

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Manyavar Creations Private Limited

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

We have audited the accompanying Ind AS financial statements of Manyavar Creations Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, 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 Ind AS 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, 2019, its profit 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

**Other Information**

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 Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act based on our audit, 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 standalone Ind AS 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) 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 over financial reporting;
  - (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, 2019;
  - (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





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

Chartered Accountants

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.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**per Sanjay Agarwal**

Partner

Membership Number: 055833

UDIN: 19055833AAAAAN3641

Place of Signature:

Date: September 16, 2019



**Annexure 1 to the Independent Auditors' Report (referred to in our report of even date to the members of Manyavar Creations Private Limited as at and for the year ended 31st March 2019)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipments have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed 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.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventory lying with third parties have been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues





have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the period.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer, debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) 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 given by the management, 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.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) 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 section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause



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

Chartered Accountants

- 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



**per Sanjay Agarwal**

Partner

Membership Number: 055833

UDIN: 19055833AAAAAN3641

Place: Kolkata

Date: September 16, 2019





Manyavar Creations Private Limited

Balance Sheet as at March 31, 2019

(All amounts are in INR Thousands, unless otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	7,100.92	1,897.57
(b) Capital work in progress	4	50.06	-
(c) Intangible assets	5	689.60	1,169.73
(d) Financial assets - Deposits	6	18,426.06	6,402.81
(e) Deferred tax assets (net)	7	253.81	-
(f) Other non current assets	8	13,869.54	1,530.86
(g) Non-current tax assets (net)	9	427.37	-
<b>Total non-current assets</b>		<b>40,817.36</b>	<b>11,000.97</b>
<b>Current assets</b>			
(a) Inventories	10	40,029.03	40,932.47
(b) Financial assets			
(i) Trade receivables	11	4,458.59	2,119.47
(ii) Cash and cash equivalents	12	4,363.88	2,718.96
(iii) Deposits	13	2,919.49	-
(c) Other current assets	14	11,233.95	6,263.78
<b>Total current assets</b>		<b>63,004.94</b>	<b>52,034.68</b>
<b>TOTAL ASSETS</b>		<b>1,03,822.30</b>	<b>63,035.65</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	100.00	100.00
(b) Other equity	16	3,702.34	3,045.41
<b>Total Equity</b>		<b>3,802.34</b>	<b>3,145.41</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Provisions	17	516.57	427.71
(b) Deferred tax liabilities (net)	7	-	18.00
<b>Total Non-current liabilities</b>		<b>516.57</b>	<b>445.71</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	37,500.00	-
(ii) Trade payables	19	58,598.35	57,282.67
- total outstanding dues of creditors other than micro enterprises and small enterprises			
(iii) Others	20	1,657.54	906.72
(b) Others current liabilities	21	1,693.45	862.49
(c) Provisions	22	54.05	49.49
(d) Current tax liabilities (net)	23	-	343.16
<b>Total current liabilities</b>		<b>99,503.39</b>	<b>59,444.53</b>
<b>Total liabilities</b>		<b>1,00,019.96</b>	<b>59,890.24</b>
<b>Total equity and liabilities</b>		<b>1,03,822.30</b>	<b>63,035.65</b>
<b>Summary of Significant Accounting Policies</b>	2		

The accompanying notes are an integral part of the Ind AS 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 Sanjay Agarwal

Partner

Membership No. 055833



Place: Kolkata

Date: September 16, 2019

Manyavar Creations Private Limited

For and on behalf of the Board of Directors

Shilpi Modi

Director

DIN : 00361954

Ravi Modi

Director

DIN : 00361853

Navin Pareek

Company Secretary




Manyavar Creations Private Limited  
Statement of profit and loss for the year ended March 31, 2019  
(All amounts are in INR Thousands, unless otherwise stated)

Particulars		Notes	For the Year Ended March 31, 2019	For the Period Ended March 31, 2018
<b>Income:</b>				
I	Revenue from operations	24	2,10,558.74	1,24,674.25
II	Other income	25	858.69	344.70
III	<b>Total income ( I + II )</b>		<b>2,11,417.43</b>	<b>1,25,018.95</b>
<b>IV Expenses:</b>				
	Purchases of stock-in-trade	26	1,44,671.82	1,29,244.46
	Changes in inventories of stock-in-trade	27	578.16	(40,932.47)
	Employee benefits expense	28	10,992.82	9,281.43
	Finance costs	29	1,090.81	28.25
	Depreciation and amortisation expenses	30	1,204.93	779.83
	Other expenses	31	51,881.43	22,756.17
	<b>Total expenses</b>		<b>2,10,419.97</b>	<b>1,21,157.67</b>
V	<b>Profit before tax (III-IV)</b>		<b>997.46</b>	<b>3,861.28</b>
<b>VI Tax expense/(credit):</b>				
	-Current tax		521.18	1,048.91
	-Deferred tax credit		(276.59)	(47.27)
	-Charge of earlier years		109.53	-
VII	<b>Profit for the year (V-VI)</b>		<b>643.34</b>	<b>2,859.64</b>
<b>VIII Other Comprehensive income/(loss) for the year</b>				
Item that will not be subsequently reclassified to profit or loss				
	(a) Re-measurement gains/ (losses) on defined benefit obligations		18.37	251.04
	(b) Income tax effect on above		(4.78)	(65.27)
	<b>Total Other Comprehensive income, net of tax</b>		<b>13.59</b>	<b>185.77</b>
IX	<b>Total Comprehensive income for the year</b>		<b>656.93</b>	<b>3,045.41</b>
X	Earnings per equity share (of Rs. 10/- each) Basic and Diluted ( in Rs. per share)	32	64.34	326.45
<b>Summary of Significant Accounting Policies</b>		2		

The accompanying notes are an integral part of the Ind AS 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 Sanjay Agarwal  
Partner  
Membership No. 055833



Place: Kolkata  
Date: September 16, 2019

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

  
Shilpi Modi  
Director  
DIN : 00361954

  
Ravi Modi  
Director  
DIN : 00361853

  
Navin Pareek  
Company Secretary





Manyavar Creations Private Limited  
Cash flow statement for the year ended March 31, 2019  
(All amounts are in INR Thousands, unless otherwise stated)

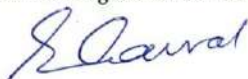
Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
<b>A. Cash Flow from Operating Activities</b>		
Profit before tax	997.46	3,861.28
<b>Adjustments for :</b>		
Depreciation and amortisation expenses	1,204.93	779.83
(Profit)/loss on sale/discard of property, plant and equipment (net)	81.63	(83.36)
Provision for doubtful debts & advances	280.06	-
Interest income	(783.23)	(216.11)
Finance costs	1,090.81	28.25
Unrealised net loss on foreign currency transactions and translations	-	33.92
<b>Operating profit before working capital changes</b>	<b>2,871.66</b>	<b>4,403.81</b>
<b>Movement in working capital:</b>		
(Increase) in deposits	(14,182.87)	(6,402.81)
(Increase) in non financial assets	(8,076.38)	(7,581.09)
(Increase) in trade receivables	(2,619.17)	(2,085.55)
(Increase)/Decrease in inventories	903.44	(40,932.47)
Increase in provisions	93.42	662.96
Increase in trade payables and other liabilities	1,853.24	59,023.63
<b>Cash generated from / (used) in operations</b>	<b>(19,156.66)</b>	<b>7,088.48</b>
Taxes paid (net)	(1,429.49)	(705.75)
<b>Net cash flow from / (used) in operating activities (A)</b>	<b>(20,586.15)</b>	<b>6,382.73</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipments & intangible assets (including capital advances)	(15,292.29)	(5,372.89)
Sale of property, plant & equipment and intangible assets	-	1,609.12
Interest received	23.36	-
<b>Net cash used in investing activities (B)</b>	<b>(15,268.93)</b>	<b>(3,763.77)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from Short term loans	37,500.00	-
Proceeds from issuance of share capital	-	100.00
<b>Net Cash flow from financing activities (C)</b>	<b>37,500.00</b>	<b>100.00</b>
<b>Net increase in Cash and Cash Equivalents (A+B+C)</b>	<b>1,644.92</b>	<b>2,718.96</b>
Cash and Cash Equivalents at the beginning of the year	2,718.96	-
<b>Cash and Cash Equivalents at the end of the year (Note 12)</b>	<b>4,363.88</b>	<b>2,718.96</b>

Components of Cash & Cash Equivalents		
Balance with banks	4,151.41	2,564.68
Cash on hand	212.47	154.28
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>4,363.88</b>	<b>2,718.96</b>

The accompanying notes are an integral part of the Ind AS 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 Sanjay Agarwal  
Partner  
Membership No. 055833



Place: Kolkata  
Date: September 16, 2019

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



Shilpi Modi  
Director  
DIN : 00361954



Ravi Modi  
Director  
DIN : 00361853



Navin Pareek  
Company Secretary



**Manyavar Creations Private Limited**

**Statement of changes in equity for the year ended March 31, 2019**

(All amounts are in INR Thousands, unless otherwise stated)

**A Equity share capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Numbers of shares	Amount	Numbers of shares	Amount
Equity shares outstanding at the beginning of the year	10,000.00	100.00	-	-
Add: Fresh issue of shares during the year (Rs. 10 per share)	-	-	10,000.00	100.00
<b>Equity shares outstanding at the end of the year</b>	<b>10,000.00</b>	<b>100.00</b>	<b>10,000.00</b>	<b>100.00</b>

**B Other equity**

Particulars	Reserve and Surplus	
	Retained Earnings	Total Reserves
Balance as at April 1, 2017	-	-
Profit for the year	2,859.64	2,859.64
Other comprehensive income for the year		
- Remeasurement of net defined benefit liability/ asset (net of tax)	185.77	185.77
<b>Balance as at March 31, 2018</b>	<b>3,045.41</b>	<b>3,045.41</b>
Profit for the year	643.34	643.34
Other comprehensive income for the year		
- Remeasurement of net defined benefit liability/ asset (net of tax)	13.59	13.59
<b>Balance as at March 31, 2019</b>	<b>3,702.34</b>	<b>3,702.34</b>

The accompanying notes are an integral part of the Ind AS 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

*S. Agarwal*

per Sanjay Agarwal  
Partner  
Membership No. 055833



Place: Kolkata

Date: September 16, 2019

Manyavar Creations Private Limited

For and on behalf of the Board of Directors

*Shilpi Modi*  
Shilpi Modi  
Director  
DIN : 00361954

*Ravi Modi*  
Ravi Modi  
Director  
DIN : 00361853

*Navin Pareek*  
Navin Pareek  
Company Secretary





# MANYAVAR CREATIONS PRIVATE LIMITED

## Notes to the financial statements as at and for the year ended March 31, 2019

### 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. Being previous year the first year, accounting period was reported from March 10, 2017 to March 31, 2018. It is a subsidiary of Vedant Fashions Private Limited. The Company is primarily engaged in trading of readymade garments being men's ethnic wear, women's ethnic wear and related accessories. The registered office of the Company is located at 1<sup>st</sup> floor, unit no 5, Part C, Block A, Srijan industrial logistic park, NH 6, Bombay Road, Howrah -711302.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### a) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

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

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

These financial statements were approved vide the resolution of the Board of Directors on September 16, 2019.

#### 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.

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.



## MANYAVAR CREATIONS PRIVATE LIMITED

### Notes to the financial statements as at and for the year ended March 31, 2019

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 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.

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 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

For other fair value related disclosures Refer Note 38.

#### c) Functional and presentation currency

These Ind AS financial statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest thousands with two decimals.

#### d) Application of new standards and amendments

##### Standards issued but not yet effective:

##### i. IND AS 116: Leases

Ind AS 116 'Leases' was notified in March 2019 and it replaces Ind AS 17 'Leases'. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

##### ii. Other Amendments

The MCA has notified below amendments which are effective April 1, 2019:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs





## MANYAVAR CREATIONS PRIVATE LIMITED

### Notes to the financial statements as at and for the year ended March 31, 2019

- Amendments to Ind AS 28, Investments to Associates and Joint Ventures Based on Preliminary work

The Company does not expect these amendments to have any significant impact on its financial statements.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### a) Revenue Recognition

The Company has adopted Ind AS 115 Revenue from contracts with Customers with effect from April 1, 2018 which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The standard replaces most of the current revenue recognition guidance. The core principle of the new standard is for companies to recognize revenue when the control of the goods and services is transferred to the customer as against the transfer of risk and rewards. As per the Company's current revenue recognition practices, transfer of control happens at the same point as transfer of risk and rewards thus not effecting the revenue recognition. The amount of revenue recognised reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Company has adopted the modified transitional approach as permitted by the standard under which the comparative financial information is not restated. The accounting changes required by the standard are not having material effect on the Company's financial statements and no transitional adjustment is recognised in retained earnings as at April 1, 2018. Additional disclosures as required by Ind AS 115 have been included in these financial statements.

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.

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

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.

#### **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 d - 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.



## MANYAVAR CREATIONS PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2019

### Assets and liabilities arising from rights of return

#### *Right of return assets*

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. 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.

#### *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 period.

### Export benefits

Export benefits are accounted on recognition of export sales.

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

## 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.





## MANYAVAR CREATIONS PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2019

### (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.

### (iii) Depreciation

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

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
- 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.

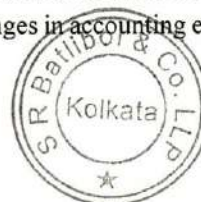
Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively, if appropriate.

### 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. 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



## MANYAVAR CREATIONS PRIVATE LIMITED

### Notes to the financial statements as at and for the year ended March 31, 2019

expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level.

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

- Software 3 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### d) Financial instruments

##### Initial recognition and measurement

###### i. Financial assets

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (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.

##### Classification and subsequent measurement

###### i. Financial assets

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

- those to be measured at fair value through profit or loss; and
- 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.





## MANYAVAR CREATIONS PRIVATE LIMITED

### Notes to the financial statements as at and for the year ended March 31, 2019

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 period in which they arise.

#### 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

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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.



## MANYAVAR CREATIONS PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2019

### 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

Inventories are valued at the lower of cost and net realizable value.

Costs incurred in bringing the inventory to its present location and condition is accounted for as follows:

- Stock-in-trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### i) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.





## MANYAVAR CREATIONS PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2019

### 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.

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.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



## MANYAVAR CREATIONS PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2019

### k) Employee benefit schemes

#### i) Post employment benefits

##### **Defined Contribution Plans**

The Company has defined contribution plans for post-employment benefits such as Provident Fund, National Pension Scheme, 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 and National Pension 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 plans namely gratuity for all its employees. Liability for defined benefit plans 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.

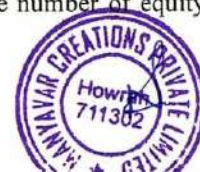
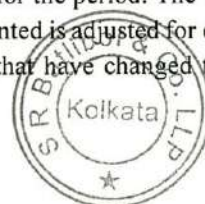
### l) Foreign currency transactions

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





## MANYAVAR CREATIONS PRIVATE LIMITED

### Notes to the financial statements as at and for the year ended March 31, 2019

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) 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 42.

#### o) 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.

#### p) Segment Reporting

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 and distribution methods. Further, the Company is engaged in a single business line, viz., "trading of apparels".



4. Property, Plant and Equipment

Particulars	Furniture and fixtures	Computers	Office equipment	Total	Capital Work in Progress	Grand Total
<b>Gross Block</b>						
Additions	3,407.24	26.65	444.34	3,878.23	-	3,878.23
Deductions	(1,330.18)	(8.78)	(251.71)	(1,590.67)	-	(1,590.67)
<b>As at March 31, 2018</b>	<b>2,077.06</b>	<b>17.87</b>	<b>192.63</b>	<b>2,287.56</b>	<b>-</b>	<b>2,287.56</b>
Additions	4,273.06	88.79	1,647.92	6,009.77	50.06	6,059.83
Deductions	(115.34)	(2.79)	(4.83)	(122.96)	-	(122.96)
<b>As at March 31, 2019</b>	<b>6,234.78</b>	<b>103.87</b>	<b>1,835.72</b>	<b>8,174.37</b>	<b>50.06</b>	<b>8,224.43</b>
<b>Depreciation</b>						
Charge for the period	431.01	8.62	82.64	522.27	-	522.27
Deductions	(100.73)	(1.75)	(29.80)	(132.28)	-	(132.28)
<b>As at March 31, 2018</b>	<b>330.28</b>	<b>6.87</b>	<b>52.84</b>	<b>389.99</b>	<b>-</b>	<b>389.99</b>
Charge for the year	596.39	15.31	120.07	731.77	-	731.77
Deductions	(43.25)	(2.16)	(2.90)	(48.31)	-	(48.31)
<b>As at March 31, 2019</b>	<b>883.42</b>	<b>20.02</b>	<b>170.01</b>	<b>1,073.45</b>	<b>-</b>	<b>1,073.45</b>
<b>Net Block</b>						
<b>As at March 31, 2018</b>	<b>1,746.78</b>	<b>11.00</b>	<b>139.79</b>	<b>1,897.57</b>	<b>-</b>	<b>1,897.57</b>
<b>As at March 31, 2019</b>	<b>5,351.36</b>	<b>83.85</b>	<b>1,665.71</b>	<b>7,100.92</b>	<b>50.06</b>	<b>7,150.98</b>

5. Intangible assets

Particulars	Computer softwares	Total
<b>Gross Block</b>		
Additions	1,494.66	1,494.66
Deductions	(75.00)	(75.00)
<b>As at March 31, 2018</b>	<b>1,419.66</b>	<b>1,419.66</b>
Additions	-	-
Deductions	(15.00)	(15.00)
<b>As at March 31, 2019</b>	<b>1,404.66</b>	<b>1,404.66</b>
<b>Amortisation</b>		
Charge for the period	257.56	257.56
Deductions	(7.63)	(7.63)
<b>As at March 31, 2018</b>	<b>249.93</b>	<b>249.93</b>
Charge for the year	473.16	473.16
Deductions	(8.03)	(8.03)
<b>As at March 31, 2019</b>	<b>715.06</b>	<b>715.06</b>
<b>Net Block</b>		
<b>As at March 31, 2018</b>	<b>1,169.73</b>	<b>1,169.73</b>
<b>As at March 31, 2019</b>	<b>689.60</b>	<b>689.60</b>





6 Financial assets - Non current : Deposits

(unsecured, considered good)

(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	18,426.06	6,402.81
<b>Total</b>	<b>18,426.06</b>	<b>6,402.81</b>

7 Deferred tax assets / (Deferred tax liabilities) (net)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Deferred tax assets</b>		
Tax impact arising out of temporary differences in property, plant and equipment and intangible assets	97.00	-
Tax Impact on provisions allowed on actual basis	125.96	-
Tax impact on others	30.85	-
<b>Deferred tax liabilities</b>		
Tax impact on others	-	16.62
Tax impact arising out of temporary differences in property, plant and equipment and intangible assets	-	1.38
<b>Deferred tax assets / (Deferred tax liabilities) (net)</b>	<b>253.81</b>	<b>(18.00)</b>

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Accounting profit/(loss) before tax</b>	<b>997.46</b>	<b>3,861.28</b>
At India's statutory income tax rate of 26.00% (March 31, 2018: 25.75%)	259.34	994.28
Expenses not allowed as deductions	-	7.36
Adjustments in respect of current income tax of earlier years	109.53	-
Others	(14.75)	-
<b>Tax expense reported in the statement of profit and loss</b>	<b>354.12</b>	<b>1,001.64</b>

8 Other non-current assets

(unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances	9,232.46	-
Prepaid expenses	4,637.08	1,530.86
<b>Total</b>	<b>13,869.54</b>	<b>1,530.86</b>

9 Non-current tax assets (net)

(unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance income tax (net of provisions)	427.37	-
<b>Total</b>	<b>427.37</b>	<b>-</b>

10 Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Stock-in-trade <sup>1</sup> (Refer Note 27)	40,029.03	40,932.47
<b>Total</b>	<b>40,029.03</b>	<b>40,932.47</b>

(1) Stock-in-trade includes inventory lying with third party amounting to Rs. 7,643.34 Thousands (March 31, 2018 - Rs. 7,185.17 Thousands)



11 Financial Assets- Current : Trade receivables  
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
- Others	4,458.59	2,119.47
<b>Total trade receivables</b>	<b>4,458.59</b>	<b>2,119.47</b>
<b>Breakup for Security Details:</b>		
- Trade Receivables considered good - Unsecured	4,458.59	2,119.47
- Trade Receivable - credit impaired	280.06	-
	<b>4,738.65</b>	<b>2,119.47</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
- Allowance for expected credit loss	(280.06)	-
<b>Total trade receivables</b>	<b>4,458.59</b>	<b>2,119.47</b>

12 Financial assets - Current : Cash and cash equivalents  
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Cash and cash equivalents</b>		
Balances with banks	4,151.41	2,564.68
Cash on hand	212.47	154.28
<b>Total</b>	<b>4,363.88</b>	<b>2,718.96</b>

13 Financial assets - Current : Deposits  
(unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits	2,919.49	-
<b>Total</b>	<b>2,919.49</b>	<b>-</b>

14 Other current assets  
(unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Advances recoverable in cash or kind	407.40	232.37
Advance to employees	38.79	-
Prepaid expenses	2,199.18	907.58
Balances with Statutory/Government authorities	8,263.30	5,123.83
Right of return assets <sup>1</sup>	325.28	-
<b>Total</b>	<b>11,233.95</b>	<b>6,263.78</b>

(1) Right of return assets represents cost of expected sales return.





15 Equity Share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
<b>Authorized</b>				
1,00,000 equity shares of Rs. 10 each (March 31, 2018: 1,00,000 equity shares of Rs. 10 each)	1,00,000	1,000.00	1,00,000	1,000.00
<b>Issued, subscribed and fully paid-up shares</b>				
10,000 Equity shares of Rs. 10 each (March 31, 2018: 10,000 equity shares of Rs. 10 each)	10,000	100.00	10,000	100.00
<b>Total</b>	<b>10,000</b>	<b>100.00</b>	<b>10,000</b>	<b>100.00</b>

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	10,000	100.00	-	-
Add:- Fresh issue of equity shares during the period	-	-	10,000	100.00
<b>Equity shares outstanding at the end of the year</b>	<b>10,000</b>	<b>100.00</b>	<b>10,000</b>	<b>100.00</b>

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

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vedant Fashions Private Limited (Holding Company)	9,999	99.99%	9,999	99.99%
<b>Total</b>	<b>9,999</b>	<b>99.99%</b>	<b>9,999</b>	<b>99.99%</b>

Note: Ravi Modi, director of the Company is holding one equity share having par value of Rs. 10 each, amounting to Rs. 10 on behalf of Vedant Fashions Private Limited (Holding Company).

iii) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees.

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.



16 Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Retained earnings</b>		
Opening balance	3,045.41	-
Profit for the year	643.34	2,859.64
Other comprehensive income for the year	13.59	185.77
- Remeasurement of net defined benefit liability/ asset (net of tax)		
	3,702.34	3,045.41
<b>Total</b>	<b>3,702.34</b>	<b>3,045.41</b>

17 Non current provisions

Particulars	As at March 31, 2019	As at March 31, 2018
For Employee benefits		
- Gratuity (Refer Note 34)	516.57	427.71
<b>Total</b>	<b>516.57</b>	<b>427.71</b>

18 Financial liabilities - Current: Borrowings  
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured		
- Short Term Loan (Refer Note 37)	37,500.00	-
<b>Total</b>	<b>37,500.00</b>	<b>-</b>

The Company has taken short term loan from its Holding Company, Vedant Fashions Private Limited at an interest rate of 11% per annum (March 31, 2018: NIL). Same is repayable on demand.

19 Financial liabilities - Current : Trade payables  
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
- Dues to related parties (Refer Note 37)	50,671.20	54,841.82
- Total outstanding dues of creditors other than micro , small and medium enterprises and related parties	7,927.15	2,440.85
<b>Total</b>	<b>58,598.35</b>	<b>57,282.67</b>





Manyavar Creations Private Limited

Notes to Financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Thousands, unless otherwise stated)

20 Financial liabilities - Current : Others  
(at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Employees related liabilities	576.08	906.72
Payables to capital creditors	99.73	-
Interest accrued on short term loan (Refer Note 37)	981.73	-
<b>Total</b>	<b>1,657.54</b>	<b>906.72</b>

21 Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Contract liability- Advance from customers	355.14	366.68
Refund liabilities <sup>1</sup>	503.53	-
Interest payable on income tax	-	28.25
Statutory dues	834.78	467.56
<b>Total</b>	<b>1,693.45</b>	<b>862.49</b>

(1) Refund liabilities represents provision for expected sales return.

22 Current provisions

Particulars	As at March 31, 2019	As at March 31, 2018
For Employee Benefits - Gratuity (Refer Note 34)	54.05	49.49
<b>Total</b>	<b>54.05</b>	<b>49.49</b>

23 Current tax liabilities (net)

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax liabilities (net of advances)	-	343.16
<b>Total</b>	<b>-</b>	<b>343.16</b>



24 Revenue from operations

Particulars	For the year ended March 31, 2019	For the Period ended March 31, 2018
Sale of products	2,10,558.74	1,24,574.25
<b>Revenue from operations</b>	<b>2,10,558.74</b>	<b>1,24,674.25</b>

Post the applicability of Goods and Service Tax (GST) with effect from July 01, 2017, Revenue is disclosed net of GST as per requirement of Ind AS 115 'Revenue from Contracts with Customers'.

Disaggregated revenue information

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

Particulars	For the year ended March 31, 2019	For the Period ended March 31, 2018
India	2,00,161.88	1,22,470.61
Outside India	10,396.86	2,203.64
<b>Total revenue from contracts with customers</b>	<b>2,10,558.74</b>	<b>1,24,674.25</b>

Reconciliation of revenue from operations with contract price

Particulars	For the year ended March 31, 2019
Contract Price	2,10,558.74
Add: Others	-
<b>Total revenue from operations</b>	<b>2,10,558.74</b>

Performance obligation

Revenue is recognized when control of products is transferred to customers.

25 Other income

Particulars	For the year ended March 31, 2019	For the Period ended March 31, 2018
Interest income	783.23	216.11
Profit on sale of property, plant and equipment (net)	-	83.36
Other miscellaneous income	75.46	45.23
<b>Total</b>	<b>858.69</b>	<b>344.70</b>

26 Purchases of stock-in-trade

Particulars	For the year ended March 31, 2019	For the Period ended March 31, 2018
Purchases of stock-in-trade	1,44,671.82	1,29,244.46
<b>Total</b>	<b>1,44,671.82</b>	<b>1,29,244.46</b>





27 Changes in inventories of stock-in-trade

Particulars	For the year ended March 31, 2019	For the Period ended March 31, 2018
<b>Inventories at the end of the period</b>		
Stock-in-trade	40,029.03	40,932.47
	40,029.03	40,932.47
<b>Inventories at the beginning of the period</b>		
Stock-in-trade	40,932.47	-
	40,932.47	-
	903.44	
Less: Right of return assets	325.28	-
<b>Changes in inventories of stock-in-trade</b>	<b>578.16</b>	<b>(40,932.47)</b>

28 Employee benefits expense

Particulars	For the year ended March 31, 2019	For the Period ended March 31, 2018
Salaries, wages and bonus	10,111.18	8,622.51
Contribution to provident and other funds	722.06	505.56
Gratuity expense (Refer Note 34)	142.21	153.36
Staff welfare expenses	17.37	-
<b>Total</b>	<b>10,992.82</b>	<b>9,281.43</b>

29 Finance costs

Particulars	For the year ended March 31, 2019	For the Period ended March 31, 2018
Interest expense:		
- on income tax	-	28.25
- others	1,090.81	-
<b>Total</b>	<b>1,090.81</b>	<b>28.25</b>

30 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2019	For the Period ended March 31, 2018
Tangible assets	731.77	522.27
Intangible assets	473.16	257.56
<b>Total</b>	<b>1,204.93</b>	<b>779.83</b>

31 Other expenses

Particulars	For the Year ended March 31, 2019	For the Period ended March 31, 2018
Electricity charges	1,124.49	1,369.53
Lease cost	17,722.01	9,677.42
Rates and taxes	342.39	245.91
Loss on foreign exchange fluctuations (net)	292.98	33.92
Insurance	63.78	32.91
Loss on sale/discard of plant, property & equipment (net)	81.63	-
Repairs and maintenance		
- Others	562.23	110.36
Legal & professional fees	663.07	181.73
Website maintenance expense	6,393.50	1,285.74
Travelling and conveyance	14.59	8.32
Payment to auditors (Refer Note 33)	460.48	225.00
Provision for doubtful debts & advances	280.06	
Shop running and maintenance expenses	1,645.42	1,155.79
Selling and distribution expenses		
- Advertisement, publicity and sales promotion expenses	1,545.93	470.80
- Commission	16,378.62	6,597.89
- Freight and forwarding expenses	3,508.62	383.64
Miscellaneous expenses	801.63	957.21
<b>Total</b>	<b>51,881.43</b>	<b>22,756.17</b>



Manyavar Creations Private Limited

Notes to Financial statements for the year ended March 31, 2019

(All amounts are in INR Thousands, unless otherwise stated)

32 Earnings per share (EPS)

Particulars	For the Year ended March 31, 2019	For the Period ended March 31, 2018
Net profit after tax for the year	643.34	2,859.64
Weighted average number of ordinary shares (No. in Thousands)	10.00	8.76
Nominal value of ordinary share (Rs. in Thousands) (Refer Note 15)	100.00	87.60
Basic and Diluted earnings for ordinary shares (in Rs. per share)	64.34	326.45

33 Payment to Auditors

Particulars	For the year ended March 31, 2019	For the Period ended March 31, 2018
As statutory auditor :		
Audit fee	300.00	225.00
Tax Audit fee	150.00	-
Reimbursement of expenses	10.48	-
<b>Total</b>	<b>460.48</b>	<b>225.00</b>





34 Employee benefits

(I) Defined contribution plans

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 fiscal year 2019 and 2018) 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 obligation other than the contribution payable to the respective funds.

(II) Defined benefit plans- Unfunded

In accordance with the Payment of Gratuity Act, 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan") for employees who have completed 5 years of service. 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.

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, 2019	March 31, 2018
Discount rate	7.71%	7.71%
Expected rate of increase in compensation level of covered employees	7.00%	7.00%

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 consist of:

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of defined benefit obligations	570.62	477.20
Net liability arising from defined benefit obligations	570.62	477.20

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

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
Current service cost	106.59	93.54
Past service cost	-	-
Net interest cost	35.62	59.82
Total charge to the statement of profit or loss	142.21	153.36

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

Particulars	For the year ended March 31, 2019	For the period ended March 31, 2018
Re-measurement losses / (gains) arising from unexpected experience	(18.37)	(251.04)
Re-measurement of the net defined benefit liability	(18.37)	(251.04)

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

Particulars	As at March 31, 2019	As at March 31, 2018
As at April 1	477.20	-
Current service cost	106.59	93.54
Past service cost	-	-
Interest cost of scheme liabilities	35.62	59.82
Benefits paid	(30.42)	(402.06)
Transfer of Obligation from Holding Company	-	976.94
Re-measurement losses / (gains) arising from unexpected experience	(18.37)	(251.04)
Total	570.62	477.20

Recognised Under :

Current provision	54.05	49.49
Non-current provision	516.57	427.71

The gratuity scheme of the Company is unfunded hence there was no plan asset as at March 31, 2019.



**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) value of defined benefit obligation**

Particulars	March 31, 2019	March 31, 2018
<b>Discount rate</b>		
Increase by 0.50%	534.16	446.52
Decrease by 0.50%	610.81	510.96
<b>Expected rate of change in compensation level of covered employees</b>		
Increase by 0.50%	610.71	510.87
Decrease by 0.50%	533.93	446.34
<b>Mortality Rate</b>		
Increase by 0.50%	571.59	480.51
Decrease by 0.50%	569.65	473.88
<b>Attrition Rate</b>		
Increased by 0.50%	574.55	478.06
Decreased by 0.50%	566.69	476.33

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 @ 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) Table 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.





**Manyavar Creations Private Limited**

Notes to the financial statements as at and for the year ended March 31, 2019

(All amounts are in INR Thousands, unless otherwise stated)

**35 Contingent Liabilities and Commitments**

In the normal course of business, the Company enters into certain capital commitments.

**(i) Commitments**

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account	10,951.52	-

**(ii) Contingencies**

Demands/claims by various government authorities and other claims not acknowledged as debts: -

There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.

**36 Leases**

The lease rental charged during the year is as under:

Particulars	For the Year Ended	For the Period Ended
	March 31, 2019	March 31, 2018
a) Operating lease rentals charged to revenue	17,722.01	9,677.42
<b>Total</b>	<b>17,722.01</b>	<b>9,677.42</b>

The obligations on long- term, non- cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:-

Future minimum lease payable	For the Year Ended	For the Period Ended
	March 31, 2019	March 31, 2018
Not later than 1 year	10,759.27	8,570.40
Later than 1 year and not later than 5 years	7,025.94	14,319.50
Later than 5 years	-	-
<b>Total</b>	<b>17,785.21</b>	<b>22,889.90</b>

The operating lease arrangements are renewable on a periodic basis. The basis of extension depends on mutual agreement. These lease arrangements have price escalation clauses.



37 Related party disclosures

(A) Name of Related Parties - Name of the parties with whom transactions have been done during the year has been mentioned only

**Holding Company**

Vedant Fashions Private Limited

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

Particulars	For the Year ended	For the Period ended
	March 31, 2019	March 31, 2018
<b>Purchase of traded goods</b>		
Vedant Fashions Private Limited	1,59,917.38	1,43,805.15
<b>Total</b>	<b>1,59,917.38</b>	<b>1,43,805.15</b>
<b>Rent expense</b>		
Vedant Fashions Private Limited	70.80	70.80
<b>Total</b>	<b>70.80</b>	<b>70.80</b>
<b>Reimbursement of expenses</b>		
Vedant Fashions Private Limited	829.00	1,061.22
<b>Total</b>	<b>829.00</b>	<b>1,061.22</b>
<b>Recovery of expenses</b>		
Vedant Fashions Private Limited	9,053.95	-
<b>Total</b>	<b>9,053.95</b>	<b>-</b>
<b>Subscription of Share capital</b>		
Vedant Fashions Private Limited	-	100.00
<b>Total</b>	<b>-</b>	<b>100.00</b>
<b>Short Term Loan from Holding Company</b>		
Vedant Fashions Private Limited	37,500.00	-
<b>Total</b>	<b>37,500.00</b>	<b>-</b>
<b>Interest on Short Term Loan from Holding Company</b>		
Vedant Fashions Private Limited	1,090.81	-
<b>Total</b>	<b>1,090.81</b>	<b>-</b>
<b>Gratuity liabilities transferred from</b>		
Vedant Fashions Private Limited	-	976.94
<b>Total</b>	<b>-</b>	<b>976.94</b>
<b>Purchase of property, plant &amp; equipment and intangibles assets</b>		
Vedant Fashions Private Limited	-	6,063.74
<b>Total</b>	<b>-</b>	<b>6,063.74</b>

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

		As at	As at
		March 31, 2019	March 31, 2018
<b>Payable to:</b>			
Vedant Fashions Private Limited	Trade payables	50,671.20	54,841.82
Vedant Fashions Private Limited	Short term loan payable	37,500.00	-
Vedant Fashions Private Limited	Interest accrued but not due on short term loan	981.73	-
<b>Total</b>		<b>89,152.93</b>	<b>54,841.82</b>





38 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.

I Financial assets and liabilities as at Particulars

Particulars	Carrying Value/ Fair Value	
	As at March 31, 2019	As at March 31, 2018
(i) Financial Assets		
a) Measured at Amortised Cost*		
Deposits	21,345.55	6,402.81
Trade receivables	4,458.59	2,119.47
Cash & cash equivalents	4,363.88	2,718.96
<b>Total</b>	<b>30,168.02</b>	<b>11,241.24</b>
(ii) Financial Liabilities		
b) Measured at Amortised Cost*		
Trade payables	58,598.35	57,282.67
Borrowings	37,500.00	-
Other financial liabilities	1,657.54	906.72
<b>Total</b>	<b>97,755.89</b>	<b>58,189.39</b>

\* Carrying value of assets/ liabilities carried at amortized cost are reasonable approximation of its fair values.

39 Fair Value Hierarchy

There is no financial assets or liabilities as on March 31, 2019 which has been carried at fair value, by valuation method.

40 Financial Risk Management

The Company's activities expose it to variety of financial risks: liquidity risk, commodity price 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) 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, 2019	As at March 31, 2018
<b>Less than 1 year</b>		
Trade payables	58,598.35	57,282.67
Borrowings	37,500.00	-
Other financial liabilities	1,657.54	906.72
<b>Total</b>	<b>97,755.89</b>	<b>58,189.39</b>

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

b) 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 Rs. 4,458.59 thousands and Rs. 2,119.47 thousands as at March 31, 2019 and as at March 31, 2018 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.

The ageing analysis of the receivables has been considered from the invoice date.

Trade Receivables	As at March 31, 2019	As at March 31, 2018
Less than 30 days	2,857.16	2,119.47
31 to 90 days	640.61	-
91 to 180 days	710.31	-
More than 180 days	250.51	-
<b>Total</b>	<b>4,458.59</b>	<b>2,119.47</b>



41 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) less cash and cash equivalents and current investments.

Particulars	As at March 31, 2019	As at March 31, 2018
Share capital	100.00	100.00
Other equity	3,702.34	3,045.41
<b>Equity (A)</b>	<b>3,802.34</b>	<b>3,145.41</b>
Cash and cash equivalents	4,363.88	2,718.96
<b>Total fund (B)</b>	<b>4,363.88</b>	<b>2,718.96</b>
Current borrowings and interest accrued	38,481.73	-
<b>Total debt (C)</b>	<b>38,481.73</b>	<b>-</b>
<b>Net debt (D=(C-B))</b>	<b>34,117.85</b>	<b>(2,718.96)</b>
Total capital (equity + net debt)	37,920.19	426.46
<b>Net debt to equity ratio (E=D/A)</b>	8.97	*

\* Net debt is negative and hence not applicable.





**42 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) 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.

**ii) 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 34).

**iii) Classification of leases**

The Company enters into leasing arrangements for rental properties. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

The Company bases its estimates and assumptions on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

Such changes are reflected in the assumptions when they occur.

**iv) 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 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.

**v) Estimation of current tax expense and payable**

Taxes recognised in the financial statements reflect management's best estimate of the outcome based on the facts known at the balance sheet date. These facts include but are not limited to interpretation of tax laws of various jurisdictions where the Company operates. Any difference between the estimates and final tax assessments will impact the income tax as well the resulting assets and liabilities.



43 Going Concern

The current liabilities of the Company is higher than the current assets by Rs. 36,498.45 thousands as on March 31, 2019 (March 31, 2018: Rs. 7,409.85 thousands). The following matters have been considered by the management in determining the appropriateness of the going concern basis of preparation for the financial statements:

- a) There has been an equity infusion by the Holding Company, Vedant Fashions Private Limited amounting to Rs. 1,00,000.00 thousands on June 3, 2019 and another Rs 1,00,000.00 thousands on Aug 6, 2019.
- b) Short Term Loan from the Holding Company, Vedant Fashions Private Limited amounting to Rs. 38,481.73 thousands (including interest accrued but not due amounting to Rs. 981.73 thousands) as on March 31, 2019 has repaid subsequently by the Company.

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 Sanjay Agarwal  
Partner  
Membership No. 055833



Place: Kolkata

Date: September 16, 2019

Manyavar Creations Private Limited

For and on behalf of the Board of Directors



Shilpi Modi  
Director  
DIN : 00361954



Ravi Modi  
Director  
DIN : 00361853



Navin Pareek  
Company Secretary

