar Creations Private Limited

### Notes to the financial statements as at and for the year ended March 31, 2022

term of twelve months or less (short term leases) and leases of low value assets based on the recognition exemption criteria. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19-Related Rent concessions" effective from the period beginning on or after April 01, 2020. As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B of Ind AS 116 is a lease modification. Pursuant to the notification, the Company has applied the practical expedient with effect from April 01, 2020 and hence rent concession received during the year has been recognised as other income.

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset is classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

#### j) Taxation

##### Current income tax

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





## Manyavar Creations Private Limited

### Notes to the financial statements as at and for the year ended March 31, 2022

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered

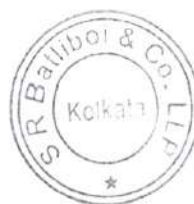
#### Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Appendix did not have a significant impact on the standalone financial statements of the Company.

#### k) Employee benefit schemes

#### i) Post employment benefits

#### Defined Contribution Plans





## Manyavar Creations Private Limited

### Notes to the financial statements as at and for the year ended March 31, 2022

The Company has defined contribution plans for post-employment benefits such as Provident Fund, Employee's State Insurance and Employee's Pension Scheme, 1995. The Company contributes to a government administered Provident Fund, state plan namely Employee's Pension Scheme, 1995, Employee's State Insurance Scheme on behalf of its employees and has no further obligation beyond making its contribution. The Company's contributions to the above funds are recognised in the statement of profit and loss every year.

#### Defined Benefit Plans

The Company has defined benefit plan namely gratuity for all its employees. Liability for defined benefit plan is provided based on valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by the independent actuary for measuring the liability is the projected unit credit method. Actuarial losses and gains are recognised in other comprehensive income and shall not be reclassified to the statement of profit and loss in a subsequent period. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service costs.

#### ii) Other Long term benefits

The Company has other long term benefits namely compensated absences for all its employees. The liabilities in respect of compensated absences which are expected to be encashed / utilised before twelve months from the balance sheet date are short term. Other such liabilities are considered long term.

iii) Termination benefits are recognised as an expense as and when incurred.

#### l) Foreign currency transactions

In the financial statements of the Company, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in the statement of profit and loss except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

#### m) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events such as bonus shares, split if any other than the conversion of potential equity shares that have changed the number of equity shares outstanding without a corresponding change in resources. For calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

#### n) Segment Reporting





## Manyavar Creations Private Limited

### Notes to the financial statements as at and for the year ended March 31, 2022

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The management has considered that the Company has a single reportable segment based on nature of products, regulatory environment, customers & distribution methods. Further, the Company is in a single business line, viz., "Branded Fashion apparel and accessories".

#### **o) Use of Estimates and Judgments**

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are elaborated in Note 49.

#### **p) Provisions for liabilities, contingent liabilities and contingent assets**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on best estimates of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefit. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### **q) Exceptional items**

Exceptional items are those items that management considers, by virtue of their size or incidence (including but not limited to impairment charges and acquisition and restructuring related costs), should be disclosed separately to ensure that the financial information allows an understanding of the underlying performance of the business in the year, so as to facilitate comparison with prior years. Also, tax charges related to exceptional items and certain one-time tax effects are considered exceptional. Such items are material by nature or amount to the financial year's result and require separate disclosure in accordance with Ind AS



4. Property, Plant and Equipment and Right of use assets

Particulars	Right of use assets <sup>1</sup>	Property, Plant and Equipment				
	Buildings	Furniture and fixtures	Computers	Office equipment	Plant and equipment	Total
<b>Gross Block</b>						
As at March 31, 2020	118.04	85.08	0.70	28.44	0.10	114.32
Additions	-	0.31	0.06	0.24	-	0.61
Disposals	-	(54.29)	(0.38)	(17.84)	(0.09)	(72.60)
As at March 31, 2021	118.04	31.10	0.38	10.84	0.01	42.33
Additions	127.33	-	-	0.30	-	0.30
Disposals	-	(3.99)	(0.05)	(0.80)	(0.01)	(4.85)
As at March 31, 2022*	245.37	27.11	0.33	10.34	-	37.78
<b>Accumulated Depreciation</b>						
As at March 31, 2020	28.15	14.48	0.28	7.72	0.01	22.49
Charge for the year	26.51	15.52	0.26	7.91	0.01	23.70
Disposals	-	(17.67)	(0.26)	(8.99)	(0.02)	(26.94)
As at March 31, 2021*	54.66	12.33	0.28	6.64	0.00	19.25
Charge for the year	42.41	4.26	0.05	1.74	-	6.05
Disposals*	-	(1.52)	(0.03)	(0.41)	(0.00)	(1.96)
As at March 31, 2022*	97.07	15.07	0.30	7.97	-	23.34
<b>Net Block</b>						
As at March 31, 2021	63.38	18.77	0.10	4.20	0.01	23.08
As at March 31, 2022*	148.30	12.04	0.03	2.37	-	14.44

(1) The Company implemented Indian Accounting standard for leases ("Ind AS 116") with effect from April 1, 2019 using the modified retrospective approach. The right of use assets comprise of buildings taken on lease.

\* Amount is below the rounding off norms adopted by the Company.

5. Intangible assets

Particulars	Computer software	Tenancy Right <sup>1</sup>	Total
<b>Gross Block</b>			
As at March 31, 2020	1.43	71.99	73.42
Additions	-	-	-
As at March 31, 2021	1.43	71.99	73.42
Additions	-	2.22	2.22
As at March 31, 2022	1.43	74.21	75.64
<b>Accumulated amortisation</b>			
As at March 31, 2020	1.19	12.63	13.82
Charge for the year	0.23	14.40	14.63
As at March 31, 2021	1.42	27.03	28.45
Charge for the Year	0.01	14.77	14.78
As at March 31, 2022	1.43	41.80	43.23
<b>Net Block</b>			
As at March 31, 2021	0.01	44.96	44.97
As at March 31, 2022 *	0.00	32.41	32.41

(1) Represents usage rights acquired under license arrangement from Kolkata Municipal Corporation as recorded permit holder.

\* Amount is below the rounding off norms adopted by the Company.





6 Financial assets - Non current- Others  
(unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Security deposits	26.80	30.08
<b>Total</b>	<b>26.80</b>	<b>30.08</b>

7 Deferred tax assets -Non current (net)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Assets</b>		
Provision for expected sales return (net)	1.24	1.53
Provisions allowed on actual basis	2.50	0.19
Lease liabilities	39.38	16.53
Brought forward business losses and unabsorbed depreciation	-	5.84
Others	1.15	1.60
<b>Total Deferred Tax Assets</b>	<b>44.27</b>	<b>25.69</b>
<b>Deferred Tax Liabilities</b>		
Temporary differences in carrying value of property, plant and equipment, intangible assets and right of use assets between books of accounts and for tax purposes	31.21	10.08
<b>Total Deferred Tax Liabilities</b>	<b>31.21</b>	<b>10.08</b>
<b>Deferred Tax Assets</b>	<b>13.06</b>	<b>15.61</b>

8 Other assets - Non current  
(unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	-	0.04
Advances recoverable in cash or kind	-	1.50
<b>Total</b>	<b>-</b>	<b>1.54</b>

9 Tax assets (net) : Non current

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision of taxation)	2.85	2.20
<b>Total</b>	<b>2.85</b>	<b>2.20</b>

(1) Non current tax asset is net of provision for taxation amounting to INR 23.04 Million as on March 31, 2022

10 Inventories<sup>1</sup>

Particulars	As at March 31, 2022	As at March 31, 2021
At lower of cost and net realisable value		
Stock-in-trade (Refer Note 30)	24.24	30.63
<b>Total</b>	<b>24.24</b>	<b>30.63</b>

(1) Includes inventory lying with third party aggregating to Rs. 3.49 Million as on March 31, 2022 (March 31, 2021 - Rs. 3.56 Million).

11 Financial assets - Current : Investments

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investments in Mutual Funds</b>		
Unquoted		
At fair value through profit and loss (FVTPL)		
HDFC Liquid Fund- Direct Plan - Growth Option (20,652 units at par value of Rs. 1,000 each) (March 31, 2021 - 6,981 units at par value of Rs. 1,000 each)	86.42	28.24
<b>Total</b>	<b>86.42</b>	<b>28.24</b>



## 12 Financial Assets- Current : Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
<b>At amortised cost</b>		
- Trade Receivables considered good - Secured <sup>1</sup>	-	6.00
- Trade Receivables considered good - Unsecured	26.41	35.84
- Trade Receivables - credit impaired - Unsecured*	9.04	0.00
	<b>35.45</b>	<b>41.84</b>
Less: Credit impaired*	(9.04)	(0.00)
<b>Total trade receivables</b>	<b>26.41</b>	<b>41.84</b>

\* Amount is below the rounding off norms adopted by the Company.

- 1) Receivables are secured against security deposits taken from the customers.
- 2) No dues from related parties as on March 31, 2022 and March 31, 2021.

12.1 Trade Receivables Ageing Schedule - Based on the requirements of Amended Schedule III<sup>1</sup>

Particulars	Outstanding from due date of payment as on March 31, 2022				
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	Total
Undisputed					
- considered good*	14.41	7.62	4.29	-	26.32
- credit impaired	-	2.22	0.23	0.35	2.80
	14.41	9.84	4.52	0.35	29.12
Less: credit impaired	-	(2.22)	(0.23)	(0.35)	(2.80)
	14.41	7.62	4.29	-	26.32
Disputed					
- considered good	-	0.09	-	-	0.09
- credit impaired	-	6.24	-	-	6.24
	-	6.33	-	-	6.33
Less: credit impaired	-	(6.24)	-	-	(6.24)
	-	0.09	-	-	0.09
<b>Total*</b>	<b>14.41</b>	<b>7.71</b>	<b>4.29</b>	<b>-</b>	<b>26.41</b>

Particulars	Outstanding from due date of payment as on March 31, 2021				
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	Total
Undisputed					
- considered good*	31.71	10.13	0.00	-	41.84
- credit impaired*	-	-	0.00	-	0.00
	31.71	10.13	0.00	-	41.84
Less: credit impaired*	-	-	(0.00)	-	(0.00)
<b>Total *</b>	<b>31.71</b>	<b>10.13</b>	<b>0.00</b>	<b>-</b>	<b>41.84</b>

\* Amount is below the rounding off norms adopted by the Company.

- 1) There are no dues outstanding for more than 2 year.
- 2) As per the terms of payment under agreements with majority of customers, sales consideration are receivable by the Company within a maximum period of 180 days from date of delivery of goods. In others cases, sales consideration are receivable within a periods ranging from 30 days to 180 days.
- 3) Generally, customers remit small sales consideration without specifying particular invoices in respect of which such remittances are being made. Hence, such receipts from the customers are adjusted against their trade receivables on First in First Out (FIFO) basis. In few cases, where identification is possible, such receipts are adjusted against applicable invoice.
- 4) There are no unbilled trade receivables as on each reporting date.





## 13 Financial assets - Current : Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
- Balances with banks	5.35	1.29
- Cash on hand	0.08	0.31
<b>Total</b>	<b>5.43</b>	<b>1.60</b>

## 14 Financial assets - Current : Others

(unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Security deposits	-	1.44
Interest accrued on others	2.28	1.23
Receivable from sale of property, plant and equipment	4.43	13.24
<b>Total</b>	<b>6.71</b>	<b>15.91</b>

## 15 Other assets : Current

(unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Advances recoverable in cash or kind		
- Considered good	3.08	4.07
- Considered doubtful	0.13	1.91
	<b>3.21</b>	<b>5.98</b>
Less: Credit impaired	(0.13)	(1.91)
	<b>3.08</b>	<b>4.07</b>
Balances with statutory/ government authorities	29.58	29.00
Advance to employees	0.04	0.01
Prepaid expenses	0.45	0.49
Right of return assets <sup>(1)</sup>	4.03	5.61
<b>Total</b>	<b>37.18</b>	<b>39.18</b>

(1) Right of return asset represents the Company's right to recover the goods expected to be returned by customers. A right of return asset (and corresponding adjustment to cost of sales) is recognised for the underlying goods expected to be returned for an amount equivalent to the cost which is lower than the net realisable value. The asset is measured at the carrying amount of the inventory and is updated for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price).



## 16 Equity Share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
<b>Authorized</b>				
50,00,000 equity shares of Rs.10 each (March 31, 2021: 50,00,000 equity shares of Rs.10 each)	5,000,000	50.00	5,000,000	50.00
<b>Issued, subscribed and fully paid-up shares</b>				
40,10,000 equity shares of Rs.10 each (March 31, 2021: 40,10,000 equity shares of Rs.10 each)	4,010,000	40.10	4,010,000	40.10
<b>Total</b>	<b>4,010,000</b>	<b>40.10</b>	<b>4,010,000</b>	<b>40.10</b>

## i) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	4,010,000	40.10	4,010,000	40.10
Equity shares outstanding at the end of the year	4,010,000	40.10	4,010,000	40.10

## ii) Details of shares held by shareholder holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vedant Fashions Limited (formerly known as Vedant Fashions Pvt Ltd)	4,009,999	100.00%	4,009,999	100.00%
<b>Total</b>	<b>4,009,999</b>	<b>100.00%</b>	<b>4,009,999</b>	<b>100.00%</b>

## iii) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of Rs.10 each (March 31, 2021: Rs. 10 each). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the general meeting. The above shareholding represents legal ownership of shares.

In the event of liquidation of the Company, the equity shareholders shall be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## 17 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Retained earnings</b>		
Opening balance	(68.22)	(23.70)
Profit for the year	61.18	(44.75)
Other comprehensive income/(loss) for the year		
- Remeasurement gains / (losses) on defined benefit obligations (net of tax)*	0.00	0.23
	(7.04)	(68.22)
<b>Securities Premium</b>		
Opening balance	160.00	160.00
	160.00	160.00
<b>Total</b>	<b>152.96</b>	<b>91.78</b>

\* Amount is below the rounding off norms adopted by the Company.

**Nature and purpose of reserves**

**Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement (loss)/ gain on defined benefit plans, net of taxes that will not be classified to statement of profit and loss. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders.

**Securities Premium:** The amount received in excess of face value of the equity shares is recognised in securities premium as per the provisions of companies Act, 2013. This reserve is utilised in accordance with the provisions of the Act.





18 Financial liabilities - Non current : Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Lease liabilities	106.07	48.68
Total	106.07	48.68

(1) For change in liabilities arising from financing activities and maturity analysis, Refer Note 46.

19 Financial liabilities - Non current : Deposits

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Security deposits	2.46	5.46
Total	2.46	5.46

20 Provisions : Non Current

Particulars	As at March 31, 2022	As at March 31, 2021
For employee benefits - Gratuity (Refer Note 38)	0.85	0.72
Total	0.85	0.72

21 Other liabilities : Non Current

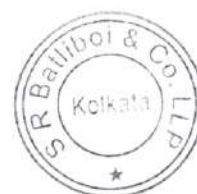
Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Deferred income	0.31	2.86
Total	0.31	2.86

21.1 In accordance with Ind AS 109, deposits taken are remeasured at amortised cost using the effective interest rate method. The difference between the transaction value of the deposit taken and amortised cost is recorded as deferred income and recognised as revenue uniformly over the agreement period. Interest expense, measured by the effective interest rate method is accrued.

22 Financial liabilities - Current : Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Lease liabilities	52.26	18.45
Total	52.26	18.45

(1) For change in liabilities arising from financing activities and maturity analysis, Refer Note 46.



## 23 Financial liabilities - Current: Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
<b>At amortised cost</b>		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 23.1)	0.01	0.16
	<b>0.01</b>	<b>0.16</b>
- Dues to related parties (Refer Note 40)	6.99	93.22
- Total outstanding dues of creditors other than micro enterprises and small enterprises	46.31	17.83
	<b>53.30</b>	<b>111.05</b>
<b>Total</b>	<b>53.31</b>	<b>111.21</b>

## 23.1 Information in terms of Section 22 of Micro, Small and Medium enterprises Development Act, 2006(MSMED) are given below:

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	0.01	0.16
(ii) The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year*	0.00	0.00
(v) 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 the MSMED Act 2006. *	0.00	-
<b>Interest payable to Micro, small and medium enterprises*</b>	<b>0.00</b>	<b>0.00</b>

23.2 Trade Payables ageing schedule - Based on the requirements of amended Schedule III<sup>1 & 2</sup>

Particulars	Outstanding as on March 31, 2022 from due date of payment					
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	Total
Undisputed						
Total outstanding dues of micro enterprises, small enterprises and medium enterprises	0.01	-	-	-	-	0.01
Total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises *	28.36	19.74	0.25	0.00	0.08	48.43
Disputed						
Dues of creditors other than micro enterprises and small enterprises	-	-	-	4.87	-	4.87
<b>Total*</b>	<b>28.37</b>	<b>19.74</b>	<b>0.25</b>	<b>4.87</b>	<b>0.09</b>	<b>53.31</b>

Particulars	Outstanding as on March 31, 2021 from due date of payment					
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	Total
Undisputed						
Total outstanding dues of micro enterprises, small enterprises and medium enterprises	0.16	-	-	-	-	0.16
Total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises	16.18	0.55	94.18	0.14	-	111.05
<b>Total</b>	<b>16.34</b>	<b>0.55</b>	<b>94.18</b>	<b>0.14</b>	<b>-</b>	<b>111.21</b>

- 1) There are no disputed trade payables as on March 31, 2022 and March 31, 2021.
- 2) There are no dues outstanding for more than 3 years
- 3) There are no disputed dues of micro enterprises, small & medium enterprises at the end of each year reported.

\* Amount is below the rounding off norms adopted by the Company.





24 Financial liabilities - Current : Others

Particulars	As at March 31, 2022	As at March 31, 2021
<b>At amortised cost</b>		
Employees related liabilities	1.70	1.43
Interest payable on micro, small and medium enterprises (Refer Note 23.1)*	0.00	0.00
<b>Total</b>	<b>1.70</b>	<b>1.43</b>

\* Amount is below the rounding off norms adopted by the Company.

25 Other liabilities : Current

Particulars	As at March 31, 2022	As at March 31, 2021
<b>At amortised Cost</b>		
Advance from customers	2.03	3.32
Refund liabilities <sup>(1)</sup>	8.97	11.69
Statutory dues	2.89	1.95
Interest payable on income tax	0.08	-
Deferred income (Refer Note 21.1)	0.21	0.58
<b>Total</b>	<b>14.18</b>	<b>17.54</b>

(1) A refund liability in respect of products sold that are expected to be refunded and accepted by the Company is recognised based on management's best estimate. The Company updates its estimates of refund liabilities at the end of each reporting period.

26 Provisions : Current

Particulars	As at March 31, 2022	As at March 31, 2021
For employee benefits - Gratuity (Refer Note 39)	0.05	0.03
<b>Total</b>	<b>0.05</b>	<b>0.03</b>



## 27 Revenue from operations

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Sale of products	511.24	334.17
Other operating revenue:		
- Scrap Sales	1.86	0.09
<b>Revenue from operations</b>	<b>513.10</b>	<b>334.26</b>

## 27.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers based on geography:

Particulars	March 31, 2022	March 31, 2021
India	479.28	314.10
Outside India	31.96	20.07
<b>Total revenue from contracts with customers</b>	<b>511.24</b>	<b>334.17</b>

## 27.2 Reconciliation of revenue from sale of products with contract price

Particulars	March 31, 2022	March 31, 2021
Contract price	510.69	333.90
Add: Impact of deferred income (Refer Note 21.1)	0.55	0.27
<b>Total revenue from Sale of products</b>	<b>511.24</b>	<b>334.17</b>

## Performance obligation from contracts with customers

Revenue from sale of goods is recognised when the Company transfers the control of the goods to customer and the Company has present right to collect sale proceeds for those goods both of which coincides with delivery.

## 28 Other Income

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest income on		
Others <sup>1</sup>	3.17	2.95
Profit on sale of investments	1.26	0.15
Profit on fair valuation of investments carried at fair value through profit and loss	0.53	0.02
Profit on sale of property, plant & equipment (net)	0.40	6.78
Gain on foreign exchange fluctuations (net)	0.77	2.63
Liabilities/provisions no longer required written back	0.74	1.01
Insurance claim received	0.07	0.02
Rent concession on lease arrangements (Refer Note 45.1)	6.25	13.66
Other miscellaneous income	0.27	0.07
<b>Total</b>	<b>13.46</b>	<b>27.29</b>

1) It primary includes unwinding of interest on deposits given under lease arrangements.

## 29 Purchases of stock-in-trade

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Purchases of stock-in-trade	192.14	110.18
<b>Total</b>	<b>192.14</b>	<b>110.18</b>





30 Changes in inventories of Stock-in-trade

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Inventory at the end of the year (Refer Note 10)		
Stock-in-trade	24.24	30.63
	<b>24.24</b>	<b>30.63</b>
Inventory at the beginning of the year (Refer Note 10)		
Stock-in-trade	30.63	165.35
	<b>30.63</b>	<b>165.35</b>
	6.39	134.72
(Increase)/Decrease in right of return assets (Refer Note 15)	1.58	(5.12)
<b>Changes in inventories of stock-in-trade</b>	<b>7.97</b>	<b>129.60</b>

31 Employee benefits expense

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Salaries, wages and bonus	13.22	14.29
Contribution to provident and other funds	0.54	0.52
Gratuity expense (Refer Note 38)	0.21	0.34
Staff welfare expenses	0.03	0.01
<b>Total</b>	<b>14.00</b>	<b>15.16</b>

32 Finance costs

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Interest expense:		
- on borrowings*	0.00	0.78
- on lease liabilities (Refer Note 45)	12.82	7.26
- others <sup>1</sup>	0.73	0.27
<b>Total</b>	<b>13.55</b>	<b>8.31</b>

\* Amount is below the rounding off norms adopted by the Company.

1) Primarily includes unwinding of interest on security deposits taken from customers.

33 Depreciation and amortisation expense

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Property, Plant & Equipment (Refer Note 4)	6.05	23.70
Right of use assets (Refer Note 4)	42.41	26.51
Intangible assets (Refer Note 5)	14.78	14.63
<b>Total</b>	<b>63.24</b>	<b>64.84</b>



34 Other expenses<sup>1</sup>

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Electricity charges	2.30	5.25
Lease cost (Refer Note 46)	17.09	26.01
Rates and taxes	0.62	0.32
Insurance	0.31	0.66
Repairs and maintenance		
- Others	9.39	9.47
Manpower outsourcing charges	1.91	13.45
Legal & professional fees	2.36	2.22
Travelling and conveyance	0.04	0.10
Payment to auditors (Refer Note 36)	0.75	0.60
Shop running and maintenance expenses	1.18	1.50
Provision for doubtful debts & advances	7.26	0.93
Bad debts/advances written off	0.02	0.47
Advertisement, publicity and sales promotion expenses	39.49	6.25
Commission	42.38	11.02
Freight and forwarding expenses	20.21	3.89
Miscellaneous expenses	3.59	5.70
<b>Total</b>	<b>148.90</b>	<b>87.84</b>

(1) Provision of section 135 of Companies Act 2013 in relation to Corporate Social Responsibility is not applicable to the Company since the Company is having losses in previous years.

35 Earnings per share (EPS)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Net Profit / (Loss) after tax for the year	61.18	(44.75)
Weighted average number of ordinary shares (No. in Million)	4.01	4.01
Nominal value of ordinary share (INR per share) (Refer Note 16)	10.00	10.00
<b>Basic &amp; Diluted earnings for ordinary shares (in INR per share)</b>	<b>15.26</b>	<b>(11.16)</b>

36 Payment to Auditors

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
As statutory auditors :		
Audit fees	0.50	0.45
Tax audit fees	0.15	0.15
Other services*	0.10	0.00
<b>Total</b>	<b>0.75</b>	<b>0.60</b>

\* Amount is below the rounding off norms adopted by the Company.

37 Reconciliation of tax expense / (credit) and accounting profit / (loss)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Accounting profit / (loss) before tax	86.76	(54.38)
Tax expense / (credit)	25.58	(9.63)
Net profit/(loss)	61.18	(44.75)
<b>Effective tax rate</b>	<b>29.48%</b>	<b>17.71%</b>
Non deductible expenses for tax purposes	3.74	4.05
<b>Adjusted tax charge / (credit)</b>	<b>21.84</b>	<b>(13.68)</b>
<b>Adjusted tax rate</b>	<b>25.17%</b>	<b>25.16%</b>





38 Employee benefits

(I) Defined contribution plan

In accordance with The Employees Provident Funds and Miscellaneous Provisions Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for the year ended March 31, 2022 & March 31, 2021) of an employee's basic salary. Retirement benefit in the form of provident fund and employees' state insurance (ESI) are defined contribution scheme and the contributions are charged to statement of profit and loss of the period when the employee renders the service. There are no obligations other than the contribution payable to the respective funds.

(II) Defined benefit plan - Unfunded

The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company in accordance with Payment of Gratuity Act, 1972.

A Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation as at and for the Year ended are as follows:

Particulars	March 31, 2022	March 31, 2021
Discount rate	7.10%	6.70%
Expected rate of increase in compensation level of covered employees	7.00%	7.00%
Weighted average duration of defined benefit obligation	10 Years	10 Years
Mortality rate	Indian Assured Lives Mortality (2006 -08) Ultimate	Indian Assured Lives Mortality (2006 -08) Ultimate
Withdrawal Rate		
- Upto 30 years	15.00%	15.00%
- 31 to 40 years	8.00%	8.00%
- 41 years and above	3.00%	3.00%

The estimates of future salary increase considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

B Details of actuarial valuation carried out on Balance Sheet date are as under:

Amount recognised in the balance sheet consists of:

Particulars	March 31, 2022	March 31, 2021
Present value of defined benefit obligations	0.90	0.75
Net liability arising from defined benefit obligations	0.90	0.75

Amounts recognised in statement of profit or loss in respect of gratuity scheme are as follows:

Particulars	March 31, 2022	March 31, 2021
Current service cost	0.16	0.29
Interest cost	0.05	0.05
Total charge to statement of profit or loss	0.21	0.34

Amounts recognised in the statement of comprehensive income are as follows:

Remeasurement of the net defined benefit obligation:-

Particulars	March 31, 2022	March 31, 2021
Re-measurement gains arising from experience adjustments*	(0.00)	(0.30)
Re measurement of the net defined benefit liability*	(0.00)	(0.30)

The movement during the year of the present value of the defined benefit obligation was as follows:

Particulars	March 31, 2022	March 31, 2021
Opening Balance	0.75	0.88
Current service cost	0.16	0.29
Interest cost of scheme liabilities	0.05	0.05
Benefits (paid)	(0.06)	(0.17)
Re-measurement losses / (gains) arising from experience adjustments*	(0.00)	(0.30)
Closing Balance	0.90	0.75
Recognised under:		
Current provision	0.05	0.03
Non current provision	0.85	0.72

The gratuity scheme of the Company is unfunded hence there was no plan asset as at March 31, 2022 and March 31, 2021.

\* Amount is below the rounding off norms adopted by the Company.



**C Sensitivity analysis**

Below is the sensitivity analysis determined for significant actuarial assumptions for the determination of defined benefit obligations and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant.

**Increased / Decreased defined benefit obligation**

Particulars	March 31, 2022	March 31, 2021
<b>Discount rate</b>		
Increase by 0.50%	0.86	0.71
Decrease by 0.50%	0.95	0.79
<b>Expected rate of change in compensation level of covered employees</b>		
Increase by 0.50%	0.95	0.79
Decrease by 0.50%	0.86	0.71
<b>Mortality Rate</b>		
Increase by 10%	0.90	0.75
Decrease by 10%	0.90	0.75
<b>Attrition Rate</b>		
Increased by 0.50%	0.90	0.74
Decreased by 0.50%	0.91	0.75

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

**D Risk analysis**

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefits plans and management estimation of the impact of these risks are as follows:

**(1) Salary growth risks**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. Salary increase considered at the rate of 7%. As such, an increase in the salary of the plan participants will increase the plan's liability.

**(2) Life expectancy / Longevity risks**

The present value of the defined benefit plan liability is calculated by reference to the best estimates of the mortality of plan participants both during and after their employment. Mortality tables as per Indian Assured Lives Mortality (2006-08) Ult. is used for during the employment and post retirement respectively. An increase in the life expectancy of the plan participants will increase the plan's liability.

**(3) Interest rate risks**

A decrease in the bond interest rate will increase the plan's liability.

**(4) Inflation risks**

A decrease in the inflation rate will increase the plan's liability.

E The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.





39 Contingencies and Commitments

(to the extent not provided for)

(i) Capital Commitments

As at March 31, 2022	As at March 31, 2021
-------------------------	-------------------------

Estimated amount of contracts remaining to be executed on capital account

(ii) Contingencies

There is no contingent liability as on balance sheet date.

40 Related party disclosures

(A) Name of Related Parties - Name of the party with whom transactions have taken place during the year.

Holding Company

Vedant Fashions Limited (formerly known as Vedant Fashions Pvt. Ltd.)

(B) Details of transactions with related parties (including Goods and Service Tax, if applicable)

Particulars	For the year ended	
	As at March 31, 2022	As at March 31, 2021
Transactions with Vedant Fashions Limited (formerly known as Vedant Fashions Pvt. Ltd.)		
Purchase of traded goods	212.25	123.50
Rent expense	0.07	0.07
Reimbursement of expenses	0.92	2.41
Recovery of expenses	13.58	11.66
Short term loan taken	4.00	14.90
Refund of loan taken	4.00	14.90
Interest on short term loan*	0.00	0.78
Purchase of property, plant & equipment	-	0.01

The receivables from and payables to related parties are set out below:

Particulars	As at	
	March 31, 2022	March 31, 2021
Payable to: Vedant Fashions Limited (formerly known as Vedant Fashions Pvt. Ltd.)		
Trade payables	6.99	93.22

\* Amount is below the rounding off norms adopted by the Company.



41 Financial Instruments

Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of 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 assets and financial liabilities are disclosed in Note 3.

Financial assets and liabilities as at

Particulars	As at March 31 2022		
	Fair value through profit or loss	Amortised Cost	Carrying Value
<b>Financial Assets</b>			
Investments	86.42	-	86.42
Trade receivables	-	26.41	26.41
Cash and cash equivalents	-	5.43	5.43
Others	-	33.51	33.51
<b>Total</b>	<b>86.42</b>	<b>65.35</b>	<b>151.77</b>
<b>Financial Liabilities</b>			
Deposits	-	2.46	2.46
Lease liabilities	-	158.33	158.33
Trade payables	-	53.31	53.31
Others	-	1.70	1.70
<b>Total</b>	<b>-</b>	<b>215.80</b>	<b>215.80</b>

Particulars	As at March 31 2021		
	Fair value through profit or loss	Amortised Cost	Carrying Value
<b>Financial Assets</b>			
Investments	28.24	-	28.24
Trade receivables	-	41.84	41.84
Cash and cash equivalents	-	1.60	1.60
Others	-	45.99	45.99
<b>Total</b>	<b>28.24</b>	<b>89.43</b>	<b>117.67</b>
<b>Financial Liabilities</b>			
Deposits	-	5.46	5.46
Lease liabilities	-	67.13	67.13
Trade payables	-	111.21	111.21
Others	-	1.43	1.43
<b>Total</b>	<b>-</b>	<b>185.23</b>	<b>185.23</b>

42 Fair Value Hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

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

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

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Particulars	Fair Value measuring at the end of the reporting year using			As at
	Level 1	Level 2	Level 3	March 31 2022
<b>Financial assets</b>				<b>Total</b>
Investments in mutual funds	86.42	-	-	86.42
<b>Total</b>	<b>86.42</b>	<b>-</b>	<b>-</b>	<b>86.42</b>

Particulars	Fair Value measuring at the end of the reporting year using			As at
	Level 1	Level 2	Level 3	March 31, 2021
<b>Financial Assets</b>				<b>Total</b>
Investments in mutual funds	28.24	-	-	28.24
<b>Total</b>	<b>28.24</b>	<b>-</b>	<b>-</b>	<b>28.24</b>

a) Financial assets and liabilities at fair value are reported at amounts that would be received from sale of an asset and amount of resource to be utilised for settlement of a liability respectively in an orderly transaction between market participants.

b) Other non-current financial assets and liabilities: Fair value is calculated using a discounted cash flow model with market assumptions, unless the carrying value is considered approximate to the fair value.

c) Trade receivables, cash and cash equivalents, other financial assets, trade payables and deposits and other financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments. Fair value of investments in mutual funds are on the basis of net asset value as declared by mutual fund house as on the Balance Sheet date.

d) There has been no transfer between level 1, level 2 and level 3 during the above year.





43 Financial Risk Management

The Company's activities expose it to variety of financial risks: liquidity risk and credit risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a) Market Risk

The Company operates both in domestic and international market and consequently the Company is exposed to foreign exchange risk through its sales in overseas countries. The Company generally receives the consideration in advance for export sales and thus there is minimal risk due to changes in foreign currency exchange rates.

b) Commodity Price Risk

The Company is affected by price volatility of goods purchased from its holding Company. Its operating activities require a continuous supply of traded goods. To mitigate the risk, the Company is having a fixed margin contract with holding Company.

c) Price Risk

The Company's businesses are subject to certain risks and uncertainties including financial risks. Company has invested in mutual funds. To manage its price risk arising from investments, the Company diversifies its portfolio. The investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments. Also during the year, the Company has taken loan from its holding Company which has been repaid during the year.

d) Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of significant financial liabilities.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Less than 1 year</b>		
Trade payables	53.31	111.21
Lease liabilities (Discounted)	52.26	18.45
Other financial liabilities	1.70	1.43
	<b>107.27</b>	<b>131.09</b>
<b>Between 2 to 3 year</b>		
Lease liabilities (Discounted)	86.84	44.34
	<b>86.84</b>	<b>44.34</b>
<b>More than 3 year</b>		
Lease liabilities (Discounted)	19.23	4.34
Other financial liabilities	2.46	5.46
	<b>21.69</b>	<b>9.80</b>
<b>Total</b>	<b>215.80</b>	<b>185.23</b>

The Company is affected by price volatility of its traded goods. Its operating activities require a continuous supply of traded goods.

e) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR. 26.41 Million and INR. 41.84 Million as at March 31, 2022 and as at March 31, 2021 respectively. Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis based on historical data of credit losses.

44 Capital Management

The Company's capital management is driven by its policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is defined as current and non-current borrowings (including current maturities of long term debt and interest accrued) and lease liabilities less cash and cash equivalents and current investments.

Particulars	As at March 31, 2022	As at March 31, 2021
Share capital	40.10	40.10
Other equity	152.96	91.78
<b>Equity (A)</b>	<b>193.06</b>	<b>131.88</b>
Cash and cash equivalents	5.43	1.60
Current investments	86.42	28.24
<b>Total fund (B)</b>	<b>91.85</b>	<b>29.84</b>
Lease liabilities (F)	158.33	67.13
<b>Total debt (C)</b>	<b>158.33</b>	<b>67.13</b>
<b>Net debt (D)=(C-B)</b>	<b>66.48</b>	<b>37.29</b>
Total capital (equity + net debt)	259.54	169.17
<b>Net debt to equity ratio (E=D/A)</b>	<b>0.34</b>	<b>0.28</b>
<b>Net debt (excluding lease liabilities) [G=(D-F)]</b>	<b>(91.85)</b>	<b>(29.84)</b>
<b>Net debt to equity ratio (excluding lease liabilities)</b>	*	*

\* Net Debt is negative and hence not applicable.



45 Leases

	As at March 31, 2022	As at March 31, 2021
(a) Carrying value of right of use assets at the end of the reporting year (Refer Note 4)	148.30	63.38

(b) Analysis of Lease liabilities:

**Movement of lease liabilities**

	As at March 31, 2022	As at March 31, 2021
<b>Opening Lease Liabilities</b>	<b>67.13</b>	<b>89.82</b>
Addition during the period	124.88	-
Accretion of interest during the period	12.82	7.26
Cash outflow towards payment of lease liabilities	(40.25)	(16.29)
Rent concession on lease arrangements (Refer Note 28 and Note 46.1)	(6.25)	(13.66)
<b>Closing lease liabilities</b>	<b>158.33</b>	<b>67.13</b>

15.1 The Ministry of Corporate Affairs vide notification dated July 24, 2020 issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19-Related Rent concessions" effective from the period beginning on or after April 01, 2020 as amended till June 30, 2022. As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B of Ind AS 116 is a lease modification. Pursuant to the notification, the Company has applied the practical expedient during the year ended March 31, 2022 and March 31, 2021 and hence rent concession received during the year ended March 31, 2022 and March 31, 2021 aggregating to INR 6.25 Million and INR 13.66 Million respectively has been accounted for as reversal of liability and disclosed in Other Income.

The table below summarises the maturity profile of the company financial liabilities based on contractual undiscounted payments.

	As at March 31, 2022	As at March 31, 2021
Less than 1 year	63.13	22.51
Between 2 to 3 year	97.73	49.74
More than 3 year	20.28	4.40
<b>Lease liabilities included in the statement of financial position</b>		
Current	52.26	18.45
Non-Current	106.07	48.68
<b>Total</b>	<b>158.33</b>	<b>67.13</b>

(c) Impact on statement of Profit and loss

**Particulars**

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	12.82	7.26
Depreciation on right of use assets	42.41	26.51
Other expenses	(42.64)	(17.79)
Rent concession on lease arrangements	(6.25)	(13.66)
<b>Net impact on profit before tax</b>	<b>6.34</b>	<b>2.32</b>
Deferred Tax	1.60	0.59
<b>Net impact on profit after tax</b>	<b>4.74</b>	<b>1.73</b>

(d) The Company applies short term lease and leases of low value assets recognition exemption for the following leases:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Lease cost as per Statement of profit and loss	17.09	26.01





**Manyavar Creations Private Limited**

**Notes to the Financial statements as at and for the year ended March 31, 2022**

*(All amounts are in INR Million, unless otherwise stated)*

**46 Segment Reporting :**

Based on the Company operating structure and information provided to the Chief Operating Decision maker for his review of performance and allocation of resources, the Company has only one reporting segment i.e. Branded Fashion apparel and accessories.

**(i) The geographical information considered for disclosure are - India and Overseas**

Particulars	Revenue from Operations	
	For the year ended March 31, 2022	For the year ended March 31, 2021
India	481.14	314.19
Overseas	31.96	20.07
<b>Total</b>	<b>513.10</b>	<b>334.26</b>

The following table shows the carrying amount of segment assets by geographical area to which these areas are attributable :

Particulars	Carrying amount of assets*	
	As at March 31, 2022	As at March 31, 2021
India	198.00	135.17
<b>Total</b>	<b>198.00</b>	<b>135.17</b>

\* Carrying amount of non current assets is excluding financial assets and deferred tax assets.

**(ii) Disaggregated revenue information**

For disaggregation of revenue, refer note 27.1.



47 Ratio Analysis and its elements

Ratio	March 31, 2022	March 31, 2021	% change from March 31, 2022 to March 31, 2021
Current ratio	1.53	1.06	41.34%
Debt - Equity Ratio#	0.82	0.51	60.78%
Debt Service Coverage ratio#	3.13	0.49	600.00%
Return on Equity ratio	0.38	(0.29)	(231.03%)
Inventory Turnover ratio	18.70	3.41	+48.39%
Trade Receivable Turnover Ratio	13.03	9.20	63.37%
Trade Payable Turnover Ratio	4.13	1.12	270.54%
Net Capital Turnover Ratio	7.91	38.26	(79.33%)
Net Profit ratio	0.12	(0.13)	(192.31%)
Return on Capital Employed	58.77%	(50.82%)	(215.64%)
Return on Investment	2.07%	0.60%	245.00%

Reasons for variance of more than 25% in above ratios

1) Due to outbreak of COVID 19 in FY 2020-21 and nationwide lockdown for a significant period, the revenue, purchase and profitability of the company was significantly effected during FY 2020-21 as compared to FY 2021-22, resulting into improvement in ratio during FY 2021-22.

Elements of Ratio

Ratios	Numerator	Denominator	March 31, 2022		March 31, 2021	
			Numerator	Denominator	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities	186.39	121.50	157.40	148.66
Debt - Equity Ratio	Debt (Borrowing + Lease liabilities)	Total Equity	158.33	193.06	67.13	131.88
Debt Service Coverage ratio	Earnings for Debt Service (Profit / (Loss) for the year + Finance cost - Depreciation - Profit on sale of property, plant & equipment) - Rent concession on lease arrangements - Liabilities/provisions no longer required written back + Bad debts/advances written off + Provision for doubtful debts & advances	Debt Service (Interest & Lease Payments + Principal Repayments)	137.87	40.25	8.36	17.11
Return on Equity ratio	Profit / (Loss) for the year	Average Shareholder's Equity	61.18	162.47	(44.75)	154.13
Inventory Turnover ratio	Revenue from operations	Average Inventory	513.10	27.44	334.26	97.99
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade Receivable	513.10	34.13	334.26	36.34
Trade Payable Turnover Ratio	Purchases of stock-in-trade + other expenses	Average Trade Payable	341.04	82.27	198.02	177.28
Net Capital Turnover Ratio	Revenue from operations	Working Capital #	513.10	64.89	334.26	8.74
Net Profit ratio	Profit / (Loss) for the year	Revenue from operations	61.18	513.10	(44.75)	334.26
Return on Capital Employed	Earnings before interest and taxes (Profit / (Loss) Before Tax + Finance Cost)	Capital Employed [( Tangible Net Worth + Total Debt (Borrowing + Lease liabilities) ] *	100.31	170.67	(46.07)	90.68
Return on Investment	Profit on sale of investments + Profit on fair valuation of investments earned at FVTPL	Current investments	1.79	86.42	0.17	28.24

# Working capital has been calculated as current assets minus current liabilities.

\* Deferred tax asset has not been considered for computation.

17.1 Ratios without considering lease liabilities as debt and without considering cash and cash equivalents and investments as part of capital employed

Ratio	March 31, 2022	March 31, 2021	% change from March 31, 2022 to March 31, 2021
Debt - Equity Ratio	0.00	0.00	Not Applicable
Debt Service Coverage ratio	0.00	1.35	(100.00%)
Return on Capital Employed	7.08	(2.27)	(411.89%)

Reasons for variance of more than 25% in above ratios

1) Due to outbreak of COVID 19 in FY 2020-21 and nationwide lockdown for a significant period, the revenue, purchase and profitability of the company was significantly effected during FY 2020-21 as compared to FY 2021-22, resulting into improvement in ratio during FY 2021-22.

Elements of Ratio

Ratios	Numerator	Denominator	March 31, 2022		March 31, 2021	
			Numerator	Denominator	Numerator	Denominator
Debt - Equity Ratio	Debt (Borrowing)	Total Equity	0.00	193.06	0.00	131.88
Debt Service Coverage ratio	Earnings for Debt Service (Profit / (Loss) for the year + Finance cost - Interest on lease liabilities - Depreciation - Profit on sale of property, plant & equipment) - Rent concession on lease arrangements - Liabilities/provisions no longer required written back + Bad debts/advances written off + Provision for doubtful debts & advances	Debt Service (Interest paid other than interest on lease liabilities + Repayment of short term borrowings)	125.05	0.00	1.10	0.82
Return on Capital Employed	Earnings before interest and taxes (Profit / (Loss) Before Tax + Finance cost - Interest on lease liabilities)	Capital Employed [( Tangible Net Worth + Total Debt (Borrowing) ] *	87.49	12.35	(53.33)	23.53

\* Deferred tax asset has not been considered for computation.



48. Critical estimates and judgements in applying accounting policies

The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Information about estimates and judgements made in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Revenue Recognition

Management applies following criteria to determine the point of revenue recognition:

- (a) The Company has a present right to payment for the product if a Customer/ Franchisee is presently obliged to pay for an product in accordance with the terms of the agreement.
- (b) The Customer/ Franchisee has legal title to the product
- (c) The Company has transferred physical possession of the product
- (d) The Customer/ Franchisee has the significant risks and rewards of ownership of the product
- (e) The Customer/ Franchisee has accepted the product

ii) Property, plant and equipment and useful life of property, plant and equipment and intangible assets

The carrying value of property, plant and equipment and intangible assets is arrived at by depreciating the assets over the useful life of assets. The estimate of useful life is reviewed at the end of each financial year and changes are accounted prospectively.

iii) Estimation of Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

iv) Defined benefit plan

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. (Refer Note 39)

v) Leases

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

vi) Recoverability of Deferred Tax Assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

vii) 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 realized or intended to be sold or consumed in normal operating cycle;
  - Held primarily for the purpose of trading;
  - Expected to be realized within twelve months after the reporting period; or
  - Cash or cash equivalent 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 no 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.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as 12 months. Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.

50. COVID-19 Impact

The outbreak of COVID-19 has brought about disruptions to businesses and uncertainty in the economy. The Company is closely monitoring the impact of the pandemic on all aspects of its business. The management has made an initial assessment, based on the current situation of the likely impact of the COVID-19 on overall economic environment and on the Company, in particular, based on which it does not expect any challenge meeting its financial obligations. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic condition.

In terms of our report attached of the even date.


For S. R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm registration number: 301000E/E300005


  
per Bhaswar Sarkar  
Partner  
Membership No. 055596




Place: Kolkata  
Date: May 09, 2022

Manyavar Creations Private Limited  
For and on behalf of the Board of Directors

  
Ravi Modi  
Director  
DIN : 00361853

  
Shilpi Modi  
Director  
DIN : 00361954

  
Naveen Pareek  
Company Secretary  
ICSI Membership No. F10672

