

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 2021, 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 Ind AS 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, 2021, its loss including other comprehensive loss, 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.

Emphasis of Matter

We draw attention to Note 49 of the accompanying financial statement which describes the impact of COVID-19 pandemic, and its possible consequential implications, on the Company's operations. Our opinion is not modified in respect of this matter.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

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.



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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, including any significant deficiencies in internal control that we identify during our audit.

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



S.R. BATLIBOI & Co. LLP

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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, 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 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;



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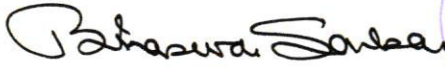
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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005





per Bhaswar Sarkar

Partner

Membership Number: 055596

UDIN: 21055596AAAACZ9953

Place of Signature: Kolkata

Date: July 13, 2021

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 2021)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories 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 to the Company and hence not commented upon.
- (vi) To the best of our knowledge and based on information/explanations provided to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company. Accordingly, the provisions of clause (vi) of the Order are not applicable to the Company and hence not commented upon.



- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues applicable to it.
- (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 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 year. Accordingly, the provisions of clause (viii) of the Order are not applicable to the Company and hence not commented upon.
- (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 e Company or no 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. Therefore, reporting under clause 3(xi) is 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 the provisions of section 188 of Companies Act, 2013, where applicable and ~~the~~ details of such transactions have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are



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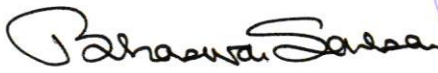
not applicable to the Company. Therefore, reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.

- (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. Therefore, 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. Therefore, reporting requirements under clause 3(xiv) of the order are not applicable to the Company and hence not commented upon.
- (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 Bhaswar Sarkar

Partner

Membership Number: 055596

UDIN: 21055596AAAACZ9953

Place of Signature: Kolkata

Date: July 13, 2021

Manyavar Creations Private Limited

Balance Sheet as at March 31, 2021

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

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	230.63	918.25
(b) Right of use assets	4	633.77	898.88
(c) Other intangible assets	5	449.77	596.05
(d) Financial assets			
(i) Other financial assets	6	300.81	286.32
(e) Deferred tax assets (net)	7	156.07	60.47
(f) Other non current assets	8	15.36	75.03
(g) Non-current tax assets (net)	9	22.03	11.33
Total non-current assets		1,808.44	2,846.33
Current assets			
(a) Inventories	10	306.31	1,653.50
(b) Financial assets			
(i) Investments	11	282.42	10.06
(ii) Trade receivables	12	418.41	308.35
(iii) Cash and cash equivalents	13	16.00	34.03
(iv) Other financial assets	14	159.22	-
(c) Other current assets	15	391.80	511.70
(d) Current tax assets (Net)	16	-	4.27
Total Current assets		1,574.16	2,521.91
Total Assets		3,382.60	5,368.24
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	401.00	401.00
(b) Other equity	18	917.84	1,363.23
Total Equity		1,318.84	1,764.23
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
(i) Deposits	19	54.61	63.37
(ii) Lease liabilities	20	486.82	656.84
(b) Provisions	21	7.18	8.39
(c) Other non-current liabilities	22	28.58	54.10
Total Non-current Liabilities		577.19	782.70
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	23	1.60	2.26
- total outstanding dues of creditors other than micro enterprises and small enterprises	23	1,110.46	2,431.07
(ii) Lease liabilities	24	184.52	241.34
(iii) Other financial liabilities	25	14.34	103.04
(b) Provisions	26	0.29	0.37
(c) Other current liabilities	27	175.36	43.23
Total current liabilities		1,486.57	2,821.31
Total liabilities		2,063.76	3,604.01
Total equity and liabilities		3,382.60	5,368.24
Summary of Significant Accounting Policies	3		

The accompanying notes are an integral part of the Standalone 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 Bhaswar Sarkar
Partner
Membership No. 055596



Place: Kolkata
Date: July 13, 2021

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


Ravi Modi
Director
DIN : 00361853


Shilpi Modi
Director
DIN : 00361954


Navin Pareek
Company Secretary



Manyavar Creations Private Limited
Statement of profit and loss for the year ended March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars		Notes	For the year ended	
			March 31, 2021	March 31, 2020
Income:				
I	Revenue from operations	28	3,342.60	4,881.79
II	Other income	29	272.86	48.22
III	Total income (I + II)		3,615.46	4,930.01
Expenses:				
IV	Purchases of stock-in-trade	30	1,101.79	4,843.65
	Changes in inventories of stock-in-trade	31	1,296.04	(1,254.86)
	Employee benefits expense	32	151.63	250.58
	Finance costs	33	83.10	96.74
	Depreciation and amortisation expense	34	648.42	627.21
	Other expenses	35	878.42	696.96
	Total expenses		4,159.40	5,260.28
V	Loss before tax (III-IV)		(543.94)	(330.27)
VI	Tax expense/(credit):			
	-Deferred tax charge/(credit)		(96.34)	(57.57)
VII	Loss for the year (V-VI)		(447.60)	(272.70)
VIII	Other comprehensive income/(loss) for the year			
	Item that will not be subsequently reclassified to profit or loss			
	(a) Re-measurement gains/(losses) on defined benefit obligations		2.95	(1.46)
	(b) Income tax effect on above		(0.74)	0.37
	Total other comprehensive income/(loss), net of tax		2.21	(1.09)
IX	Total comprehensive loss for the year		(445.39)	(273.79)
X	Earnings per equity share (of ₹ 10 each)			
	Basic and Diluted (in ₹ per share)	36	(11.16)	(8.91)
	Summary of Significant Accounting Policies	3		


The accompanying notes are an integral part of the Standalone 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 Bhaswar Sarkar
Partner
Membership No. 055596



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


Ravi Modi
Director
DIN : 00361853


Shilpi Modi
Director
DIN : 00361954

Place: Kolkata
Date: July 13, 2021


Navin Pareek
Company Secretary



Manyavar Creations Private Limited
Cash Flow Statement for the year ended March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)


Particulars	For the Year Ended	
	March 31, 2021	March 31, 2020
A. Cash flow from operating activities		
Loss before tax	(543.94)	(330.27)
Adjustments for :		
Depreciation & amortisation expenses	648.42	627.21
Profit on sale/ discard of property, plant and equipment (net)	(67.77)	-
Interest income	(29.51)	(15.87)
Profit on sale of investments	(1.45)	(7.23)
Profit on fair valuation of investments carried at FVTPL	(0.23)	(0.04)
Provision for doubtful debts & advances	9.30	7.39
Bad debts/ advances written off	4.71	1.89
Liabilities/ provisions no longer required written back	(10.07)	(5.58)
Rent concession on lease arrangements (Refer Note 29)	(136.57)	-
Finance cost on lease liabilities	72.59	78.01
Finance cost on others	10.51	18.73
Operating profit/(loss) before working capital charges	(44.01)	374.24
Movement in working capital:		
Increase in other financial assets	(144.34)	(61.57)
(Increase)/ decrease in non financial assets	174.13	(510.23)
Increase in trade receivables	(124.07)	(263.81)
(Increase)/ decrease in inventories	1,347.19	(1,253.21)
Increase in provisions	1.67	3.05
Increase/(decrease) in trade payables	(1,311.20)	1,761.11
Increase in other payables	99.62	237.34
Cash generated from/(used in) operations	(1.01)	286.92
Net Income taxes (paid)	(6.43)	(7.06)
Net cash flow from/(used in) operating activities (A)	(7.44)	279.86
B. Cash flow from investing activities		
Purchase of property, plant and equipments & intangible assets (including capital advances)	(93.54)	(1,603.44)
Sale of property, plant and equipments & intangible assets (including advance received)	524.50	0.06
Interest received	0.15	0.31
Purchase of investments	(1,765.41)	(2,503.00)
Sale/redemption of investments	1,494.73	2,500.21
Net cash flow from/(used in) investing activities (B)	160.43	(1,605.86)
C. Cash flow from financing activities		
Proceeds from short term borrowings	149.00	750.00
Repayment of short term borrowings	(149.00)	(1,125.00)
Interest paid other than interest on lease liabilities	(8.16)	(25.84)
Interest on lease liabilities	(72.59)	(78.01)
Repayment of lease liabilities	(90.27)	(204.76)
Proceeds from fresh equity shares issuance	-	2,000.00
Net cash flow from/(used in) financing activities (C)	(171.02)	1,316.39
Net decrease in Cash and Cash Equivalents (A+B+C)	(18.03)	(9.61)
Cash and Cash Equivalents at the beginning of the year	34.03	43.64
Cash and Cash Equivalents at the end of the year	16.00	34.03

Particulars	March 31, 2021	March 31, 2020
Components of Cash & Cash Equivalents (Refer Note 13)		
Balance with Banks	12.90	31.61
Cash on hand	3.10	2.42
Cash and Cash Equivalents as at the end of the year	16.00	34.03

The accompanying notes are an integral part of the Standalone 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 Bhaswar Sarkar
Partner
Membership No. 055596



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


Ravi Modi
Director
DIN : 00361853


Shilpi Modi
Director
DIN : 00361954

Place: Kolkata
Date: July 13, 2021




Navin Pareek
Company Secretary

Manyavar Creations Private Limited
Statement of changes in equity for the year ended March 31, 2021
(All amounts are in INR Lakhs, unless otherwise stated)

A Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	4,010,000	401.00	10,000	1.00
Add: Fresh issue of shares during the year (₹10 per share)	-	-	4,000,000	400.00
Equity shares outstanding at the end of the year	4,010,000	401.00	4,010,000	401.00

B Other equity

Particulars	Other Equity		
	Securities Premium	Retained Earnings	Total
Balance as at April 1, 2019	-	37.02	37.02
Loss for the year	-	(272.70)	(272.70)
Other comprehensive income/(loss) for the year			
- Remeasurement of net defined benefit liability/ asset (net of tax)	-	(1.09)	(1.09)
Equity shares issued during the year	1,600.00	-	1,600.00
Balance as at March 31, 2020	1,600.00	(236.77)	1,363.23
Loss for the year	-	(447.60)	(447.60)
Other comprehensive income/(loss) for the year			
- Remeasurement of net defined benefit liability/ asset (net of tax)	-	2.21	2.21
Balance as at March 31, 2021	1,600.00	(682.16)	917.84

The accompanying notes are an integral part of the Standalone 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

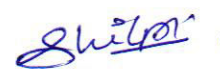
Manyavar Creations Private Limited
 For and on behalf of the Board of Directors


 per Bhaswar Sarkar
 Partner
 Membership No. 055596



Place: Kolkata
 Date: July 13, 2021


 Ravi Modi
 Director
 DIN : 00361853


 Shilpi Modi
 Director
 DIN : 00361954


 Navin Pareek
 Company Secretary



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

1. COMPANY OVERVIEW

Manyavar Creations Private Limited (the Company) is domiciled in India and was incorporated on March 10, 2017 under the provisions of the Companies Act, 2013. The Company is primarily engaged in trading of readymade garments being men's ethnic wear like Sherwanis, Indo-Western, Kurtas, Suits etc. and women's ethnic wear like Lehanga, Saree, Suit, Kurti, etc. and related accessories. It is a subsidiary of Vedant Fashions Private Limited. The Company mainly runs its business under the brand names Manyavar, Mohey, Mebaz, Twamev and Manthan. Registered office of the Company is located at 1st Floor, Unit No. 5, Part C, Block A, Srijan Industrial Logistics Park, NH6, Bombay Road, Howrah-711302.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation

These financial statements 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) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

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 July 13, 2021.

The financial statements provides comparative information in respect of the previous period.

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.



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (Note 48)
- Quantitative disclosures of fair value measurement hierarchy (Note 43)
- Property, plant and equipment (Note 4)
- Financial instruments (including those carried at amortised cost) (Note 42)



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

c) Functional and presentation currency

These Ind AS financial statements are prepared in Indian Rupee (INR) which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs with two decimals except when otherwise indicated.

d) Recent Accounting Developments

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

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

New and amended standards

(i) Amendments to Ind AS 103 Business Combinations

The amendment to Ind AS 103 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. This amendment had no impact on the standalone financial statements of the Company but may impact future periods should the Company enter into any business combinations.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) i) Revenue Recognition

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and that reflects the consideration to which the Company expect to be entitled to in exchange of products.

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



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

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. Refer Note 48(i) for estimates and judgements involved in revenue recognition.

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

Contract balances

Trade receivables

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

Contract liabilities

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

Assets and liabilities arising from rights of return

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 and a corresponding adjustment is made in cost of sales. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

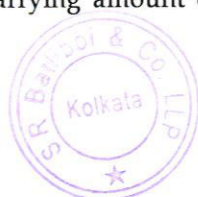
A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities at the end of each reporting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

ii) Export benefits

Export benefits are accounted on recognition of export sales.

iii) 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



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

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.

iv) Dividend Income

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

b) Property, Plant and Equipment

(i) Property, plant and equipment

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

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

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

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

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

(ii) Capital work in progress

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



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

(iii) Depreciation

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

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

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

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

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

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

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

c) Intangible assets

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

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

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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

- Computer software 3 years
- Tenancy Right 5 years

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

d) Financial instruments

Initial recognition and measurement

i. Financial assets

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 3(a)(i) Revenue recognition from contract with customer.

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

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.



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Classification and subsequent measurement

i. Financial assets

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

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

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

Realised and unrealised gains/ losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" investment category are included in the statement of profit and loss in the 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 and hedge accounting

Initial recognition and subsequent measurement

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

The purchase contracts that meet the definition of a derivative under Ind AS 109 are recognised in the statement of profit and loss.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to statement of profit or loss when the hedge item affects profit or 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.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

f) Cash and cash equivalents

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

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

g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Inventories

- a. Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on an annual weighted average method.



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Notes to the financial statements as at and for the year ended March 31, 2021

- b. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- c. Obsolete, slow moving and defective inventories are identified and written down to net realisable value.

i) Leases

Company as a lessee

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

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

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis over the term of the lease.

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

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

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

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19-Related Rent concessions" effective from



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Notes to the financial statements as at and for the year ended March 31, 2021

the period beginning on or after April 01, 2020. As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B of Ind AS 116 is a lease modification. Pursuant to the notification, the Company has applied the practical expedient with effect from April 01, 2020 and hence rent concession received during the year has been accounted as other income.

Company as a lessor

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

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

j) Taxation

Current income tax

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

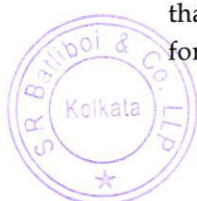
Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity. Management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

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

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

k) Employee benefit schemes

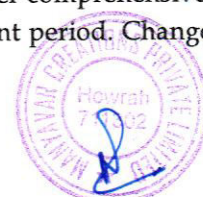
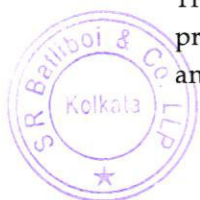
i) Post employment benefits

Defined Contribution Plans

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



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service costs.

ii) Other Long term benefits

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

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

l) Foreign currency transactions

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

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

m) Earnings per share

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

n) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The management has considered that the Company has a single reportable segment based on nature of products, regulatory environment, customers & distribution methods. Further, the Company is in a single business line, viz., "Branded fashion apparels and accessories".



o) Use of Estimates and Judgments

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are elaborated in Note 48.

p) Provisions for liabilities, contingent liabilities and contingent assets

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

q) Exceptional items

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



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

Particulars	Right of use assets ¹	Property, Plant and Equipment					Capital Work in Progress
	Buildings	Furniture and fixtures	Computers	Office equipment	Plant and equipment	Total	
Gross Block							
As at March 31, 2019	-	62.34	1.04	18.36	-	81.74	0.50
Additions	1,180.43	788.85	5.99	266.26	1.03	1,062.13	946.39
Deductions	-	(0.40)	(0.04)	(0.22)	-	(0.66)	-
Transfer	-	-	-	-	-	-	(946.89)
As at March 31, 2020	1,180.43	850.79	6.99	284.40	1.03	1,143.21	-
Additions	-	3.15	0.62	2.37	-	6.14	-
Deductions	-	(542.92)	(3.84)	(178.44)	(0.89)	(726.09)	-
As at March 31, 2021	1,180.43	311.02	3.77	108.33	0.14	423.26	-
Depreciation/Amortisation							
As at March 31, 2019	-	8.83	0.20	1.70	-	10.73	-
Charge for the period	281.55	136.22	2.64	75.70	0.09	214.65	-
Deductions	-	(0.22)	(0.04)	(0.16)	-	(0.42)	-
As at March 31, 2020	281.55	144.83	2.80	77.24	0.09	224.96	-
Charge for the year	265.11	155.20	2.56	79.14	0.13	237.03	-
On Disposals	-	(176.70)	(2.61)	(89.86)	(0.19)	(269.36)	-
As at March 31, 2021	546.66	123.33	2.75	66.52	0.03	192.63	-
Net Block							
As at March 31, 2020	898.88	705.96	4.19	207.16	0.94	918.25	-
As at March 31, 2021	633.77	187.69	1.02	41.81	0.11	230.63	-

(1) The Company adopted Ind AS 116 effective April 1, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). The right of use assets comprise of buildings taken on lease.

5. Intangible assets

Particulars	Computer software	Tenancy right	Total
Gross Block			
As at March 31, 2019	14.05	-	14.05
Additions	0.22	719.94	720.16
As at March 31, 2020	14.27	719.94	734.21
Additions	-	-	-
As at March 31, 2021	14.27	719.94	734.21
Depreciation/Amortisation			
As at March 31, 2019	7.15	-	7.15
Charge for the year	4.72	126.29	131.01
As at March 31, 2020	11.87	126.29	138.16
Charge for the year	2.29	143.99	146.28
As at March 31, 2021	14.16	270.28	284.44
Net Block			
As at March 31, 2020	2.40	593.65	596.05
As at March 31, 2021	0.11	449.66	449.77



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

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Security deposits	300.81	286.32
Total	300.81	286.32

7 Deferred tax Assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets		
Tax impact on provision for expected sales return (net)	15.31	0.90
Tax impact on provisions allowed on actual basis	1.89	2.22
Tax impact on lease liabilities	165.31	226.05
Tax impact on losses (brought forward losses and current year loss)	58.38	9.57
Tax impact on others	15.98	18.17
Total Deferred Tax Assets	256.87	256.91
Deferred Tax Liabilities		
Tax impact arising out of temporary differences in property, plant and equipment, intangible assets and right of use assets	100.80	196.44
Total Deferred Tax Liabilities	100.80	196.44
Net Deferred Tax Assets	156.07	60.47

During the previous year, the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company re-measured its net deferred tax assets basis the rate prescribed in the said section. The full impact of this change was recognised in the standalone Statement of Profit and Loss in previous year.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Advances recoverable in cash or kind	15.00	69.24
Capital advances	-	5.43
Prepaid expenses	0.36	0.36
Total	15.36	75.03

9 Non-current tax assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax (net of provision)	22.03	11.33
Total	22.03	11.33

10 Inventories¹

Particulars	As at March 31, 2021	As at March 31, 2020
At lower of cost and net realisable value		
Stock-in-trade	306.31	1,653.50
Total	306.31	1,653.50

(1) Stock-in-trade includes inventory lying with third party amounting to ₹35.56 Lacs as on March 31, 2021 (March 31, 2020 - ₹86.95 Lacs).

11 Financial assets - Current : Investments

Particulars	As at March 31, 2021	As at March 31, 2020
Unquoted		
Investments in mutual funds at fair value through profit and loss		
HDFC Liquid Fund- Direct Plan - Growth Option (6,981 units at par value of ₹ 1000 each) (March 31, 2020 - 257 units at par value of ₹ 1000 each)	282.42	10.06
Total	282.42	10.06



12 Financial Assets- Current : Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
- Trade Receivables considered good - Secured ¹	60.00	88.14
- Trade Receivables considered good - Unsecured	358.41	220.21
- Trade Receivables - credit impaired	0.05	0.05
	418.46	308.40
Less: Credit impaired	(0.05)	(0.05)
Total trade receivables	418.41	308.35
- Receivables from related parties (Refer Note 41)	-	-
- Others	418.41	308.35
Total trade receivables	418.41	308.35

1) Receivables are secured against security deposits taken from the customers.

13 Financial assets - Current : Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Cash and cash equivalents		
- Balances with banks	12.90	31.61
- Cash on hand	3.10	2.42
Total	16.00	34.03

14 Financial assets - Current : Others

(unsecured, considered good)

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Interest accrued on others	12.27	-
Security deposits	14.40	-
Receivable from sale of property, plant and equipment	132.55	-
Total	159.22	-

15 Other current assets

(unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
Advances recoverable in cash or kind		
- Considered good	40.69	106.28
- Considered doubtful	19.07	10.14
	59.76	116.42
Less: Credit impaired	(19.07)	(10.14)
	40.69	106.28
Advance to employees	0.10	2.14
Prepaid expenses	4.99	0.87
Balances with statutory/government authorities	289.97	397.51
Right of return assets ¹	56.05	4.90
Total	391.80	511.70

(1) The Company uses the expected value method to estimate the consideration given the large number of contracts that have similar characteristics. The Company then applies the requirements on constraining estimates of consideration in order to determine the amount of consideration that can be included in the transaction price. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer.

16 Current tax assets (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance income tax	-	4.27
Total	-	4.27



17 Equity Share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Authorized				
50,00,000 equity shares of ₹10 each (March 31, 2020: 50,00,000 equity shares of ₹10 each)	5,000,000	500.00	5,000,000	500.00
Issued, subscribed and fully paid-up shares				
40,10,000 equity shares of ₹10 each (March 31, 2020: 40,10,000 equity shares of ₹10 each)	4,010,000	401.00	4,010,000	401.00
Total	4,010,000	401.00	4,010,000	401.00

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, 2021		As at March 31, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	4,010,000	401.00	10,000	1.00
Add: Fresh issue of shares during the year	-	-	4,000,000	400.00
Equity shares outstanding at the end of the year	4,010,000	401.00	4,010,000	401.00

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

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Vedant Fashions Private Limited	4,009,999	100.00%	4,009,999	100.00%
Total	4,009,999	100.00%	4,009,999	100.00%

iii) Rights, preferences and restrictions attached to shares

The Company has only one class of equity shares having par value of ₹10 each (March 31, 2020: ₹10 each). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the general meeting. The above shareholding represents legal ownership of shares.

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

18 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
Retained earnings		
Opening balance	(236.77)	37.02
Loss for the year	(447.60)	(272.70)
Other comprehensive income/(loss) for the year		
- Remeasurement of net defined benefit liability/ asset (net of tax)	2.21	(1.09)
	(682.16)	(236.77)
Securities Premium		
Opening balance	1,600.00	-
Equity shares issued during the year	-	1,600.00
	1,600.00	1,600.00
Total	917.84	1,363.23

Nature and purpose of reserves

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

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



19 Financial liabilities - Non current : Deposits

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Security deposits	54.61	63.37
Total	54.61	63.37

20 Financial liabilities - Non current : Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Lease liabilities	486.82	656.84
Total	486.82	656.84

(1) For changes in liabilities arising from financing activities, refer Note 46.

21 Non-current provisions

Particulars	As at March 31, 2021	As at March 31, 2020
For employee benefits		
- Gratuity (Refer Note 39)	7.18	8.39
Total	7.18	8.39

22 Other non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Deferred income	28.58	54.10
Total	28.58	54.10

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

23 Financial liabilities - Current : Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 23.1)	1.60	2.26
	1.60	2.26
- Dues to related parties (Refer Note 41)	932.17	2,244.31
- Total outstanding dues of creditors other than micro enterprises and small enterprises	178.29	186.76
	1,110.46	2,431.07
Total	1,112.06	2,433.33

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

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1.60	2.26
(ii) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.03	0.03
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-



24 Financial liabilities - Current : Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Lease liabilities	184.52	241.34
Total	184.52	241.34

(1) For changes in liabilities arising from financing activities, refer Note 46.

25 Financial liabilities - Current : Others

Particulars	As at March 31, 2021	As at March 31, 2020
At amortised cost		
Employees related liabilities	14.31	10.19
Payables to capital creditors	-	92.82
Interest payable on micro, small and medium enterprises (Refer Note 23.1)	0.03	0.03
Total	14.34	103.04

26 Current : Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
For employee benefits		
- Gratuity (Refer Note 39)	0.29	0.37
Total	0.29	0.37

27 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advance from customers	33.22	22.25
Refund liabilities ¹	116.89	8.47
Statutory dues	19.46	12.51
Deferred income (Refer Note 22.1)	5.79	-
Total	175.36	43.23

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



28 Revenue from operations

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Sale of products	3,341.68	4,881.30
Other operating revenue:		
(i) Others	0.92	0.49
Revenue from operations	3,342.60	4,881.79

28.1 Disaggregated revenue information

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

Particulars	March 31, 2021	March 31, 2020
India	3,140.95	4,704.34
Outside India	200.73	176.96
Total revenue from contracts with customers	3,341.68	4,881.30

28.2 Reconciliation revenue from sale of products with contract price

Particulars	March 31, 2021	March 31, 2020
Contract price	3,338.99	4,877.58
Add: Impact of deferred income (Refer Note 22.1)	2.69	3.72
Total revenue from sale of products	3,341.68	4,881.30

Performance obligation

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.

29 Other Income

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Interest income		
- Others ¹	29.51	15.87
Profit on sale of investments	1.45	7.23
Profit on fair valuation of investments carried at FVTPL	0.23	0.04
Profit on sale of property, plant & equipment (net)	67.77	-
Gain on foreign exchange fluctuations (net)	26.29	14.62
Liabilities/provisions no longer required written back	10.07	5.58
Insurance claims	0.20	0.37
Rent concession on lease arrangements (Refer Note 46.1)	136.57	-
Other miscellaneous income	0.77	4.51
Total	272.86	48.22

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

30 Purchases of stock-in-trade

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Purchases of stock-in-trade	1,101.79	4,843.65
Total	1,101.79	4,843.65

31 Changes in inventories of stock-in-trade

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Inventories at the end of the year (Refer Note 10)		
Stock-in-trade	306.31	1,653.50
	306.31	1,653.50
Inventories at the beginning of the year (Refer Note 10)		
Stock-in-trade	1,653.50	400.29
	1,653.50	400.29
	1,347.19	(1,253.21)
Increase in right of return assets (Refer Note 15)	(51.15)	(1.65)
Changes in inventories of stock-in-trade	1,296.04	(1,254.86)



32 Employee benefits expense

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Salaries, wages and bonus	142.88	237.18
Contribution to provident and other funds	5.24	10.53
Gratuity expense (Refer Note 39)	3.44	1.94
Staff welfare expenses	0.07	0.93
Total	151.63	250.58

33 Finance cost

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Interest expense:		
- on borrowings	7.83	16.04
- on lease liabilities	72.59	78.01
- others ¹	2.68	2.69
Total	83.10	96.74

(1) It primarily includes unwinding of interest on security deposits taken from customers.

34 Depreciation and amortisation expense

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Property, Plant & Equipment (Refer Note 4)	237.03	214.65
Right of use assets (Refer Note 4)	265.11	281.55
Intangible assets (Refer Note 5)	146.28	131.01
Total	648.42	627.21

35 Other expenses¹

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Electricity charges	52.54	78.11
Lease cost (Refer Note 46)	260.06	56.63
Rates and taxes	3.17	8.05
Insurance	6.60	1.67
Repairs and maintenance		
- Others	94.67	53.44
Manpower outsourcing charges	134.50	92.46
Legal & professional fees	22.18	24.00
Travelling and conveyance	1.00	5.78
Payment to auditors (Refer Note 37)	6.03	6.30
Shop running and maintenance expenses	15.04	27.63
Provision for doubtful debts & advances	9.30	7.39
Bad debts/advances written off	4.71	1.89
Loss on sale/discard of Property, plant & equipments (net)	-	0.19
Selling and distribution expenses		
-Advertisement, publicity and sales promotion expenses	62.53	84.73
-Commission	110.24	115.04
-Freight and forwarding expenses	38.93	60.40
Miscellaneous expenses	56.92	73.25
Total	878.42	696.96

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



Manyavar Creations Private Limited

Notes to Financial statements for the year ended March 31, 2021

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

36 Earnings per share (EPS)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Net loss after tax for the year	(447.60)	(272.70)
Number of ordinary shares (No. in Lacs)	40.10	40.10
Weighted average number of ordinary shares for basic EPS (No. in Lacs)	40.10	30.59
Nominal value of ordinary share (₹ in Lacs) (Refer Note 17)	401.00	401.00
Basic & Diluted earnings for ordinary shares (in ₹ per share)	(11.16)	(8.91)

37 Payment to Auditors

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
As statutory auditors :		
Audit fees	4.50	4.50
Tax audit fees	1.50	1.50
Reimbursement of expenses	0.03	0.30
Total	6.03	6.30

38 Reconciliation of tax expense and accounting profit

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Net loss before tax	(543.94)	(330.27)
Corporate tax	(96.34)	(57.57)
Net loss	(447.60)	(272.70)
Effective tax rate	17.71%	17.43%
Change in tax rate	-	(0.08)
Non deductible expenses for tax purposes	40.55	25.64
Adjusted tax charge	(136.89)	(83.13)
Adjusted tax rate	25.17%	25.17%



39 Employee benefits**(I) Defined contribution plan**

In accordance with The Employees Provident Funds and Miscellaneous Provisions Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2021 and 2020) 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 year when the employee renders the service. There are no obligations other than the contribution payable to the respective funds.

(II) Defined benefit plan - 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, 2021	March 31, 2020
Discount rate	6.70%	6.70%
Expected rate of increase in compensation level of covered employees	7.00%	0% for first year, 7% thereafter
Mortality rate	Indian Assured Lives Mortality (2006 -08) Ultimate	Indian Assured Lives Mortality (2006 -08) Ultimate
Withdrawal Rate		
- Upto 30 years	15.00%	15.00%
- 31 to 40 years	8.00%	8.00%
- 41 years and above	3.00%	3.00%

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

B Details of actuarial valuation carried out on balance sheet date are as under:**Amount recognised in the balance sheet consists of:**

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligations	7.47	8.76
Net liability arising from defined benefit obligations	7.47	8.76

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

Particulars	March 31, 2021	March 31, 2020
Current service cost	2.91	1.53
Net interest cost	0.53	0.41
Total charge to statement of profit or loss	3.44	1.94

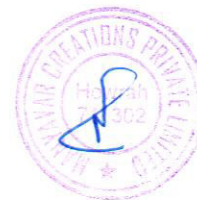
Amounts recognised in the statement of comprehensive income are as follows:**Remeasurement of the net defined benefit obligation:-**

Particulars	March 31, 2021	March 31, 2020
Re-measurement losses / (gains) arising from changes in financial assumptions	-	(0.15)
Re-measurement losses / (gains) arising from unexpected experience	(2.95)	1.61
Re measurement of the net defined benefit liability	(2.95)	1.46

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

Particulars	March 31, 2021	March 31, 2020
As at April 1	8.76	5.71
Current service cost	2.91	1.53
Interest cost of scheme liabilities	0.53	0.41
Benefits (paid)	(1.78)	(0.89)
Acquisition Adjustment	-	0.54
Re-measurement losses / (gains) arising from changes in financial assumptions	-	(0.15)
Re-measurement losses / (gains) arising from unexpected experience	(2.95)	1.61
As at March 31	7.47	8.76
Recognised under:		
Current provision	0.29	0.37
Non current provision	7.18	8.39

The gratuity scheme of the Company is unfunded hence there was no plan asset as at March 31, 2021 and March 31, 2020.



C Sensitivity analysis

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

Increased / (Decreased) defined benefit obligation

Particulars	March 31, 2021	March 31, 2020
Discount rate		
Increase by 0.50%	7.10	8.32
Decrease by 0.50%	7.87	9.24
Expected rate of change in compensation level of covered employees		
Increase by 0.50%	7.86	9.19
Decrease by 0.50%	7.10	8.18
Mortality Rate		
Increase by 10%	7.47	8.76
Decrease by 10%	7.47	8.76
Attrition Rate		
Increase by 0.50%	7.44	8.71
Decrease by 0.50%	7.49	8.81

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

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

D Risk analysis

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

(1) Salary growth risks

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

(2) Life expectancy / Longevity risks

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

(3) Interest rate risks

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

(4) Inflation risks

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

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



Manyavar Creations Private Limited

Notes to the Financial statements as at and for the year ended March 31, 2021

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

40 Contingent Liabilities and Commitments

(To the extent not provided for)

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

(i) Commitments

Estimated amount of contracts remaining to be executed on capital account

	As at March 31, 2021	As at March 31, 2020
	-	6.59

(ii) Contingencies

There is no contingent liability as on balance sheet date.

41 Related party disclosures

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

(i) Holding Company

Vedant Fashions Private Limited

(ii) Other related parties and related party relationships:

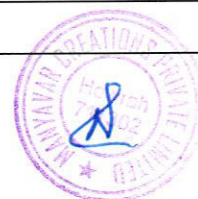
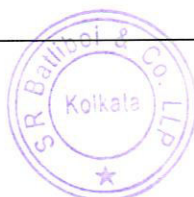
Mr. Ravi Modi - Director	Key Managerial Person (KMP)
Mrs. Shilpi Modi - Director	Key Managerial Person (KMP)
Mr. Navin Pareek - Company Secretary	Key Managerial Person (KMP)

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

Particulars	For the Year ended	
	March 31, 2021	March 31, 2020
Purchase of traded goods		
Vedant Fashions Private Limited	1,235.04	5,382.71
Total	1,235.04	5,382.71
Rent expense		
Vedant Fashions Private Limited	0.71	0.71
Total	0.71	0.71
Reimbursement of expenses		
Vedant Fashions Private Limited	24.14	29.95
Total	24.14	29.95
Recovery of expenses		
Vedant Fashions Private Limited	116.61	290.40
Total	116.61	290.40
Subscription of share capital (including securities premium)		
Vedant Fashions Private Limited	-	2,000.00
Total	-	2,000.00
Short term loan taken (repayable on demand)		
Vedant Fashions Private Limited	149.00	750.00
Total	149.00	750.00
Refund of loan taken		
Vedant Fashions Private Limited	149.00	1,125.00
Total	149.00	1,125.00
Interest on short term loan		
Vedant Fashions Private Limited	7.83	16.01
Total	7.83	16.01
Purchase of property, plant & equipment		
Vedant Fashions Private Limited	0.09	-
Total	0.09	-
Gratuity liabilities transferred from		
Vedant Fashions Private Limited	-	0.54
Total	-	0.54

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

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Payable to:		
Vedant Fashions Private Limited	932.17	2,244.31
Trade payables		



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

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

42 Financial Instruments

Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in Note 3.

Financial assets and liabilities as at

Particulars	March 31, 2021		
	Fair value through profit or loss	Amortised Cost	Carrying Value
Financial Assets			
Investments	282.42	-	282.42
Trade receivables	-	418.41	418.41
Cash and cash equivalents	-	16.00	16.00
Other financial assets	-	460.03	460.03
Total	282.42	894.44	1,176.86
Financial Liabilities			
Non-current deposits	-	54.61	54.61
Lease liabilities	-	671.34	671.34
Trade payables	-	1,112.06	1,112.06
Other financial liabilities	-	14.34	14.34
Total	-	1,852.35	1,852.35

Particulars	March 31, 2020		
	Fair value through profit or loss	Amortised Cost	Carrying Value
Financial Assets			
Investments	10.06	-	10.06
Trade receivables	-	308.35	308.35
Cash and cash equivalents	-	34.03	34.03
Other financial assets	-	286.32	286.32
Total	10.06	628.70	638.76
Financial Liabilities			
Non-current deposits	-	63.37	63.37
Lease liabilities	-	898.18	898.18
Trade payables	-	2,433.33	2,433.33
Other financial liabilities	-	103.04	103.04
Total	-	3,497.92	3,497.92

43 Fair Value Hierarchy

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

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

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

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

Particulars	Fair Value measuring at the end of the reporting period using			As at
	Level 1	Level 2	Level 3	March 31, 2021
	Total			
Financial assets				
Investments in mutual funds	282.42	-	-	282.42
Total	282.42	-	-	282.42

Particulars	Fair Value measuring at the end of the reporting period using			As at
	Level 1	Level 2	Level 3	March 31, 2020
	Total			
Financial assets				
Investments in mutual funds	10.06	-	-	10.06
Total	10.06	-	-	10.06

a) The fair value of the financial assets and liabilities are included at the amount that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants.

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

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

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



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

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

44 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) Market Risk

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

b) Commodity Price Risk

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

c) Price Risk

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

d) Liquidity Risk

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

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

Particulars	As at March 31, 2021	As at March 31, 2020
Less than 1 year		
Trade payables	1,112.06	2,433.33
Lease liabilities	184.52	241.34
Other financial liabilities	14.34	103.04
	1,310.92	2,777.71
Between 2 to 3 year		
Lease Liabilities	443.44	378.38
	443.44	378.38
More than 3 year		
Lease Liabilities	43.38	278.46
Other financial liabilities	54.61	63.37
	97.99	341.83
Total	1,852.35	3,497.92

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

e) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹418.41 Lacs and ₹308.35 Lacs as at March 31, 2021 and as at March 31, 2020 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, 2021	As at March 31, 2020
Less than 30 days	271.30	87.12
31 to 90 days	22.19	220.73
91 to 180 days	109.05	0.36
More than 180 days	15.87	0.14
Total	418.41	308.35

Above figures include secured debtors amounting to ₹60 Lacs as at March 31, 2021 (March 31, 2020 - ₹88.14 Lacs).



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

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

45 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. Excess cash and bank balance has been invested by the Company in mutual funds.

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Share capital	401.00	401.00
Other equity	917.84	1,363.23
Equity (A)	1,318.84	1,764.23
Cash and cash equivalents	16.00	34.03
Total fund (B)	16.00	34.03
Current borrowings and interest accrued	-	-
Total debt (C)	-	-
Net debt (D=(C-B))	(16.00)	(34.03)
Total capital (equity + net debt)	1,302.84	1,730.20
Net debt to equity ratio (E=D/A)	*	*

* Net debt is negative and hence not applicable.



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

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

46 Leases

(a) The Company implemented Indian Accounting Standard for Leases ("Ind AS 116") with effect from April 1, 2019 using the modified retrospective approach without adjusting the comparative period. The right of use assets comprise of buildings taken on lease. The effective interest rate for lease liabilities has been considered at the incremental borrowing rate. The effect of initial recognition as per Ind AS 116 was as follows:

<u>Particulars</u>	<u>As on April 1, 2019</u>
Recognition of lease liabilities	179.02
Recognition of right of use assets	179.02
Reclassification from prepayments pursuant to adoption of Ind AS 116	77.49

(b) Carrying value of right of use assets at the end of the reporting period (Refer Note 4)

<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
633.77	898.88

(c) Analysis of Lease liabilities:

Movement of lease liabilities

<u>Opening Lease Liabilities</u>	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Opening Lease Liabilities	898.18	179.02
Addition during the year	-	923.92
Accretion of interest during the period	72.59	78.01
Cash outflow towards payment of lease liabilities	(162.86)	(282.77)
Rent concession on lease arrangements (Refer Note 29 and Note 46.1)	(136.57)	-
Closing lease liabilities	671.34	898.18

46.1 The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19-Related Rent concessions" effective from the period beginning on or after April 01, 2020. As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B of Ind AS 116 is a lease modification. Pursuant to the notification, the Company has applied the practical expedient with effect from April 01, 2020 and hence rent concession received during the year amounting to Rs. 136.57 Lacs has been accounted as other income for as lease arrangements on which lease liabilities was recognised as per Ind AS 116.

Maturity analysis of lease liabilities

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Less than 1 year	184.52	241.34
Between 2 to 3 year	443.44	378.38
More than 3 year	43.38	278.46

Lease liabilities included in the statement of financial position

	<u>As at March 31, 2021</u>	<u>As at March 31, 2020</u>
Current	184.52	241.34
Non-Current	486.82	656.84

(d) Amounts recognised in profit or loss

Particulars

	<u>For the year ended March 31, 2021</u>	<u>For the year ended March 31, 2020</u>
Interest on lease liabilities	72.59	78.01
Depreciation on right of use assets	265.11	281.55
Other expenses	(177.86)	(316.74)
Rent concession on lease arrangements	(136.57)	-
Net impact on profit before tax	23.27	42.82
Deferred Tax	5.86	10.78
Net impact on profit after tax	17.41	32.04

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

	<u>For the year ended March 31, 2021</u>	<u>For the year ended March 31, 2020</u>
Lease cost as per Statement of profit and loss	260.06	56.63



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

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

47 Segment Reporting :

The Company has identified that its only reportable segment is "Branded fashion apparel and accessories". The Chief Operating Decision Maker (CODM) monitors the operating results for the purpose of making decisions. Performance is evaluated based on statement of profit or loss.

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

Particulars	Revenue from Operations	
	For the year ended March 31, 2021	For the year ended March 31, 2020
India	3,141.87	4,704.83
Overseas	200.73	176.96
Total	3,342.60	4,881.79

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

Particulars	Carrying amount of assets*	
	As at March 31, 2021	As at March 31, 2020
India	1,507.63	2,560.01
Overseas	-	-
Total	1,507.63	2,560.01

* Carrying amount of non current assets is excluding financial assets.

(ii) Disaggregated revenue information

For disaggregation of revenue, refer note 28.1.



48 Critical estimates and judgements in applying accounting policies

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

i) Revenue Recognition

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

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

Based on the evaluation of the aforementioned criteria, the Company recognises revenue when the good are delivered to the Customer/ Franchisee.

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

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

iii) Defined benefit plan

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

iv) Leases

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

v) Recoverability of Deferred Tax Assets

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

vi) Estimation of Provisions

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

vii) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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



Manyavar Creations Private Limited

Notes to the financial statements as at and for the year ended March 31, 2021

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

49 COVID-19 Impact

Recently, there has been a spike in the COVID-19 cases again in across the Country and as a result government is imposing partial lockdown/ restrictions in certain area. The management is monitoring the situation closely and is operating its activities with the required workforce as permitted by the Government. The management has made an initial assessment, based on the current situation of the likely impact of the COVID-19 on overall economic environment and on the Company, in particular, based on which it does not expect further reduction in demand of the Company's products and any challenge in the Company's ability to continue as a going concern or meeting its financial obligations. However, the above evaluations are based on information available upto the date of approval of these financial statements, which are very dynamic and subject to uncertainties that COVID-19 outbreak might pose on economic recovery.

In terms of our report attached of the even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005


per Bhaswar Sarkar
Partner
Membership No. 055596



Place: Kolkata

Date: July 13, 2021

Manyavar Creations Private Limited

For and on behalf of the Board of Directors



Ravi Modi
Director
DIN : 00361853



Shilpi Modi
Director
DIN : 00361954



Navin Pareek
Company Secretary

