



VEDANT FASHIONS

— LIMITED —

amplifying Value  
accelerating Growth  
accentuating Cultural ties

ANNUAL REPORT 2022-23

# Contents



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Both in India and  
abroad, we strive  
to promote Indian  
culture and its  
intrinsic values,  
forging a deeply  
emotional connect  
with our customers.



**Ravi Modi**  
CMD



**Vedant Fashions stands uniquely at the convergence of distinctive creativity, cultural ethos, and impressive performance metrics.**



Our journey started with a strong focus on encompassing a wide range of Indian celebration and wedding wear designed to meet the needs of every family member. This initiative, along with our industry leadership, has helped carve out a unique niche for us. Our signature creations reflect intense research, innovative ideas, the application of cutting-edge technology, and exceptional craftsmanship, all of which contribute to setting new industry standards at every step.

It is an amazing result of the collective efforts and countless work hours put in by handpicked artisans, assisted by seamless inter-departmental coordination, IT-enabled operations, synchronised front-and back-end operations and a formidable designing team.

The ethnic diversity of India is what makes our country so unique. Weddings and celebrations are a montage of fascinating rituals and traditions.

## At Vedant Fashions

we believe our brands are accentuating cultural ties for millions of fashion lovers. We are driving a behavioural shift towards Indian celebration wear while amplifying stakeholder value and accelerating business growth with a long-term perspective.

## ABOUT VEDANT FASHIONS

# Creativity resonating deep cultural roots

Vedant Fashions Limited has been the home of timeless elegance and exquisite craftsmanship in the Indian wedding and celebration wear segment for the last two decades.

Founded by the visionary Mr. Ravi Modi in the Joyous city of Kolkata, with a special emphasis on exquisite traditional celebration attire, we cater to men, women, and children wear, redefining the landscape of celebratory and traditional Indian fashion.

As one of the largest company in India's traditional market for men's Indian wedding and celebration wear, we uphold a legacy of excellence. Our flagship brand, Manyavar, is the leader in branded Indian wedding and celebration wear for men's category, with a pan-India presence.\*

However, the quest to revolutionise the industry for men's does not stop there. With our boutique of brands: Mohey, Twamev, Manthan and Mebaz, we have extended our reach into the realm of Indian wedding and celebration wear with an equally impressive presence across various parts of India.

We have also expanded our footprint worldwide, bringing the essence of Indian culture to celebrations in countries such as USA, Canada, the UK and the UAE.

Our commitment to providing a one-stop destination for all celebratory occasions is unwavering. With an aspirational yet value-for-money offering, we present a wide array of stunning ensembles to suit every style and budget.

\* Crisil Report 2020



## Vision

Instil pride in wearing Indian



## Mission

To be a dominant player in Indian Wedding and Celebration wear space across gender and age

### Key highlights

<b>13,549</b> (INR in million)	<b>6,783</b> (INR in million)	<b>4,291</b> (INR in million)	<b>50.1%</b>
Revenue from operations	EBITDA	PAT	EBITDA margin
<b>30.2%</b> y-o-y growth	<b>30.1%</b> y-o-y growth	<b>36.3%</b> y-o-y growth	<b>31.7%</b> PAT Margin



Values we nurture

## Creating, enhancing, nurturing, inspiring and ornamenting Respect.



### Transparency

As one of India's most reputable apparel brands, we ensure transparency through fair and ethical business practises.



### Efficiency

We strive for efficiency in everything we do, whether it is in creating offerings of the highest calibre, putting industry best practises into reality, or providing wonderful customer service.



### Use of Tech & Innovation

Since our inception we are innovating our processes, by effectively implementing technologies such as automated inventory replenishment and Warehouse Management Systems (WMS), we are also strengthening our digital trajectory.



### Inclusive Growth of all Stakeholders

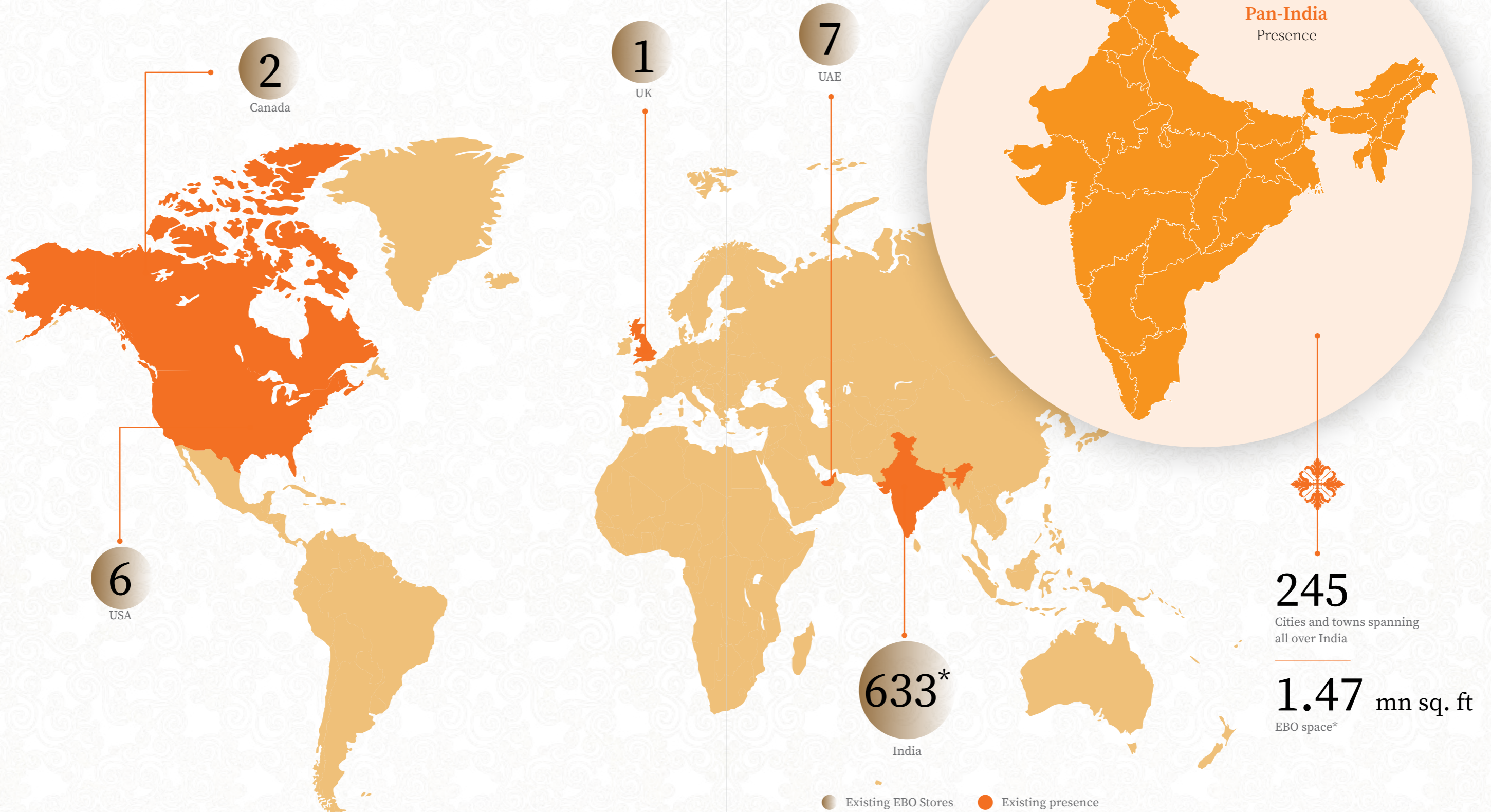
Vedant Fashions is committed to fostering inclusive growth by engaging and enriching all stakeholders in the vibrant tapestry of our fashion ecosystem



## GEOGRAPHIC FOOTPRINT

# Truly borderless

As we expand locally and globally, we stay focused on strengthening cultural connections, blending traditions and fashion trends in each area where we do business. Our worldwide presence highlights our objective to combine traditional Indian elements with modern trends, making our wedding and celebration wear perfect for everyone.



\*including Shops-in-shops

# Managing Director's Perspective



## Dear Shareholders,

It is always a pleasure to share my thoughts with you at the culmination of an eventful financial year after our very successful and heart-warming IPO. As we continue the journey forward, we deeply cherish the trust and support of all our customers and stakeholders.

Vedant Fashions today is a one-stop destination with a wide product portfolio for every celebratory occasion for all members of the family. Our portfolio of brands articulates the beauty and allure of India's traditional craftsmanship, which have survived the test of time. Our brands celebrate the confluence of India's tradition and modernity through innovative creations and showcase them to contemporary India as well as the world.

At the very core of Manyavar's existence lies a deep-rooted belief - to be the flag-bearer of Indian culture and tradition to the world. From our inception,

we have ardently strived to showcase the splendour of Indian ethnic garments, embodying the essence of our diverse and vibrant nation. We take pride in every outfit that adorns the celebrations of our patrons, for it not only reflects fashion but also carries the legacy of centuries-old craftsmanship and artistic finesse.

Our journey has been one of continuous growth, innovation, and the unwavering commitment to our vision. Through every thread we weave and every design we create, we pledge to present our customers with an experience that resonates with their roots and fills them with a sense of belonging. Our brands have become synonymous with celebrations - the moments that bind families, communities, and the entire nation together.

As we expand our footprint globally, we are also fulfilling the aspiration to be ambassadors of Indian traditions beyond our borders. With great responsibility comes the opportunity to showcase our heritage to the world, and we embrace this with humility and pride.

## Connecting through emotions

If we look at the opportunity landscape for branded wedding and celebration wear, there is a large and growing market, driven by an increased spending on such wear. We continue to be the market leader in Indian celebration wear market with a diversified brand portfolio across the value spectrum for the entire family. From the category leader Manyavar to Mohey, Twamev, Mebaz and Manthan, we have launched spectacular brands that have won the hearts of millions of patrons, who truly appreciate the timeless elegance of Indian wedding and celebration wear.

We connect with our customers through emotions, which is best articulated by our theme-based marketing campaigns, driven by our celebrity brand ambassadors. Our deeply emotive value proposition for customers is unrivalled in the markets where we operate. Our flagship campaign 'Taiyaar Hokaar Aaiye', starring Ranveer Singh, attracts a lot of traction across all platforms. Kiara Advani, Mohey's brand ambassador, has also won a lot of appreciation.

Our theme-based campaign 'Dulhan Wali Feeling' depicts the saga of a 21st century bride and how weddings are a big day for them. This campaign beautifully encapsulates the theme and strongly connects with all modern-day brides.

## Core strengths and growth strategies

We have evolved a unique business model combining asset-light brand play, along with offering customers a seamless customer experience. Our widespread pan-India multi-channel presence through an EBO network with a scalable franchisee model remains one of our core strengths and growth catalysts. Our growth strategies during the reporting year (FY23) revolved around expanding our retail outreach both nationally and internationally.

We are now present in four international locations – USA, UK, Canada and the UAE. We have expanded our EBO area to 1.47 million square feet, spanning 649 stores in 257 cities and towns globally. The national EBO footprint stood at 633 stores spread across 245 cities and towns. The expansion highlights the strong commitment to provide our consumers with the best possible shopping experience, thereby increasing our market share with the largest share of the consumer's wallet.

We have also developed a technology-based supply chain network with strong processes in place. Our strong technology backbone helps us attain operational efficiencies and deliver a memorable retail experience to our customers. Most of our business operations are system-driven, with limited manual intervention. We have an advanced auto-replenishment system for supplying stock at stores, backed by system driven supply chain management.

While we have developed sharper market insight and in-depth understanding of consumer preferences across India, we have been utilising data analytics to better record and analyse the evolving preferences of our customers and purchase trends across the country. We have also integrated secondary sales network with full visibility of products sold at our stores. In addition, our website has been upgraded to support customer

product selection and sales processes, significantly enhancing our customer's experience.

We continue to operate with industry-leading performance metrics owing to our asset-light and franchise-led EBO distribution model with high cash conversion ratio.

## Value beyond business

As a responsible business, we believe in gradually strengthening our ESG performance, with focus on reducing environmental footprint, prioritising the well-being of our communities and further strengthening our corporate governance framework. Our corporate citizenship efforts help promote healthcare and education for underprivileged communities. Our annual stakeholder disclosures reflect the details pertaining to these initiatives.

At Vedant Fashions, we have a robust corporate governance framework, which reflects our commitment to ethical governance practices. By complying with the corporate governance code and instilling its principles throughout our operations, we consistently maintain transparency and accountability, thereby cultivating and retaining the trust of all our investors and other stakeholders.

## Way forward

As we take rapid strides forward, we will continue to focus on our growth strategy. It can be summarised as: focusing on retail expansion in India and overseas; enhancing brand appeal through targeted marketing initiatives; exploring up-selling and cross-selling initiatives; following a disciplined approach towards acquisitions; exploring significant potential and creating space for the growth of our existing and emerging brands.

In addition, our approach is guided by four strategic pillars that are integral to our operations: transparency, efficiency, the consistent use of technology and innovation, and above all, fostering inclusive growth of all

stakeholders. These pillars not only shape our business decisions but also define our commitment to creating lasting value.

We are always looking for new ways to capitalise on emerging trends in the Indian wedding and celebration wear industry. The increase in multi-day and multi-event wedding festivities and celebrations, shifting consumer preference towards branded Indian wedding and celebration wear, and the transition to ready-to-wear Indian celebration wear apparel will offer us more opportunities to grow.

**We strive to instil pride among citizens in donning the Indian wear. At a deeply personal level, my dream initially was that every wardrobe should have at least one set of Indian traditional wear. My dream now is that every wardrobe should have only Indian attire for weddings, festivals and celebrations.**

Our achievements would not have been possible without the relentless dedication of our team, the support of our esteemed partners, and the trust and love bestowed upon us by our cherished customers. We remain deeply grateful for the unending encouragement and loyalty you have shown us on this remarkable journey.

As we look to the future, we remain steadfast in our commitment to preserving and promoting Indian culture, both domestically and internationally. We will continue to innovate and evolve, while staying true to the soul and purpose of Vedant Fashions.

In conclusion, I extend my heartfelt gratitude to each one of you for being a part of this wonderful odyssey. Together, let us march ahead, carrying the torch of Indian heritage, and spreading the joy of celebrations to every corner of the world.

Warm wishes,

**Ravi Modi**  
Chairman and Managing Director

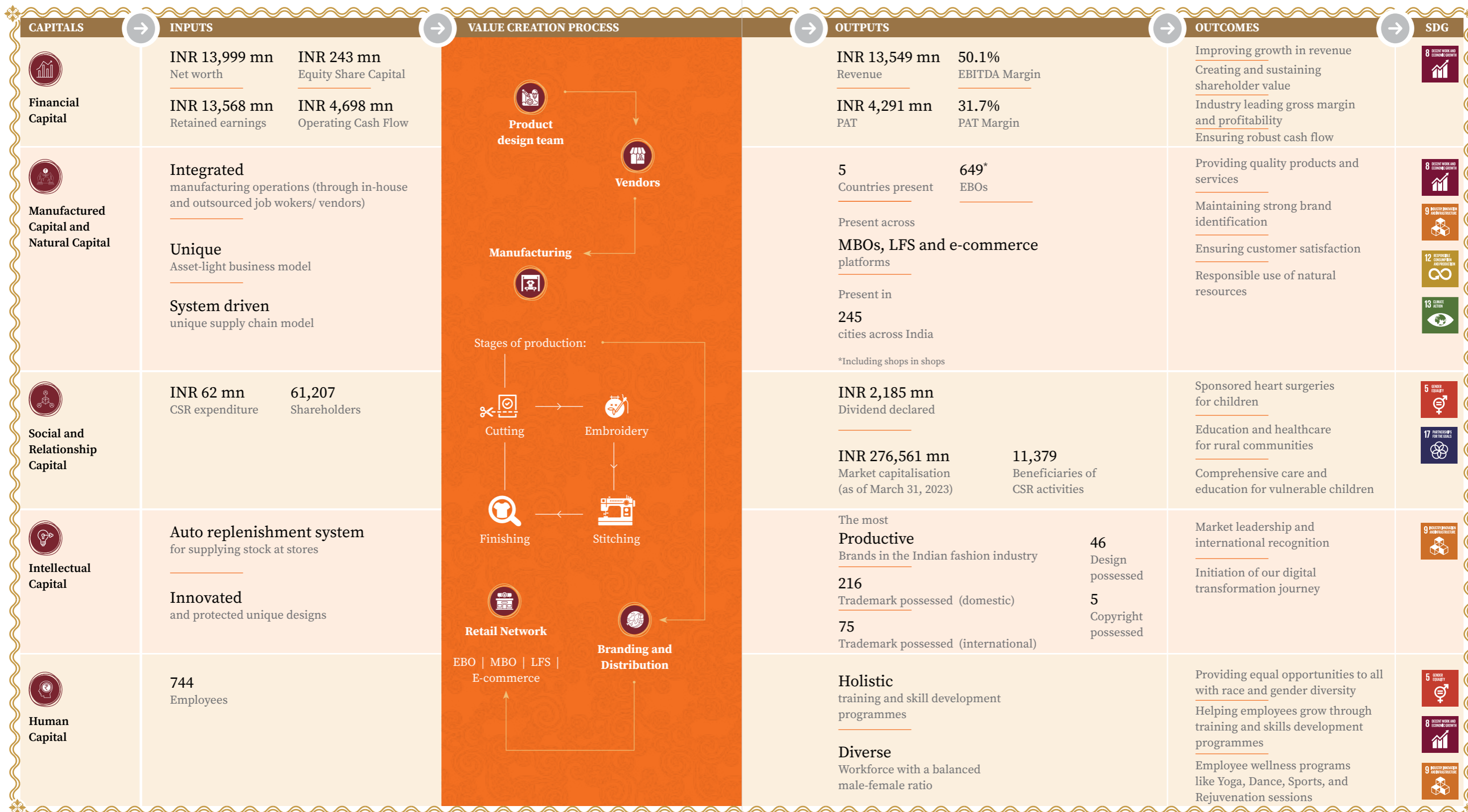


We are amplifying Value,  
accelerating Growth and  
accentuating Cultural  
ties powered by intense  
research, innovative  
ideas, best-in-class  
technology and exceptional  
craftsmanship.

## BUSINESS MODEL

# Amplifying value sustainably

We are building a sustainable and value-accretive business by moving forward while embracing all challenges in our stride and nurturing a deeper emotional connect with our customers. The Company endeavours to ensure the overall growth of its Indian wedding and celebration wear business across India and overseas through its iconic designs, superior product quality, ability to create a sustainable business model and zeal towards creating enduring stakeholder value.





## STAKEHOLDER ENGAGEMENT

# Accelerating growth together with all stakeholders

Operating in one of the most dynamic industries in the world, we are cognizant of the pressing need to continually evolve to meet shifting consumer demands. It has become an imperative to identify emerging social trends and build our strategy around those trends to stand out among industry peers and ensure long-term value creation for all our stakeholders.

### Mapping emerging social trends



#### Sustainability

In response to the heightened consumer awareness of environmental and social concerns, we are proactively implementing various strategies to reduce waste



#### Inclusivity

A greater focus on emotional connect in advertising and marketing campaigns



#### Diverse offerings

We leverage our diverse range to cater to individual tastes, reflecting the social trend of individuality through vast variety and price ranges.



#### Technology and digital world

From designing to manufacturing and to the selling of products in the market, technology is being used to enable more efficient and effective operations across the entire fashion value chain.

### Strengthening market position through multifaceted retail strategies



#### Retail expansion

Entry into 22 new cities in India and 4 internationally  
Expanded our physical footprint by 2.04 lakh square feet in FY23  
Exploration of untapped markets in existing cities  
Introduction of larger stores in high-performing areas



#### Up-selling and Cross-selling

Promotion of cross-selling across brands  
Catering to customers' varied celebratory needs  
Offering of accessories and multi-day event services



#### Targeted marketing initiatives

Collaboration with leading celebrities and award-winning campaigns  
Promotion of Indian wear and emotional connection with customers  
Strategy to strengthen market share



#### Growth of emerging brands

New brands also drive growth  
Data-driven approach and Indian couture expertise  
Innovation and quality product delivery  
Identification of a multi-decade growth opportunity in the category



#### Disciplined acquisitions

Strategic acquisition of Mebaz in 2017  
Focused effort on building Mebaz's presence in AP and Telangana  
Identification of regional gaps and leadership consolidation, complementing our omni-channel network

### Differentiating ourselves in a competitive sector

1

#### Affordable yet Value for Money

- Aspirational, value-for-money brand with a seamless, aristocratic experience.
- Uniform pricing across online & offline channels in India
- No discounts/ end-of-season sales for Manyavar brand

2

#### Multi-brand Product Portfolio

- One-stop destination with wide product portfolio for men, women & kids catering to all celebratory occasions across price points
- Low level of obsolete & dead stock
- 52 Week Design collection

3

#### Strong Control Over the Ecosystem

- Strong design capabilities with data-driven/ AI backed decision-making and demand forecasting
- Tech-driven unique supply chain & inventory management with Automated Replenishment System at pin code level
- Integrated secondary sales network with full visibility of products sold at our stores
- Having first-mover advantage in a highly unorganised and fragmented industry

\*Crisil Report 2020

4

#### Curated Marketing Strategy with Multi Channel Presence

- Emotional connect with theme-based campaigns
- Celebrity brand ambassadors
- Omni-channel network with pan-India presence.

5

#### Economic Leadership in the Industry

- Best in class Financial Matrix in apparel retail being largest company in India in men's Indian wedding & celebration wear by Revenue, OPBDIT & PAT\*
- Asset light & franchisee led EBO distribution model with high cash conversion ratio
- Leads the peer set in terms of financial & operational metrics

6

#### Strong Corporate Governance

- Experienced management with rich functional expertise
- Eminent Board of Directors with experience
- Audit by Big 4 auditors
- Embrace ESG practices and promote Corporate Social Responsibilities

### Outcomes that we have achieved

1.47 million +  
sq. ft of retail space globally

649\*

Stores including

16

International stores spread across over

245

cities in India and

12

cities internationally

744

employees helping us deliver real value to our customers

\*Including shops in shops

## BRAND PORTFOLIO

# Accentuating deep cultural ties with signature creations

Over the years, we have creatively diversified our portfolio to include an amazing repertoire of signature creations that meet the celebration wear needs of every member of the family. Our brands resonate with specific cultural ties of people and deliver both aesthetic and emotive value that endures.



**Manjyatar**

**Mohey**



**Twamev**

**Mebaz**



**MANTHAN**



Manyavar, our flagship brand, is the category leader in the branded Indian wedding and celebration wear for men.\*\* The mid-premium pricing and its pan-India presence have contributed to its market dominance.



- Year**  
1999\*

---

- Target Group**  
Men

---

- Price Spectrum**  
Mid-Premium

---

- Distribution**  
EBOs, MBOs, LFS, E-commerce

---

- Product Portfolio**  
Men: Kurta, Indo-western, Sherwani, jacket, accessories  
Kids: Kurta set, jacket set, Indo-western, accessories

---

- Key Attributes**
  - Category leader in branded Indian wedding & celebration wear market with a pan-India presence\*\*
  - No end of season sales or discounts for Manyavar brand

\*Brand 'Manyavar' started operations via predecessor entity in 1999  
\*\* Crisil Report 2020



Mohey is focused on the Indian women's wedding and celebration wear segment. This feat is attributable to successful campaigns such as '#DulhanWaliFeeling' and a widespread pan-India EBO footprint. The brand benefits further from the endorsement of celebrity brand ambassadors, such as Kiara Advani.



- Year**  
2015

---

- Target Group**  
Women

---

- Price Spectrum**  
Mid-Premium

---

- Distribution**  
EBOs & E-commerce

---

- Product Portfolio**  
Lehenga ,Saree ,Gown ,Accessories

---

- Key Attributes**
  - Pan-India presence focusing women's Indian wedding & celebration wear
  - Benefit from Manyavar's leadership position & pan- India EBO footprint
  - Celebrity brand ambassador & campaigns like "#DulhanWaliFeeling"



# Twamev®

Twamev targets the premium segment for men's Indian wedding and celebration wear. Offering an upscale consumer experience, Twamev bridges the gap between Manyavar and luxury boutique brands.

- Year  
2019
- Target Group  
Men
- Price Spectrum  
Premium
- Distribution  
EBO's
- Product Portfolio  
Kurta set, Sherwani, Indo-western, Accessories
- Key Attributes
  - Upscale consumer experience
  - Cross-sell premium offering to Manyavar customers
  - Priced between Manyavar & luxury boutique brands



# Mebaz®

Mebaz is a regional brand with a strong presence in South India, particularly Andhra Pradesh and Telangana. Catering to men, women and kids, Mebaz offers mid-premium to premium ethnic wear, positioning itself as a one-stop destination for the entire family's celebration needs.

- Year  
2017\*
- Target Group  
Men, Women, Kids
- Price Spectrum  
Mid-Premium to Premium
- Distribution  
EBO's
- Product Portfolio
  - Men:** Kurta, Indo-western, Sherwani, Jacket, Suit, Accessories
  - Women:** Lehenga, Saree, Suit
  - Kids:** Lehenga, Gown, Frock, Kurta, Suit, Accessories
- Key Attributes
  - South India focused regional brand with a strong presence in AP & Telangana
  - One-stop shop for celebration need of entire family
  - Rich heritage brand with strong legacy

\*Brand 'Mebaz' was started in 2002 but was acquired by Company in 2017



## MANTHAN<sup>®</sup>

Manthan focuses on value pricing to provide a large variety of product designs for men. The brand aims to cater to a sizable number of mid-market weddings and other celebrations, appealing to value-conscious customers.



**Year**  
2018\*

**Target Group**  
Men

**Price Spectrum**  
Value

**Distribution**  
MBOs, LFS, E-commerce

**Product Portfolio**  
Kurta

**Key Attributes**

- Large blend of product designs at value prices
- Aims to cater to a sizable number of mid-market weddings and other celebrations

\*Large scale operations commenced after refreshed launch in 2018





The pursuit to achieve digitalisation in fashion is heating up. At Vedant Fashions, we have always incorporated the latest technological advancements to remain ahead of the curve. Our innovation-led strategy, coupled with a unique asset-light business model comprising bouquets of brands, offers a seamless purchasing experience to our customers. By adopting rapid digitalisation of our operations, we have been able to revamp our omni-channel network, making it robust and scalable.



#### Retail excellence

Our omni-channel network, comprising Exclusive Brand Outlets (EBOs), Multi-Brand Outlets (MBOs), Large Format Stores (LFS) and online platforms (including our website, and leading lateral e-commerce sites), ensures a seamless shopping experience for our valued customers across geographies.

We take pride in delivering an aristocratic and seamless customer experience through our aesthetic franchisee-owned EBOs. Our commitment to quality, tradition and innovation is woven into every garment we create, ensuring that the patrons of our brand look and feel exceptional on life's most special occasions.



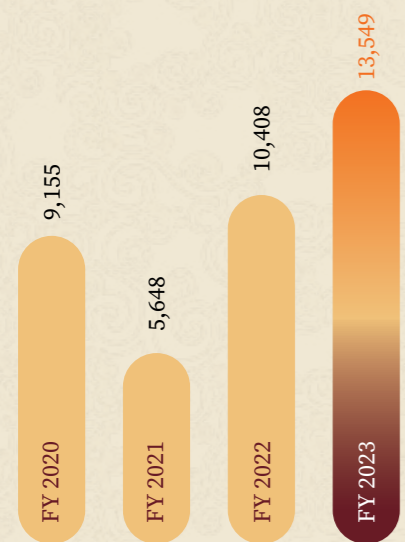
Read more about our retail excellence on [page 042](#) of the report

## FINANCIAL PERFORMANCE

# Best in class financial metrics

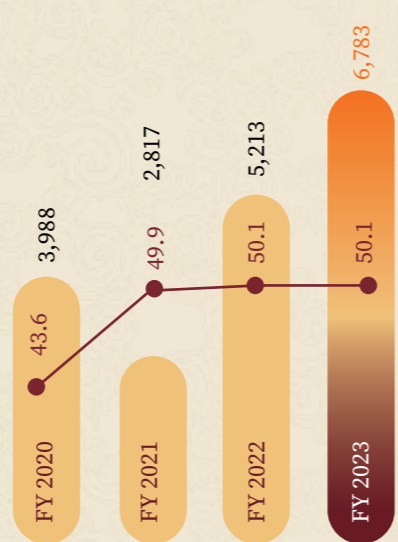
**Revenue**  
(in ₹ million)

30.2% Y-o-Y growth



**EBITDA**  
(in ₹ million)

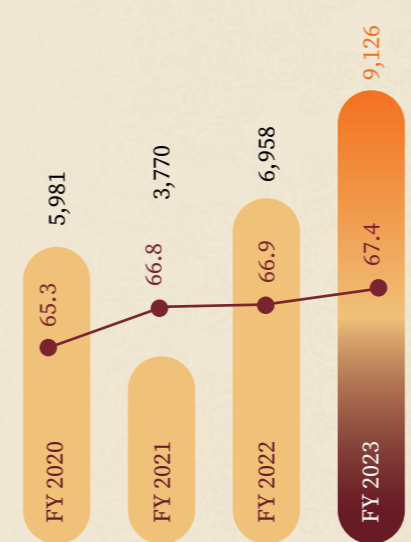
30.1% Y-o-Y growth



**EBITDA Margin**  
(in %)

**Gross profit**  
(in ₹ million)

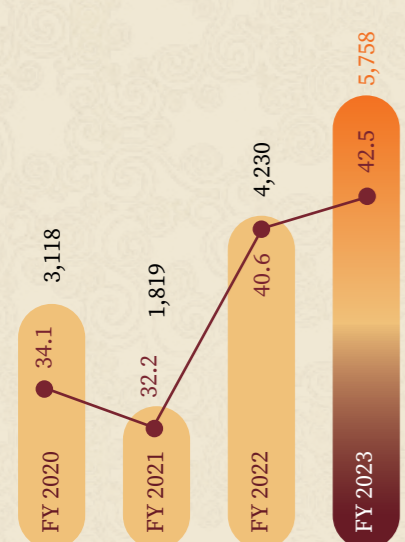
31.2% Y-o-Y growth



**Gross Profit Margin**  
(in %)

**PBT**  
(in ₹ million)

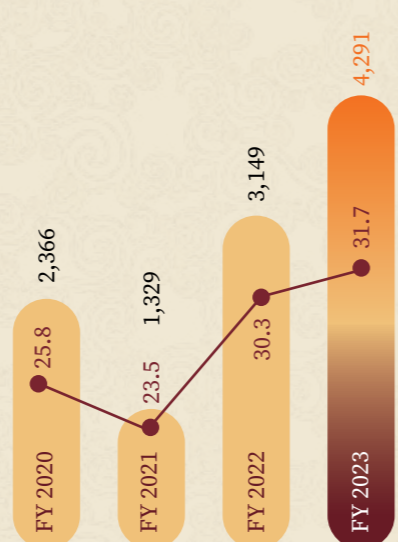
36.1% Y-o-Y growth



**PBT margin**  
(in %)

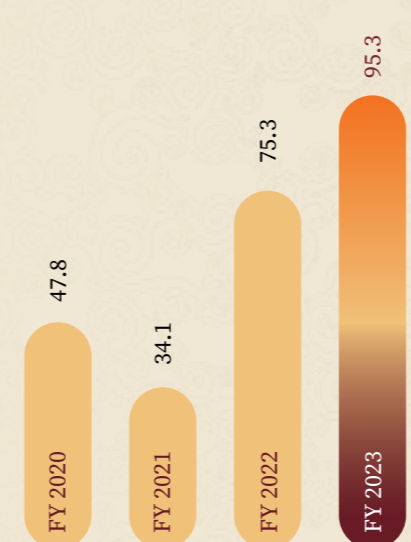
**PAT**  
(in ₹ million)

36.3% Y-o-Y growth



**PAT margin**  
(in %)

**ROCE (pre-tax)\***  
(in %)



**Rahul Murarka**  
Chief Financial Officer

Our diligent financial stewardship and asset-light business model have empowered us to maintain a strong balance sheet with zero debt.

In 2023, our robust portfolio and product diversity boosted revenues by 30.2% to INR 13,549 million and EBITDA by 30.1% to INR 6,783 million. Our strategy led to exceptional profitability with a PAT of INR 4,291 million and an industry-leading PAT margin of 31.7%.

Vedant Fashions demonstrated consistent growth with a Gross Profit of INR 9,126 million, a YoY increase of 31.2%, and a PBT of INR 5,758 million, a YoY growth of 36.1%. Our industry leading gross margin of 67.4% and impressive ROCE of 95.3% reflect our ability to consistently generate significant cash, solidifying our position as a financial leader in our industry.

\*\*ROCE = Numerator = PBT + Finance cost - (Interest income on fixed deposits/ bonds/debentures + Profit on sale of investments + Profit on fair valuation of investments carried at FVTPL + Dividend income from mutual funds) Denominator = Net worth - (Current investment + Non current investment + Other bank balance)

# A dynamic value creation ecosystem

## Design and innovation

At Vedant Fashions, our mission is to provide diverse and novel products to our customers by prioritising ingenious designs. We employ data analysis and market research, along with artisan and vendor feedback, to create a comprehensive understanding of current fashion trends and consumer preferences.

Additionally, our merchandising team leverages this data to understand which attributes work in specific markets, using these insights to inform our design process for newer products. We also perform a sell-through evaluation on our best-selling items and strive to consistently add similar designs to our product offerings.

Our strong multi-step evaluation and selection procedure, supported by a data analytics framework, enables us to track the success of new designs and improve our merchandising for both men's and women's wear.







### Manufacturing

We adopt an asset-light business strategy, where a significant part of our production is delegated to external manufacturers. Our manufacturing stages encompass cutting, embroidery, stitching, and finishing.

Although some of these procedures are conducted in-house, there are job workers who manage a significant proportion of our production activities. Job workers also include external manufacturers with whom we have built long-term partnerships.

We uphold the quality of our products by carefully managing different phases of manufacturing, such as design conceptualisation and finalisation, fabric sourcing, work allocation, quality control and testing, and review of job order allocation.

### Supply chain management

We operate a cohesive, data-backed supply chain with stringent quality control measures. We procure fabrics, accessories and packaging materials for our products and directly source certain completed products from third-party manufacturers.

We have in place an automated inventory replenishment system that functions effectively without the need for manual input.

#### Suppliers

We source fabrics and other manufacturing materials from our extensive network of suppliers. Our well-established reputation and market leadership, along with our enduring relationships with our vendors, allow us to place substantial purchase orders directly with our suppliers. To oversee our inventories and assist our product development teams, we have formed a vast sourcing network across multiple locations.

#### Key strengths of supply chain

- |   |  |   |
|---|--|---|
| <p><b>1</b></p> <p>Precise forecasting and planning system in place</p> | <p><b>2</b></p> <p>System-driven procurement and regulated manufacturing</p>   | <p><b>3</b></p> <p>Automated stock replenishment and inventory management</p> |
| <p><b>4</b></p> <p>Long standing relationships with suppliers</p>       | <p><b>5</b></p> <p>Data-backed understanding of merchandising for men's and women's wear, driving continuous improvement</p> |   |





### Quality control

At Vedant Fashions, our commitment to quality remains steadfast and unyielding. We recognise the significance of adhering to highest quality standards and ensure that our operations meet all prerequisites. Our facilities are subject to routine quality control and Job worker inspections, and internal process of frequent site visits to evaluate workplace hygiene and other crucial parameters. We believe that maintaining high quality standards is essential to our success and customer satisfaction.

To support our efforts in this regard, we have established a team tasked with conducting various assessments, such as gap analyses, to identify improvement opportunities. In addition, we have implemented vendor quality improvement initiatives and training programs.

### Information technology

Vedant Fashions continues to prioritise innovation and the implementation of cutting-edge technology to enhance customer experience, enhance operational efficiency, and minimise environmental impact.

At Vedant Fashions, our Structured Product Development focus is evident in the adoption and development of various platforms, modules and tools that have significantly improved our processes.

- **Integrated platforms**

Our Retail ERP module, incorporated since 2008, enables end-to-end supply chain management through robust forecasting and planning. We also leverage our CRM and ORM platforms to deliver a seamless digital journey to our customers.

- **Digital transformation of job workers**

Vedant Fashions is committed to transitioning job workers from the unorganised sector to a more structured and organised system, utilizing advanced IT solutions.

- **Environmental sustainability**

For invoice booking, we have initiated the use of digital signatures, which will reduce paper usage and contribute to our sustainability objectives.

- **Enhanced communication**

Our adoption of Wooqer, an innovative communication module, facilitates seamless interaction between franchisee owned EBOs. Additionally, we have implemented business analytical tools and modules like Sansar for efficient intra-store communication.

- **Digital order system and vendor portal**

We have developed a digital order system and an independent vendor portal, which are essential components of our purchase and sales operations.

- **Warehouse management system**

Our warehouse management system ensures efficient inventory management.

- **Data-driven decision making**

The implementation of these system-driven processes and analytical tools allows us to make data-based decisions and accurately forecast cultural and fashion trends across India.

- **CRM**

A well-established CRM framework is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company, including email, telephone, website, social media, feedback forms and so on.

- **Digital Journey**

We recognise the critical importance of integrating the latest technology into our operations for ongoing growth and to remain competitive. Reflecting this understanding, we have already initiated our digital transformation, effectively leveraging innovations to stay ahead and expand our business capabilities.

### Empowering our people

At Vedant Fashions, we are dedicated to fostering a growth-oriented and supportive environment for our employees. Our team members are equipped with the necessary skills and knowledge through a well-defined organisational structure and ongoing training programmes. Our Employee Stock Option Plans (ESOPs) and incentive plans are key motivators for employees, as we align our interests with the long-term success of the company.

We can attract, develop, and retain top talent due to our emphasis on employee well-being and continuous professional development.

This investment in human resources has been instrumental in fostering a culture of high performance and propelling Vedant Fashions' continued success.



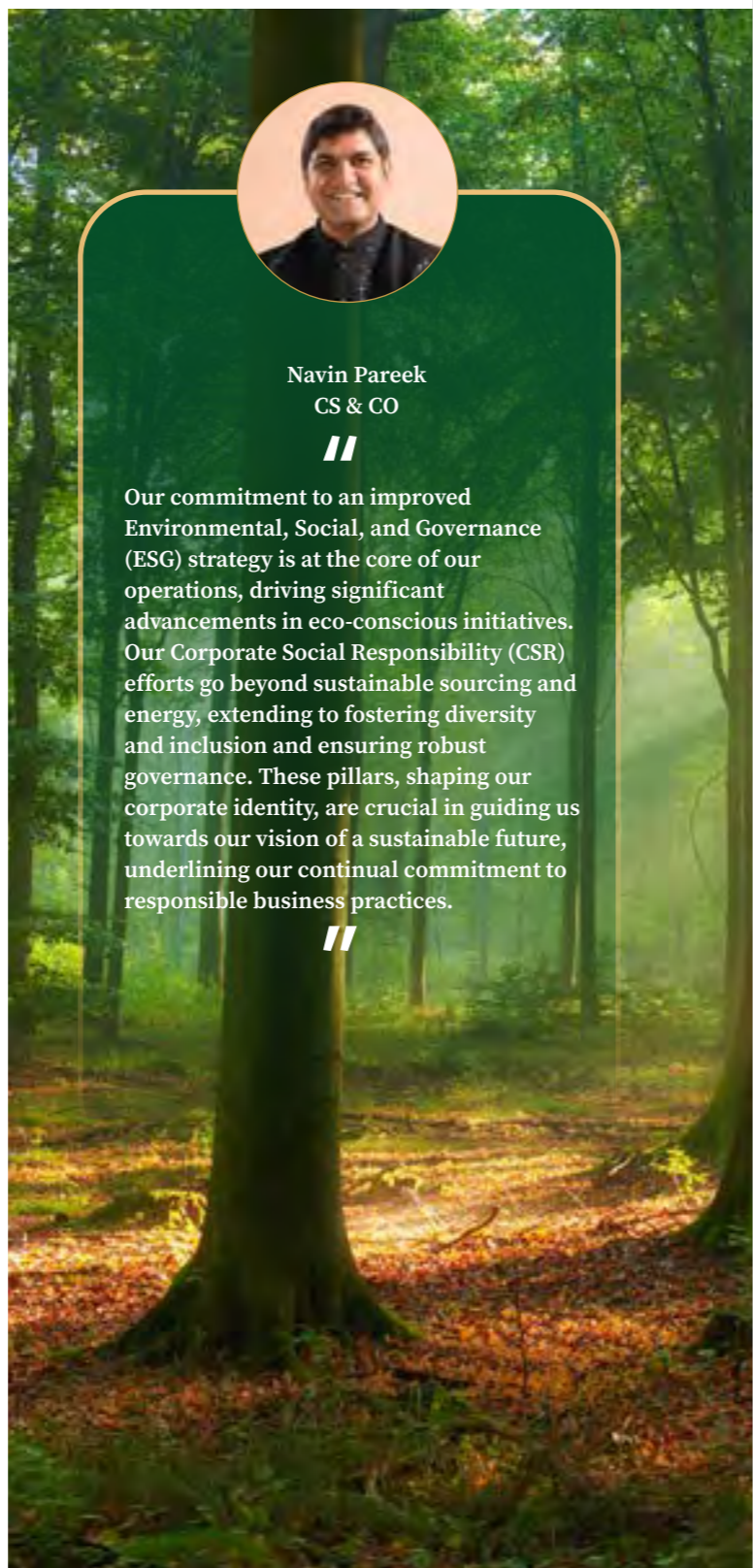


# Stepping up our ESG efforts

At Vedant Fashions, we promote Indian culture, and our range of ethnic wear brings happiness and the rare feeling of being anchored to one's roots. As we evolved into a fashion trend, guided by our ambition and driven by the rising need of young generation to rediscover their culture and tradition, we continue to innovate and increase our efficiency to make a positive difference for people and the planet.

We acknowledge our responsibility towards conserving the environment, while giving back value to the communities we work with. Sustainability will remain integral to our ability to fulfil our purpose, achieve our vision, and deliver on our long-term commitment to our customers and other stakeholders. We reinforced our efforts to drive sustainability with significant enhancements to our environmental, social and governance (ESG) practices. These efforts build on a strong foundation of governance in many discrete aspects of ESG. Our business operations and ESG initiatives are supervised by the Board and executed by the senior leadership team.

As evident from our Business Responsibility and Sustainability Report (BRSR), we make substantial investments to scale up our ESG initiatives to positively impact our communities, our people and our environment. We endeavour to build a safe and healthy work culture for all our people. This helps us in ensuring operational excellence and enhanced productivity. We are also promoting the talent from underprivileged sections of society including artisans, embroidery workers, and other jobbers. On the social front, our long-standing support for our local communities has made us an integral and welcome part of the social fabric. Our commitment on healthcare, education and overall development of the people in need, through various initiatives, is a hallmark of our company. As we grow, we are focusing more and more to manage our environmental footprint through innovative measures in waste reduction, sustainable packaging and emission reduction. With a focus on the future and with our commitment to sustainability, we are on our way to build a sustainable future for all our stakeholders.



Navin Pareek  
CS & CO



Our commitment to an improved Environmental, Social, and Governance (ESG) strategy is at the core of our operations, driving significant advancements in eco-conscious initiatives. Our Corporate Social Responsibility (CSR) efforts go beyond sustainable sourcing and energy, extending to fostering diversity and inclusion and ensuring robust governance. These pillars, shaping our corporate identity, are crucial in guiding us towards our vision of a sustainable future, underlining our continual commitment to responsible business practices.



## Environment

We recognise the urgency to tackle climate crisis and address systemic threats to the environment. To maximize our positive impact, we concentrate our efforts in the domain of waste management and emission reduction.

## Waste Management

**12,000 kg**  
of plastic waste recycled

Introduced **digital interventions** like e-agreement, e-invoicing, among others to curb down paper waste



## Social

Our commitment to social aspects encompasses how we enhance the lives of our employees, customers, suppliers, and the community in which we operate. We prioritise our social responsibilities that lead to increased employee engagement, growing customer loyalty, safe working environment, and a stronger brand reputation.

## Occupational Health & Safety

**Zero**  
fatality at our premises

## Diversity & Inclusion

**18%** women in our total employee workforce

## Sustainable Sourcing

**57%** of the input materials have been sourced from small suppliers



## Governance

We believe that strong ethics and strong corporate governance will play a critical role in shaping the corporate landscape. We have invested in forward looking policies to guide our processes more effectively. Our corporate governance reflects our value system, which encompasses our culture, policies and relationships with stakeholders..

## Committees

**6**  
Committees to drive corporate governance within the organization

## Policies

**13**  
policies covering various aspects of E, S and G





## Key ESG Initiatives:

1

### Embarking our journey for greener future

We, at Vedant Fashions, consider sustainability as our ability to survive and thrive in the face of growing uncertainties. To address the critical concerns towards climate change, we are embarking our journey towards lower-carbon and greener future.

Our analysis identified a need for concerted action in two key areas:

- Reducing emissions from brands' own operations: At Vedant Fashions, we endeavour to reduce the emissions from our own operations. We have energy efficient lighting and air conditioning system in place at our own premises.  
To increase our use of sustainable transport, we have initiated the process of converting company owned four-wheelers into electric vehicles.
- Encouraging sustainable consumer behaviour: The adoption of a more conscious approach to fashion consumption, changes in consumer behaviour during use and reuse of apparel. The beauty of traditional wear is that they have a long life, and sometimes, they are also passed down from one generation to another, making them perfect memory keepsake. Hence, the shelf life of our product is much longer than the casual attire. These key levers endorse the circularity of the material through promoting reuse of the attire for longer period of time.

2

### Sedex Members Ethical Trade Audit

SMETA is the most widely used format for social audits in the world, enabling businesses to assess their sites and suppliers to understand working conditions in their supply chain.

At Vedant Fashions, we assess and monitor our performance on labour, health and safety, environmental aspects to comply with existing and upcoming legislation and to improve our year-on-year performance.

In FY 2022-23, we have successfully conducted SMETA audit for labour standards, health & safety and environmental compliance in one of our premises.

3

### Inventory Management through technological intervention

For any business, managing inventory is the most crucial tasks to keep track of supplies, manage the sudden change in demand and improve the experience of customers and quality of products.

At Vedant Fashions, we have implemented an algorithm-based inventory management system which provides a 360-degree view of our inventory across all locations, thus enabling real-time monitoring of store inventory to minimize dead stock. This advanced system has not only optimized our inventory replenishment process but also aligns perfectly with our commitment to environmental sustainability by helping us to avoid overstocking and reduce the generation of waste in the first place.



We are strengthening our leadership in India and overseas with an emphasis on corporate governance, digital capabilities, an omnichannel network and a portfolio of brands that stand out.



# Reaching out with deep cultural connect

Our cultural ties are best reflected in our branding and customer interaction initiatives. With emotive theme-based campaigns, we foster stronger bonds with our customers. To enhance the effectiveness of our marketing campaigns, we draw on traditional Indian society's moral and social ideals.



### “Diwali hai, Taiyaar Hokar Aaiye”

Focused on dressing like a ‘Patakha’ and reveling in traditional Indian attire, celebrating the week-long festival from Dhanteras to Bhai Dooj



### “Taiyaar Hokar Aaiye”

campaign explains the significance of wearing Indian clothing when attending a wedding.



### “Dulhan Wali Feeling”

A marketing campaign showcasing the contemporary bride with roots in Indian culture and traditions.



### “Ranveer nahi manenge”

Campaign depicts Ranveer asking groom to get ready properly for his wedding



### “Nayi shuruwat, unhi purani yaadon ke sath!”

Campaign focused on a fresh beginning, cradled in the warmth of cherished memories





# Retail network

## Exclusive Brand Outlets (EBO)\*

Our Exclusive Brand Outlets (EBO) network plays a crucial role in our business model, significantly contributing to our sales revenue. Currently, we have 633 EBOs\* in 245 cities and towns throughout India, in addition to 16 EBOs in prominent international markets such as the United States, United Kingdom, Canada and the United Arab Emirates.

This extensive network encompasses a total retail space of 1.47 million square feet, thereby solidifying our pan-Indian multi-channel presence with a highly scalable franchise model. Launching our inaugural EBO in Southall, London marks a substantial leap in our global expansion, as we pioneer into the UK for the first time this year.



\*including shops in shops

### Multi Brand Outlets (MBOs) and Large Format Stores (LFSs)

In a continued attempt to take advantage of every customer opportunity, we have expanded our presence in both large format stores (LFS) and multi-brand outlets (MBOs). We are recognized as a leading brand in the Indian celebration and wedding apparel sector. Our products are regularly featured at exhibitions across India, showcasing our latest designs. We also distribute a portion of our collection through Multi-Brand Outlets (MBOs) and Large Format Stores (LFSs), operated by third-party retail organisations. These partnerships have played a significant role in strengthening our retail network and contributing to our sustained market presence.







**E-commerce**

We have effectively built a strong online presence by embracing the digital age with our own website, and smart alliances with top lateral e-commerce platforms. With just a few clicks, clients can now quickly access our extensive digital inventory, choose from a wide range of products, and place orders. Our specialised in-house online sales team effectively handles the processing and delivering of orders straight from our warehouse to guarantee a seamless shopping experience. In addition to increasing our reach, this end-to-end e-commerce solution portrays us as a progressive and customer-focused brand in the ever-changing landscape of online retail.

# Board of Directors



**Ravi Modi**  
Chairman and Managing Director

Mr. Ravi Modi, the Chairman and Managing Director of our Company, has been a driving force behind our sustained growth and success. He has studied commerce from St. Xavier's College, Kolkata. Mr. Modi has been associated with our Company since its inception, bringing with him a wealth of experience and expertise spanning over two decades.

He supervises the design and marketing operations of our Company and together with our senior management, is responsible for the execution of strategies concerning such functions.

Under his leadership, we have ramped up our digitalisation efforts by building a strong online presence through our own website, and strategic alliances with leading lateral e-commerce platforms.

Mr. Modi's contributions have not gone unnoticed, as he has been recognised with numerous accolades over the years. He

was awarded EY Entrepreneur of the Year 2022 under the Consumer Products and Retail category, a highly esteemed award in the business realm, adding to his previous recognitions such as the Entrepreneur of the Year Award in Trading Business - Retailer at the Entrepreneur Awards 2016, organised by ET Now and Franchise India. He was a finalist at the 2016 Entrepreneur of the Year Awards, organised by Ernst & Young. He has received the 'Bravery and Entrepreneur Award' and Certificate of Honour as the Top Entrepreneur of India by the Parwaz Media Group in 2015. He has been recognised with the Emerging Leader Award at the CMA Management Excellence Awards, 2015. He was awarded the Retail Leadership Award at the Awards for Retail Excellence at the Asia Retail Congress organised by ET Now in 2013. He was awarded the Jewels of Rajasthan award in 2012, presented by Maneesh Media Agency. He has been recognised with the Young Retailer of the Year award at the Asia Retail Congress, 2012. He has been commended as being among the Retail Icons of India by the Images Group in 2019.

Mr. Modi is also a co-founder and trustee of Ashoka University and a trustee of the Manas Foundation. He has been recognised by Forbes India as being one of the thirteen business leaders who have built big businesses without relying on external investors - Bootstrapped Bosses. He has also been recognised for his work by online platforms such as the International Retail Forum, Yourstory and CEOInsightsIndia.

His innovative and strategic leadership has not only positioned our Company as a leading brand in the Indian celebration and wedding wear industry, but also as a symbol of excellence and customer-centricity in the global retail landscape.



**Shilpi Modi**  
Whole-time Director

Shilpi Modi is the Whole-time Director of our Company. She has studied commerce from Allahabad University. Having an almost 25 years of extensive experience in the garment industry, Shilpi has played a pivotal role in our Company since its inception. She is responsible for managing the Company's product lifecycle, while collaborating with senior management to implement strategic initiatives pertaining to these critical areas.



**Sunish Sharma**  
Non-Executive Director

Sunish Sharma, an accomplished professional, holds the position of Non-Executive Director in the Company. He earned his bachelor's degree in commerce (hons.) from the University of Delhi, is a qualified cost accountant, and did his MBA (Gold Medallist) from the Indian Institute of Management, Calcutta. Sunish has extensive experience over the last 25 years in private equity and consulting and has held senior leadership positions at McKinsey & Co. and General Atlantic Partners Private Limited before founding Kedaara Capital in 2011. Kedaara Capital today advises/manages \$3.5bn AUM. He has served on several boards over the last 20 years, and currently serves as a director for Spandana Spoorthy Financial Limited and Care Health Insurance Limited.



**Abanti Mitra**  
Independent Director

With over 22 years of experience, Abanti Mitra is an Independent Director on the Company's Board. She holds a bachelor's degree in business management from Andhra University and also has a post-graduate diploma in rural management from the Institute of Rural Management, Anand. Her expertise spans various roles, including her current position as a Director at Positron Consulting Services Private Limited. Abanti has also held managerial roles at ICICI Bank Limited and Micro-Credit Ratings International Limited. She also serves as an independent director for Spandana Spoorthy Financial Limited and Criss Financial Limited.



**Tarun Puri**  
Independent Director

Tarun Puri serves as an Independent Director on the Board. He earned his bachelor's degree (hons.) in Mechanical Engineering from the Birla Institute of Technology and Science, Pilani, and a post-graduate diploma in Management from the Indian Institute of Management, Calcutta. He currently advises leadership teams across a range of companies on behalf of Private Equity Funds. Prior to this he has been a Business Leader for 30 years specializing in sustainable growth, business turnarounds, and maximizing team effectiveness at Unilever PLC and Nike Inc. He most recently served as Vice President, Global Women's Sales for Nike based in Portland, USA. His last assignment with Unilever was as Regional Vice-President for Haircare for South Asia and Southeast Asia.



**Manish Mahendra Choksi**  
Independent Director

Manish Mahendra Choksi is an Independent Director on the Board of the Company. He holds a bachelor's degree in chemical engineering and an MBA with specialisation in Entrepreneurial Management and MIS from the University of Houston, USA. He has been a leader in the IT community and is an active angel investor with particular interest in investing in companies that champion cross leverage of physical and e-commerce models with a focus on consumers and data / analytics.

Currently, he serves as the Non-Executive Vice-Chairman on the board of directors of Asian Paints Limited. He has been associated with Asian Paints Limited since 1992 as an Executive and has grown in ranks by holding various positions across Sales, Information Technology, Supply Chain, Chemicals, International Business and HR functions of the Company. In addition to Asian Paints Limited, he currently serves as an Independent Director on the board of Torrent Pharmaceuticals Limited and MSL Driveline Systems Limited and is a Director in several unlisted companies and also serves on advisory boards of several startups. Additionally, he is a member of the global advisory board for Chiratae Ventures (formerly known as IDG Ventures), a technology-focused venture capital firm.



## VEDANT FASHIONS LIMITED

(formerly Vedant Fashions Private Limited)

**REGD OFFICE:** 19, CANAL SOUTH ROAD, PARIDHAN GARMENT PARK,  
SDF 1, 4TH FLOOR, A501-A502, KOLKATA 700015, WB (IN)  
**CIN:** L51311WB2002PLC094677 **PHONE:** 033-61255353  
**WEBSITE:** [www.vedantfashions.com](http://www.vedantfashions.com); **EMAIL:** [secretarial@manyavar.com](mailto:secretarial@manyavar.com)

### NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF VEDANT FASHIONS LIMITED

Notice is hereby given that the **Twenty-first (21st) Annual General Meeting (“AGM”)** of the Members of Vedant Fashions Limited (“the Company”) will be held on **Thursday, the 24th day of August, 2023, at 4.00 P.M. (IST)**, through Video Conferencing (“VC”) or Other Audio-Visual Means (“OAVM”), to transact the following business(es):

#### ORDINARY BUSINESS(ES):

##### 1. Adoption of Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and Auditors thereon.

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon.

**To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 and Rules thereunder, the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, comprising the Balance Sheet as on March 31, 2023, Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, together with the Annexures / Schedules / Notes thereon and the Reports of Directors and Auditors thereon, as circulated to the Members, be and are hereby approved and adopted.”

##### 2. Adoption of Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the Report of the Auditors thereon.

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.

**To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 and Rules thereunder, the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023, comprising the Balance Sheet as on March 31, 2023, Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity

for the year ended as on that date, together with the Annexures / Schedules / Notes thereon and the Report of Auditors thereon, as circulated to the Members, be and are hereby approved and adopted.”

##### 3. Declaration of Dividend

To declare a Dividend for the financial year ended March 31, 2023. The Board of Directors has recommended a Dividend of ₹ 9/- (Indian Rupees Nine only) per fully paid-up equity share of ₹ 1/- each.

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 123 and other applicable provisions of the Companies Act, 2013, read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and as per the power entrusted in the provisions of the Articles of the Company, the members of the Company do hereby approve a final dividend at the rate of ₹ 9/- (Indian Rupees Nine only) per equity share of ₹ 1/- (Indian Rupee One only), to be paid out of the surplus in the profit and loss account or out of the profits of the Company for the year ended March 31, 2023, as the case may be and remit the same to the respective members.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which shall include any Committee and/or officer(s) authorised thereto) be and are hereby authorised to take all necessary steps to ensure remittance of the dividend to the Shareholders after complying with provisions of the applicable law, if any and to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper and expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.”

##### 4. Re-appointment of Mr. Ravi Modi, as a Director liable to retire by rotation.

To appoint a Director in place of Mr. Ravi Modi (DIN: 00361853), who retires by rotation and being eligible, offers himself for re-appointment.

**To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Ravi Modi (DIN: 00361853), who retires by rotation and being eligible offers himself for reappointment, be and is hereby re-appointed as Chairman & Managing Director of the Company, liable to retirement by rotation.”



## SPECIAL BUSINESS:

### 5. Approval for payment of remuneration to Mr. Sunish Sharma, Non-Executive Director of the Company

To approve payment of Remuneration to Mr. Sunish Sharma (DIN: 00274432), Non-Executive Director of the Company for a period of five Financial Years.

**To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Rules framed thereunder, Regulation 17(6) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), the relevant provisions of the Articles of Association of the Company, such other approval(s), permission(s) and sanction(s) as may be necessary, and pursuant to the recommendation and approval of the Nomination and Remuneration Committee (“NRC”) and the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for payment of remuneration [including fees for attending the meetings of Board/ Committee(s) etc., if any] to Mr. Sunish Sharma (DIN: 00274432), Non-Executive Director of the Company of such amount up to a limit of ₹ 30,00,000/- (Rupees Thirty lakhs only) per annum, for a period of five Financial Years i.e., from FY 2022-23 to FY 2026-27 or such other time period as may be permitted under the Act, payable or paid in such form and manner as the Board of Directors of the Company may from time to time determine, provided that the remuneration paid per annum to Mr. Sunish Sharma together with the remuneration paid to other Non-Executive Directors of the Company shall not exceed the maximum permissible limits under the provisions of Section 197 and other applicable provisions of the Act.

**RESOLVED FURTHER THAT** the aforesaid remuneration shall be in addition to the reimbursement of expenses for participation in the Board and other meetings.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which term shall be deemed to include any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including to alter or vary the terms of appointment and/or remuneration of Mr. Sunish Sharma, including increase or decrease in the monetary value thereof, to the extent recommended by the NRC from time to time as may be

considered appropriate, in accordance with the provisions of the Act and/ or SEBI Listing Regulations, to seek all necessary approvals to give effect to this Resolution, to sign and execute all deeds, applications, documents, papers, forms and writings that may be required, for and on behalf of the Company, to settle all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such steps and decisions in this regard to give effect to this Resolution and for the matters connected therewith or incidental thereto.”

### 6. Approval for alteration of the Articles of Association of the Company

To approve alteration in the existing Articles of Association of the Company by deletion of certain clauses.

**To consider and, if thought fit, to pass the following resolution as a Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 5, 14 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof for the time being in force) consent of the shareholders of the Company be and is hereby accorded for the deletion/ modification, in the Articles of Association (“AOA”) of the Company as follows:

#### A. Deletion of the following words appearing in the first page of the AOA above Article 1:

‘The Articles of Association of the Company comprise of two parts, Part I and Part II, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part I and Part II, the provisions of Part II shall be applicable. However, Part II shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to an initial public offering of the Equity Shares of the Company without any further action, including any corporate action, by the Company or by the Shareholders.’

#### B. Deletion of the following heading appearing in the first page of the AOA above Article 1:

‘PART I’.

#### C. Deletion of Part II of the AOA in entirety, comprising Articles 108 to 122.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

Date: 26th July, 2023  
Place: Kolkata

#### Registered Office:

A501-502, SDF-I, 4th Floor,  
Paridhan Garment Park, 19, Canal South Road,  
Kolkata 700015, West Bengal (INDIA)  
CIN- L51311WB2002PLC094677  
Phone - 033 6125 5353  
Website - [www.vedantfashions.com](http://www.vedantfashions.com)

By Order of the Board of Directors,  
**VEDANT FASHIONS LIMITED**

SD/  
**NAVIN PAREEK**  
Company Secretary  
(ICSI Memb. No. F10672)



## NOTES:

- 1. Explanatory Statement:** The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the business under Item No. 5 and 6 of the accompanying Notice, are annexed hereto.
- 2. Holding of AGM through VC/OAVM:** Ministry of Corporate Affairs (“MCA”) has vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022, December 28, 2022 and the SEBI vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022 and January 5, 2023 (collectively referred to as “Applicable Circulars”) permitted holding of the Annual General Meeting through VC/OAVM, without the physical presence of the Members at a common venue till September 30, 2023.

In compliance with the applicable provisions of the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) read with the Applicable Circulars, the Company has decided to convene the 21st AGM as an e-AGM and the Members can attend and participate in 21st AGM through VC/ OAVM through log in credentials provided to them for the same. The deemed venue for 21st AGM shall be the Registered Office of the Company, i.e., Paridhan Garment Park, 19 Canal South Road, SDF-1, 4th Floor, A501-A502, Kolkata - 700015.

- 3.** Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
- 4.** Your Company has appointed KFin Technologies Limited (“KFin”) to provide facility for voting through remote e-Voting, e-Voting during e-AGM and for participation in 21st AGM through VC/OAVM Facility.
- 5. Book Closure:** Pursuant to the provisions of Section 91 of the Act read with Rule 10 of the Companies (Management and Administration) Rules, 2014 and Regulation 42 of the Listing Regulations, the Register of Members and the Share Transfer Books will remain closed from Friday, August 18, 2023 to Thursday, August 24, 2023 (both days inclusive).
- 6. Payment of Dividend:** The dividend, as recommended by the Board of Directors, if approved at the AGM, will be paid on or after Friday, August 25, 2023 to those Members, whose names are registered in the Company’s Register of Members:
  - as Beneficial Owners as at the end of business hours on Thursday, August 17, 2023 as per the lists to be furnished by NSDL and CDSL in respect of the shares held in electronic form, and
  - whose names appear as Members in the Register of Members of the Company in physical form which are maintained with KFin having their address at Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032 on Thursday, August 17, 2023.

The Company shall make the payment of dividend to those Members directly in their bank accounts whose bank account details are available with the Company and those who have given their mandate for receiving dividends directly in their bank accounts through the National Electronic Clearing Service (“NECS”).

In case, the Company is unable to electronically transfer the dividend to any Member due to non-availability of their bank account details, the Company shall dispatch the dividend warrant/cheque to them by post.

Pursuant to Finance Act 2020, dividend income is taxable in the hands of members w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to members at rates prescribed in the Income-Tax Act, 1961 (the “IT Act”). For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their Residential Status, PAN, and category as per the IT Act with the Company/ KFin Technologies Limited (in case of shares held in physical mode) and Depositories Participants (in case of shares held in demat mode).

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number (PAN)	10%* or as notified by the Government of India (GOI)
Members not having PAN / valid PAN / operative PAN	20% or as notified by the GOI

\* As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein the higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as ‘Specified Person’ as defined under section 206AB of the Finance Act, 2021.

\* As per section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid / inoperative and he shall be liable to all consequences under the IT Act and tax shall be deducted at the higher rates as prescribed under the IT Act.

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2023-24 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (applicable to individuals aged 60 years or more) subject to conditions specified in the Income Tax Act. Resident shareholders may also submit any other document as prescribed under the Income Tax Act to claim a lower / Nil withholding tax. Registered members may also submit any other document as prescribed under the Income Tax Act to claim a lower / Nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above. A Resident individual member with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, by uploading with KFin at <https://ris.kfintech.com/form15> or



email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [complianceofficer@manyavar.com](mailto:complianceofficer@manyavar.com).

With respect to shareholders being Mutual Funds, self-attested copy of registration certificate with SEBI and PAN card along with self-declaration that the mutual fund is notified mutual fund u/s 10(23D) (ii) of IT Act, 1961 will be required for non-deduction of TDS.

With respect to shareholders being Insurance Companies, documentary evidence that the provisions of Section 194 of the IT Act, 1961 are not applicable along with self-attested copy of PAN card will be required for non-deduction of TDS.

With respect to shareholders submitting order under Section 197 of the IT Act, lower/NIL withholding tax certificate obtained from Income Tax authorities along with self-attested copy of PAN card will be required. Accordingly, rate of tax mentioned in the order under Section 197 of the IT Act will be taken for the purpose of withholding tax.

With respect to shareholders being Alternative Investment Fund (AIF), a declaration that its income is exempt under Section 10(23FBA) of the IT Act and that they are established as Category I or Category II AIF under the SEBI Regulations will be required. Further, self-attested copy of registration documents and PAN card will also be required for non-deduction of TDS.

In case of entities exempt under Section 10 of the IT Act, the authorized signatory shall submit the declaration duly signed with stamp affixed for the purpose of claiming exemption from TDS (entities as provided in Circular No.18 of 2017) along with self-attested copy of PAN card.

With respect to shareholders being corporation established by or under a Central Act/ State Act which is, under any law for the time being in force, exempt from income- tax on its income including entities in which such corporations are the beneficial shareholders, any documentary evidence that the person is covered under section 196 of the Act along with self-declaration and self-attested copy of PAN card.

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e., copy of PAN Card, No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, electronically filed Form 10F, any other document which may be required to avail the tax treaty benefits.

The Company is not obligated to automatically apply the Tax Treaty rates at the time of tax deduction/withholding on dividend amounts. Application of Tax Treaty rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the non-resident shareholders.

In case of Foreign Institutional Investors/ Foreign Portfolio Investors, tax will be deducted under Section 196D of the IT Act @ 20% (plus applicable surcharge and cess).

For other non-resident shareholders without PAN/Invalid PAN/ non-compliance of Section 206AB of the Act, tax shall be deducted at higher rates mentioned in section 206AA/206AB of the IT Act plus applicable surcharge and cess.

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should send a duly signed declaration with details of actual beneficial owner in excel sheet.

For this purpose the shareholder may submit the above documents (PDF / JPG Format) by uploading with KFin at <https://ris.kfintech.com/form15> or email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or [complianceofficer@manyavar.com](mailto:complianceofficer@manyavar.com). The aforesaid declarations and documents need to be submitted by the shareholders by Friday, August 18, 2023.

Members may please note that in case the tax on said dividend is deducted at a higher rate in absence of receipt, non-compliance of prescribed procedure or insufficiency of the aforementioned details/documents from you, an option is available to you to file the return of income as per IT Act and claim appropriate refund, if eligible, but no claim shall lie against the Company for such taxes deducted. Shareholders, whose valid PAN is updated, will be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account.

- 7. Appointment / Re-appointment/ Fixation of Remuneration of Directors:** Pursuant to the provisions of 36(3) of the Listing Regulations and the Secretarial Standard on General Meetings ("SS2"), the relevant information in respect of the Directors seeking appointment / re-appointment/ fixation of remuneration at the AGM is attached as an Annexure and forms an integral part of this Notice.
- 8. Dispatch of Annual Report through Electronic Mode & Procedure for obtaining the Annual Report, AGM Notice, and e-Voting instructions by Members whose email addresses are not registered with the Depositories/not submitted to the RTA:**

Pursuant to Section 101 and Section 136 of the Act read with the relevant Rules made thereunder, to support the "Green Initiative" announced by the Government of India; read with Applicable Circulars, the Annual Report 2022-23 including Notice of e-AGM is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. It is accordingly requested that those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:



Procedure for Registration of email and Mobile (for securities in physical mode):

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 2023, all holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx> or from the website of the Company at <https://www.vedantfashions.com/assets/pdf/Form-ISR-1.pdf>.

ISR Form(s) and the supporting documents can be provided by any one of the following modes:

- a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b) Through hard copies which are self-attested, which can be shared on the address below; or

Name: KFIN Technologies Limited

Address: Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana India - 500 032.

- c) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link: <https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

- A. In case of any query and / or assistance required, relating to attending the Meeting through VC / OAVM mode, members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC / OAVM' user manual available at the download Section of <https://evoting.kfintech.com> or contact Mr. Ganesh Chandra Patro, Asst. Vice President, KFin at the email ID [evoting@kfintech.com](mailto:evoting@kfintech.com) on KFin's toll free No.: 1-800-309-4001 for any further clarifications / technical assistance that may be required.

Further, the Annual Report 2022-23 including Notice of 21st AGM will be available on the Company's corporate website at [www.vedantfashions.com](http://www.vedantfashions.com). The same can also

be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of KFin at <https://evoting.kfintech.com>.

However, the Shareholders of the Company may request physical copy of the Annual Report (inclusive of AGM Notice) from the Company by sending a request at [complianceofficer@manyavar.com](mailto:complianceofficer@manyavar.com), in case they wish to obtain the same.

9. Proxy & Authorized Representative: Pursuant to Section 105 of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf, who may or may not be a Member of the Company. In terms of the Applicable Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 21st AGM, and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

However, in pursuance of Section 112 and Section 113 of the Act, Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-Voting or during the e-AGM. The said Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at [info@mandaassociates.in](mailto:info@mandaassociates.in) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com) and [secretarial@manyavar.com](mailto:secretarial@manyavar.com).

10. Attending the AGM: Pursuant to the provisions of the circulars of AGM on the VC / OAVM:

- A. Members can attend the meeting through log in credentials provided to them to connect to Video Conferencing. Physical attendance of the Members at the Meeting venue is not required.

- B. The Members can join e-AGM 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.

- C. As per the Applicable Circulars up to 1,000 Members will be able to join e-AGM on a first-come-first-served basis. However, the large shareholders (i.e., shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend e-AGM without any restriction on account of first-come-first-served principle.





- D. Member's log-in to the Video Conferencing platform using the remote e-Voting credentials shall be considered for record of attendance of such member for e-AGM and such Member attending the Meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
11. Procedure / Instructions for joining the e-AGM through VC / OAVM:
- A. Member will be provided with a facility to attend the e-AGM through Video Conferencing platform provided by KFin, which can be accessed at <https://emeetings.kfintech.com/> by clicking "Video Conference" and login by using the remote e-Voting credentials. The link for e-AGM will be available in 'shareholders / members' login where the EVENT and the Name of the Company can be selected.
- B. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice.
- C. Members are encouraged to join the Meeting through Desktop/Laptops with Google Chrome for better experience.
- D. Further, Members will be required to allow camera when they speak and hence Members are requested to use high speed Internet to avoid any disturbance during the meeting.
- E. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- F. Members who will be present in the e-AGM and have not cast their vote through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting at the e-AGM. Please use your login credentials for accessing both the remote e-Voting and e-AGM through VC / OAVM platform. If you forget your password, you can reset your password by using "Forgot user details/Password" option available on <https://evoting.kfintech.com>.
12. Procedure to raise questions / seek clarifications with respect to the Annual Report
- A. Submission of Questions / queries prior to e-AGM: Members desiring any additional information with regard to Accounts/ Annual Reports or having any other question or query are requested to write to the Company Secretary on the Company's email id i.e. [secretarial@manyavar.com](mailto:secretarial@manyavar.com) at least 2 days before the date of the e-AGM so as to enable the Management to keep the information ready. Please note that, members questions will be answered only if they continue to hold the shares as of cut-off date. Alternatively, Members holding shares as on cut-off date may also visit <https://evoting.kfintech.com> and click on the tab "Post Your Queries Here" to post their queries/ views/ questions in the window provided, by mentioning their name, demat account number/ folio number, email ID, mobile number. The window shall be activated during the remote e-Voting period and shall be closed 24 hours before the time fixed for the e-AGM.
- B. Speaker Registration before e-AGM: In addition to above, speaker registration may also be allowed during the remote e-Voting period. Members who wish to register as speakers are requested to visit <https://emeetings.kfintech.com/> and click on 'Speaker Registration' during this period. Only those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the e-AGM and may have to allow camera access during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Members shall be provided with a 'queue number' before the e-AGM. Members are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session.
- C. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session and/or limit the number of Speakers at its discretion, hence shareholders are encouraged to send their questions etc. in advance as provided hereinabove. Please note that, Members' questions will be answered only if they continue to hold shares as on the cut-off date.
13. Electronic voting: Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with Applicable Circulars, the Company is providing "remote e-Voting" facility to its Members in respect of the business to be transacted at 21st AGM. The instructions for remote e-Voting are mentioned herein.
- As per the SEBI circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.
14. Remote E-Voting: The remote e-Voting period commences on Monday, August 21, 2023 from 9.00 a.m. IST and ends on Wednesday, August 23, 2023, at 5.00 p.m. IST and Members



holding shares either in physical form or in dematerialized form, as on cut-off date, may cast their votes electronically. The remote e-Voting module shall be disabled thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.


The procedure for e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the AGM is being held through VC / OAVM. The e-Voting window shall be activated upon instructions of the Chairman of the AGM during the AGM. E-Voting during the AGM is integrated with the VC / OAVM platform, and no separate login is required for the same.

15. Voting during the e-AGM: Only those Members, who will be attending the e-AGM and who have not already cast their votes by remote e-Voting prior to the meeting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at e-AGM. Members who have cast their votes by remote e-Voting prior to the meeting, may attend e-AGM but shall not be entitled to cast their votes again at the meeting. Kindly refer remote e-Voting instruction to understand e-Voting during the e-AGM.
16. Voting Rights shall be reckoned on the paid-up value of equity shares registered in the name of the Members as on the cut-off date i.e., Thursday, August 17, 2023. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the cut-off date, i.e., Thursday, August 17, 2023, only shall be entitled to avail the facility of remote e-Voting provided to cast votes or for participation and voting in the e-AGM.
17. Instructions for Voting through electronic means (Remote e-Voting)

**A. Access to Depositories e-Voting system in case of individual Members holding shares in demat mode.**

Type of Member	Login Method	
Individual Members holding securities in demat mode with NSDL	<b>1.</b>	<b>Existing Internet-based Demat Account Statement (“IDeAS”) facility Users:</b>
	i.	Visit the e-services website of NSDL <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> either on a personal computer or on a mobile
	ii.	On the e-services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. Thereafter enter the existing user id and password.
	iii.	After successful authentication, Members will be able to see e-Voting services under ‘Value Added Services’. Please click on “Access to e-Voting” under e-Voting services, after which the e-Voting page will be displayed.
	iv.	Click on company name i.e., ‘Vedant Fashions Limited’ or e-Voting service provider (“ESP”) i.e., KFin.
	v.	Members will be re-directed to KFin’s website for casting their vote during the remote e-Voting period and voting during the AGM.
	<b>2</b>	<b>Those not registered under IDeAS:</b>
	i.	Visit <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> for registering.
	ii.	Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a>
	iii.	Visit the e-Voting website of NSDL <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a>
	iv.	Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section. A new screen will open.
	v.	Members will have to enter their User ID (i.e., the sixteen-digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen.
	vi.	After successful authentication, Members will be redirected to NSDL Depository site wherein they can see e-Voting page.
	vii.	Click on company name i.e., Vedant Fashions Limited or ESP name i.e., KFin after which the Member will be redirected to ESP website for casting their vote during the remote e-Voting period and voting during the AGM.



Type of Member	Login Method
	<p>viii. Members can also download the NSDL Mobile App “NSDL Speed-e” facility by scanning the QR code mentioned below for seamless voting experience.</p> 
Individual Members holding securities in demat mode with CDSL	<p><b>1. Existing user who has opted for Electronic Access To Securities Information (“Easi / Easiest”) facility:</b></p> <p>i. Visit <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>ii. Click on New System Myeasi.</p> <p>iii. Login to Myeasi option under quick login</p> <p>iv. Login with the registered user ID and password.</p> <p>v. Members will be able to view the e-Voting Menu.</p> <p>vi. The Menu will have links of KFin e-Voting portal and will be redirected to the e-Voting page of KFin to cast their vote without any further authentication.</p> <p><b>2. User not registered for Easi / Easiest</b></p> <p>i. Visit <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a> for registering.</p> <p>ii. Proceed to complete registration using the DP ID, Client ID (BO ID), etc.</p> <p>iii. After successful registration, please follow the steps given in point no. 1 above to cast your vote.</p> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <p>i. Visit <a href="http://www.cdslindia.com">www.cdslindia.com</a></p> <p>ii. Provide demat account number and PAN</p> <p>iii. System will authenticate user by sending OTP on registered mobile and email as recorded in the demat account.</p> <p>iv. After successful authentication, please enter the e-Voting module of CDSL. Click on the e-Voting link available against the name of the Company, viz. ‘Vedant Fashions Limited’ or select KFin.</p> <p>v. Members will be re-directed to the e-Voting page of KFin to cast their vote without any further authentication</p>
Individual Members login through their demat accounts / Website of DP	<p>i. Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-Voting facility.</p> <p>ii. Once logged-in, Members will be able to view e-Voting option.</p> <p>iii. Upon clicking on e-Voting option, Members will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-Voting feature.</p> <p>iv. Click on options available against Vedant Fashions Limited or KFin.</p> <p>v. Members will be redirected to e-Voting website of KFin for casting their vote during the remote e-Voting period without any further authentication.</p>

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through NSDL / CDSL:

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43



**B. Access to KFin e-Voting system in case of Members holding shares in physical and non-individual Members in demat mode.**

- (1) Members whose email IDs are registered with the Company / DPs, will receive an email from KFin which will include details of e-Voting Event Number (“EVEN”), USER ID and password.

They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- ii. Enter the login credentials (i.e., User ID and password). In case of physical folio, User ID will be EVEN xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if a Member is registered with KFin for e-Voting, they can use their existing User ID and password for casting the vote.
- iii. After entering these details appropriately, click on “LOGIN”.
- iv. Members will now reach password change Menu wherein they are required to mandatorily change the password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt the Member to change their password and update their contact details viz. mobile number, email ID etc. on first login. Members may also enter a secret question and answer of their choice to retrieve their password in case they forget it. It is strongly recommended that Members do not share their password with any other person and that they take utmost care to keep their password confidential.
- v. Members would need to login again with the new credentials.
- vi. On successful login, the system will prompt the Member to select the “EVENT” i.e., ‘Vedant Fashions - AGM’ and click on “Submit”.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under “FOR/ AGAINST” or alternatively, a Member may partially enter any number in “FOR” and partially “AGAINST” but the total number in “FOR/AGAINST” taken together shall not exceed the total shareholding as mentioned herein above. A Member may also choose the option ABSTAIN. If a Member does not

indicate either “FOR” or “AGAINST” it will be treated as “ABSTAIN” and the shares held will not be counted under either head.

- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat account.
  - ix. Voting must be done for each item of the Notice separately. In case Members do not desire to cast their vote on any specific item, it will be treated as abstained.
  - x. A Member may then cast their vote by selecting an appropriate option and click on “Submit”.
  - xi. A confirmation box will be displayed. Click “OK” to confirm else “CANCEL” to modify. Once a Member has voted on the resolution(s), they will not be allowed to modify their vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (2) Members whose email IDs are not registered with the Company/ DPs, and consequently the Annual Report, Notice of AGM and e-Voting instructions cannot be serviced, will have to follow the following process:
- i. Members who have not registered their email address, thereby not being in receipt of the Annual Report, Notice of AGM, and e-Voting instructions, may get their email address and mobile number submitted with KFin, by registering/updating the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes:

- a) Through ‘In Person Verification’ (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b) Through hard copies which are self-attested, which can be shared on the address below; or

Name: KFIN Technologies Limited  
Address: Selenium Building, Tower-B,  
Plot No 31 & 32, Financial District,  
Nanakramguda, Serilingampally,



Hyderabad, Rangareddy, Telangana  
India - 500 032.

- c) Through electronic mode with e-sign by following the link: <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQs can be found on the link: <https://ris.kfintech.com/faq.html>.

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

- ii. Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the AGM Notice and e-Voting instructions along with the User ID and Password. In case of any queries, Members may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

After receiving the e-Voting instructions, please follow all the above steps to cast your vote by electronic means.

**C. Access to join the AGM on KFin system and to participate and vote thereat.**

- i. Members will be able to attend the AGM through VC / OAVM platform provided by KFin. Members may access the same at <https://emeetings.kfintech.com/> by using the e-Voting login credentials provided in the email received from the Company / KFin.
- ii. After logging in, click on the Video Conference tab and select the EVEN of the Company.
- iii. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that Members who do not have the user id and password for e-Voting or have forgotten the same may retrieve them by following the remote e-Voting instructions mentioned above.

**Other Instructions:**

- I. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting as well as voting at the AGM.
- II. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e., Thursday, August 17, 2023, may obtain the User ID and Password in the manner as mentioned below:

- a. If the mobile number of the Member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWDE-Voting Event Number + Folio No. or DP ID Client ID to +91 9212993399

Example for NSDL: MYEPWD  
IN12345612345678

Example for CDSL: MYEPWD  
1402345612345678

Example for Physical: MYEPWD  
XXXX1234567890

- b. If email ID of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Members may call KFin toll free number 1800 309 4001.
- d. Members may send an email request to: [evoting@kfintech.com](mailto:evoting@kfintech.com). If the Member is already registered with the KFin e-Voting platform, then such Member can use his / her existing User ID and password for casting the vote through remote e-Voting.

**General Information**

18. Documents for inspection: The relevant documents referred to in this Notice are available for inspection by the Members through electronic mode. The Members may write to the Company at [secretarial@manyavar.com](mailto:secretarial@manyavar.com) in that regard, by mentioning "Request for Inspection" in the subject of the Email.

The Register of Directors and Key Managerial Personnel and their shareholdings, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act and the Certificate from Auditors of the Company in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits & Sweat Equity) Regulations, 2021, will also be made available for inspection by the Members on request made as above.

19. The Board of Directors of the Company has appointed Mr. Anil Kumar Dubey, Partner, M/s. M & A Associates, Practicing Company Secretaries, Kolkata, as the Scrutinizer to scrutinize the voting including remote e-Voting process in a fair and transparent manner, and he has communicated his willingness for appointment and availability for this purpose.
20. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, first count the votes cast vide e-Voting at the e-AGM and thereafter, unblock the votes cast through



remote e-Voting in the presence of at least two witnesses not in the employment of the Company, and make a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, and submit the same to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of voting forthwith.

21. Once declared, the Results along with the consolidated Scrutinizer's report will be placed on the Company's website at [www.vedantfashions.com](http://www.vedantfashions.com) and website of KFin at <https://evoting.kfintech.com>. The Company shall forward the results to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed, as also displayed in the Notice Board at the Registered Office of the Company, within 2 working days from the conclusion of the meeting. The Results on resolutions shall be declared not later than 2 working days from the conclusion of the meeting of the Company and subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the meeting date i.e., Thursday, August 24, 2023.
22. KPRISM- Mobile service application by KFin: Members are requested to note that KFin has launched a mobile application - KPRISM and website <https://kprism.KFintech.com/app/> for online service to Members. Members can download the mobile application, register themselves (one time) for availing host of services viz., consolidated portfolio view serviced by KFin, dividend status and send requests for change of address, change / update bank mandate. Through the mobile application, Members can download annual reports, standard forms and keep track of upcoming general meetings and dividend disbursements. The mobile application is available for download from Android Play Store.
23. Submission of PAN: The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or to KFin.

In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 or link their PAN with Aadhaar before June 30, 2023, in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

24. Transfer of Shares (held in Physical Form): Members may note that, as mandated by SEBI, request for effecting transfer of securities held in physical mode is prohibited effective April 01, 2019, unless the securities are held in dematerialized form. Transmission or transposition of securities held in physical or dematerialised form shall be affected only in dematerialised form. In this regard, Members are requested to dematerialize their shares held in physical form, at the earliest possible.

Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.

25. Nomination: Pursuant to Section 72 of the Act read with the Rules made thereunder, Members holding shares in single name may avail the facility of nomination in respect of shares held by them. Members holding shares in physical form may avail this facility by sending a nomination in the prescribed Form No. SH-13 to KFin. Members holding shares in electronic form may contact their respective DPs for availing this facility. The Nomination form can be downloaded from the Company's website at <https://www.vedantfashions.com/assets/pdf/Form-ISR-1.pdf> or KFin's website at <https://ris.kfintech.com/client/services/isr/sh13.aspx>.
26. Unclaimed Dividend: The details of members who have not claimed their dividend for the financial year 2021-22 are made available on the Company's website at <https://www.vedantfashions.com/>. Members who have not encashed/ claimed their dividend pertaining to the financial year 2021-22 are advised to write to the Company or KFin immediately, claiming dividends declared by the Company. Pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016, the amount of dividend and the underlying shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the Investor Education and Protection Fund (IEPF) Authority as notified by the Ministry of Corporate Affairs.
27. Gift distribution: The Company does not give gifts, gift coupons or cash in lieu of gifts to its Members and also does not offer its products at discounted rates. However, the Company is committed to the Members' wealth maximization through superior performance reflected in corporate benefits like dividend and increased market capitalization.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)

The following Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, sets out all the material facts relating to the items of ordinary / special business mentioned in this AGM Notice:

### Item No. 5:

The Members of the Company, at their Extra-Ordinary General Meeting (EGM) held on September 07, 2021, while passing a resolution to approve the appointments of Mr. Manish Mahendra Choksi (DIN: 00026496), Ms. Abanti Mitra (DIN: 02305893) and Mr. Tarun Puri (DIN: 02117623) as Independent Directors for a term of five consecutive years with effect from September 06, 2021, had also approved the payment of remuneration of ₹ 30 lakhs per annum including commission and the sitting fees, to each of them.

During FY 2022-23, the Board of Directors of the Company pursuant to the recommendation of the Nomination and Remuneration Committee (“NRC”) in this regard, has approved the payment of remuneration to the Non-Executive Director (Non-Independent), Mr. Sunish Sharma (DIN: 00274432). As per the letter of appointment issued to him, he is entitled to a total fees of ₹ 30 lakhs per annum (including sitting fees, if any) for a term of 5 years with effect from April 01, 2022.

The Members may please note that although Mr. Sunish Sharma has been the Director of the Company since August 24, 2017, he has agreed to accept fees from the Company effective FY 2022-23 only, i.e., the first FY post the successful initial public offer (IPO) of the Company pursuant whereof the shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on February 16, 2022.

Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), inter alia provides that the

Board shall recommend to the Members for their approval all fees or compensation, if any, paid to Non-Executive Directors, including Independent Directors.

Section 197 of the Companies Act, 2013 (“Act”), as amended, permits payment of remuneration to Directors who are neither Managing Director nor Whole-time Directors, up to a limit of 1% of the net profits of the Company, if there is a managing or whole-time director or manager; or up to a limit of 3% of the net profits in any other case.

It is pertinent to note here that Mr. Sunish Sharma, Non-Executive Director of the Company, bring with him significant professional expertise and rich experience across a wide spectrum of functional areas such as strategic leadership and management experience, financial management, banking, treasury, fund raising and internal controls, knowledge of governance and regulatory aspects etc.

Considering the rich experience and expertise brought into the Board by Mr. Sunish Sharma as Non-Executive Director, the time commitment, guidance, and oversight provided by him, the Board of Directors, basis recommendation of the NRC, have approved and recommended remuneration (including sitting fees, if any) to him of such amount up to a limit of ₹ 30,00,000/- (Rupees Thirty lakhs only) per annum.

The NRC and the Board would continue to determine the annual remuneration payable to Mr. Sunish Sharma, Non-Executive Director, taking into consideration various factors such as his participation in Board and Committee meetings and association with the Company during the year and contributions therein, other responsibilities undertaken, time devoted in carrying out their duties, role and functions as envisaged in Act, the Board approved policy viz. ‘Criteria of making payments to Non-Executive Directors’, and such other factors as the NRC may consider fit within the overall limits approved by the Members of the Company.

The remuneration paid/payable to Mr. Sunish Sharma, Non-Executive Director of the Company, in past two financial years have been as under (Amount in ₹):

Name of the Director	FY 2022-23			FY 2021-22		
	Sitting Fees	Commission	Total	Sitting Fees	Commission	Total
Mr. Sunish Sharma	4,50,000	25,50,000	30,00,000	Nil	Nil	Nil

The aforesaid total remuneration paid to Mr. Sunish Sharma together with the remuneration paid to other Non-Executive Directors of the Company has been within 1% of the Net Profits of the Company of the respective year, as calculated in accordance with the provisions of Section 198 of the Act.



The Company has not defaulted in payment of dues to any bank or public financial institution or any other secured creditors. The Company have not issued any non-convertible debentures.

The aforementioned proposed remuneration would be in addition to the re-imbusement of related expenses for attending meetings of the Board of Directors and its Committees etc., as approved by the Board from time to time.

Additional information on the Company and proposal is given below:

## I. GENERAL INFORMATION

Nature of industry	Vedant Fashions Limited (“the Company”) is primarily engaged in manufacturing, trading, and sale of readymade Indian wedding & celebration wear garments for men, women and kids under the brand names Manyavar, Mohey, Mebaz, Twamev and Manthan.		
Date or expected date of commencement of commercial production	Not Applicable since the Company has already commenced the business activity. The Company was incorporated on May 24, 2002.		
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company - Not Applicable		
Financial performance based on given indicators	₹ in Millions		
		<b>2022-23</b>	<b>2021-22</b>
	Total Revenue	13259.64	10087.45
	Profit before Tax (PBT)	5670.32	4137.68
	Net Profit	4228.91	3083.54
	Net Worth	13950.47	10841.31
Foreign investments or collaborations, if any	The Company has not entered any foreign collaborations. The foreign investors, comprising FPIs, FIIs and NRIs are on account of issuances of securities and/or secondary market purchases, from time to time. As on March 31, 2023, the aggregate foreign shareholding in the Company was approx. 3.53% [including Foreign Portfolio (Corp), Non-Resident Indian Non Repatriable and Non-Resident Indians].		

## II. INFORMATION ABOUT THE APPOINTEE

Background details	Detailed profile of the Non-Executive Director given in the Annual Report. The same should be read as part of this explanatory statement.
Past remuneration	Details on past remuneration have been stated above in explanatory statement for the Item no. 5 of the Notice.
Recognition or awards	Disclosed under the detailed profile of the Non-Executive Director given in the Annual Report. The same should be read as part of this explanatory statement.
Job profile and his suitability	The Directors of the Company play an important role in the sustainable growth, attaining the overall strategic goals of the Company and ensure adoption of good governance practices. Mr. Sunish Sharma, Non-Executive Director of the Company, bring with him significant professional expertise and rich experience and knowledge across a wide spectrum of functional areas such as business strategy, finance, capital markets and corporate governance. He actively engages with the Management for fostering the effectiveness of the Company's performance and setting high quality governance standards and norms for the Company.
Remuneration proposed	Details on proposed remuneration have been stated above in explanatory statement for the Item no. 5 of the Notice.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin)	Taking into consideration the size, scale of operations, performance and the business of the Company, the diverse mix of skills, expertise, acumen the Non-Executive Director bring, and the external business environment, the increased responsibilities and duties of the Non-Executive Directors under the Act and the SEBI Listing Regulations, the remuneration proposed to be paid is commensurate.





Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel or other Director, if any	Besides drawing remuneration as stated above, Mr. Sunish Sharma do not have any other pecuniary relationship directly or indirectly with the Company or with the managerial personnel of the Company.
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### III. OTHER INFORMATION

Reasons of loss or inadequate profits	Not applicable, as the Company has posted a PBT of ₹ 5670.32 Million during the year ended 31st March, 2023.
Steps taken or proposed to be taken for improvement	Not applicable as the Company has adequate profits, however steps are continued to be taken for improvement.
Expected increase in productivity and profits in measurable terms	

### IV. DISCLOSURES

The following disclosures are mentioned in the Board of Director's report under the heading "Corporate Governance Report" of the Company in the Annual Report 2022-23:

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
- (ii) Details of fixed component and performance linked incentives along with the performance criteria;
- (iii) Service contracts, notice period, severance fees;
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

The Board recommends passing of the resolution for payment of remuneration to Mr. Sunish Sharma, Non-Executive Director of the Company, as set out at Item no. 5 of this notice by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives, other than Mr. Sunish Sharma and his relatives to the extent of their shareholding interest in the Company, if any, are deemed to be concerned or interested financially or otherwise, in the resolution set out at Item No. 5 of this Notice.

#### Item No. 6:

The Members of the Company, at their Extra-Ordinary General Meeting (EGM) held on July 27, 2017, had passed a resolution to adopt new set of Articles of Association ("AOA") of the Company, wherein the AOA was divided into two parts, Part I and Part II. The Part II of the AOA contained the Investment Agreement executed then with two Investors by the Company. It was mentioned in the AOA that Part II shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to an initial public offering of the Equity Shares of the Company without any further action, including any corporate action, by the Company or by the Shareholders.

The said Investors have since exited from the Company by selling the shares held by them in the Company through offer to sale in the Initial Public Offer (IPO) of the Company, pursuant whereof the shares of the Company were listed on BSE Limited

and National Stock Exchange of India Limited on February 16, 2022. In view of the above, the provisions of Part II of the AOA (comprising Articles 108 to 122) are no longer in force and have become redundant. Therefore, it is now proposed to remove Part II and its reference in the AoA in entirety.

Accordingly, the Resolution as set out at item no. 6 of the Notice proposes to delete Part II in its entirety, including the reference of Part I and Part II, in the AOA.

The alteration of the Articles of Association of the Company requires approval of the shareholders of the Company by means of a Special Resolution under section 14 of the Companies Act, 2013.

Copies of the existing and amended AOA will be available for inspection by shareholders during business hours at the registered office of the Company till the Annual General Meeting and can also be viewed on the Company's website at <https://www.vedantfashions.com/corporate-governance/article-and-memorandum-of-associations>.

The Board of Directors at its meeting held on July 26, 2023, considered and recommended passing of the resolution at Item No. 6 of this Notice by way of a Special Resolution.

None of the Directors or Key Managerial Personnel or their relatives, are deemed to be concerned or interested financially or otherwise, in the resolution set out at Item No. 6 of this Notice.



# ANNEXURE

## DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT / FIXATION OF REMUNERATION AT THE MEETING

Particulars	Mr. Ravi Modi	Mr. Sunish Sharma
Category of Director / Designation / Position in the Company	Chairman & Managing Director / Executive.	Non-Executive Non-Independent Director
DIN	00361853	00274432
Date of Birth / Age	March 13, 1977 / 46 years	October 25, 1974 / 48 years
Profile / Background Details, Recognition or awards	Please refer to the detailed profile of the Directors given in the Annual Report. The same should be read as part of this explanatory statement/ details of Director.	
Qualifications		
Experience and Expertise in specific functional areas	General management, sales and marketing management, interpersonal relations management, Finance, Taxation, Banking and Treasury management, corporate social responsibility management, legal & regulatory knowledge etc.	General management, interpersonal relations management, private equity investment, Finance, Taxation, Banking and Treasury management, legal & regulatory knowledge etc.
Terms and conditions of appointment or reappointment	Mr. Ravi Modi retires by rotation and being eligible, offers himself for re-appointment.	Mr. Sunish Sharma has been appointed as a Non-Executive Director, liable to retire by rotation.
Remuneration last drawn by such person, if applicable	₹ 8,20,12,987/- in the financial year 2022-23.	₹ 30,00,000/- in the financial year 2022-23 (sitting fees & commission only)
Remuneration sought to be paid	It will be as mentioned below: (a) Fixed salary of ₹ 30.00 million per annum; payable on monthly basis. (b) Variable salary will be 0.90% of operating Profit before Tax (or PBT) or ₹ 30.00 million per annum whichever is higher <b>[effective for the period April 01, 2023 to June 30, 2023]</b> (c) Variable salary will be ₹ 6.00 million per annum, payable in the manner as may be decided by the Board <b>[w.e.f. July 01, 2023]</b> . In addition to above, other terms & conditions are as mentioned in the Agreement dated April 28, 2022 and the Addendum thereto dated July 26, 2023, executed between the Company and him.	It will be same as the existing remuneration as mentioned below: (a) ₹ 30,00,000/- per annum (including sitting fees). In addition to above, he will be entitled to reimbursement of reasonable expenses in connection with his travel and accommodation for attending Board and Committee meetings.
Date of first appointment on the Board	May 24, 2002	August 24, 2017
Membership / Chairmanship of Committees of the Board of the Company	Member of Audit Committee, Stakeholders Relationship Committee, IPO Committee, and Chairperson of Risk Management Committee and Corporate Social Responsibility Committee of the Company.	Member of Nomination & Remuneration Committee and IPO Committee of the Company.
Directorships in Unlisted Companies (excluding foreign companies)	<ul style="list-style-type: none"> <li>Manyavar Creations Private Limited</li> <li>Modi Fiduciary Services Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Care Health Insurance Limited</li> </ul>
Directorships in Other listed Companies (excluding foreign companies)	None	<ul style="list-style-type: none"> <li>Spandana Sphoorty Financial Limited</li> </ul>



<b>Particulars</b>	<b>Mr. Ravi Modi</b>	<b>Mr. Sunish Sharma</b>
<i>Membership / Chairmanship of Committees of other Boards</i>	None	Member of CSR Committee in Spandana Sphoorty Financial Limited and member of Nomination & Remuneration Committee in Care Health Insurance Limited.
<i>Listed Entities from which resigned as Director in past 3 years</i>	None	None
<i>No. of shares held in the Company</i>	16,88,134 equity shares of ₹ 1/- each, representing 0.70% of the paid-up share capital of the Company.	Nil
<i>Relationship with other Directors, Manager and other KMP of the Company</i>	He is the spouse of Mrs. Shilpi Modi, Whole-time Director of the Company.	None
<i>No. of Meetings of the Board attended during the year</i>	During FY 2022-23: 6 out of 6 meetings. During FY 2023-24 (till date): 3 out of 3 meetings.	During FY 2022-23: 6 out of 6 meetings. During FY 2023-24 (till date): 3 out of 3 meetings.

Mr. Ravi Modi and Mr. Sunish Sharma are not disqualified under the Companies Act, 2013 (as amended) or disqualified and/or debarred by virtue of any order passed by the Securities and Exchange Board of India, Ministry of Corporate Affairs, any Court or any such other Statutory Authority, to be appointed / re-appointed / continue as a director in any company.



# Board's Report

To,  
The Members,  
**Vedant Fashions Limited**

The Board of Directors of the Company hereby have pleasure in presenting the Twenty-First Annual Report and the audited Annual Accounts on the business and operations of the Company for the year ended March 31, 2023 ("year under review"/"FY 22-23").

## Financial Highlights

Your Company's financial performance for the year under review is summarized below:

(INR in Million)

Particulars	Standalone		Consolidated	
	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
<b>Income:</b>				
I. Revenue from operations	13,259.64	10,087.45	13,549.30	10,408.41
II. Other income	370.42	485.42	402.41	499.26
<b>III. Total income (I+II)</b>	<b>13,630.06</b>	<b>10,572.87</b>	<b>13,951.71</b>	<b>10,907.67</b>
<b>IV. Expenses:</b>				
Cost of materials consumed				
- Raw Materials	1436.47	1,152.03	1,436.47	1,152.03
- Accessories & packing materials	190.54	175.73	190.54	175.73
Purchases of stock-in-trade	2,280.96	1,706.48	2,280.96	1,706.48
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(403.53)	(368.85)	(388.61)	(365.98)
Employee benefits expense	551.80	561.28	566.30	575.28
Finance costs	303.51	270.70	314.64	284.25
Depreciation and amortisation expense	974.57	880.33	1,037.85	943.56
Other expenses	2,625.42	2,057.49	2,755.17	2,206.21
<b>Total expenses</b>	<b>7,959.74</b>	<b>6,435.19</b>	<b>8,193.32</b>	<b>6,677.56</b>
<b>V. Profit before tax (III-IV)</b>	<b>5,670.32</b>	<b>4,137.68</b>	<b>5,758.39</b>	<b>4,230.11</b>
<b>VI. Tax expense:</b>				
- Current Tax	1,425.59	1,033.64	1,444.69	1,056.68
- Deferred tax	15.82	20.50	22.62	24.32
<b>Total Tax Expense</b>	<b>1,441.41</b>	<b>1,054.14</b>	<b>1,467.31</b>	<b>1,081.00</b>
<b>VII. Profit for the year (V-VI)</b>	<b>4,228.91</b>	<b>3,083.54</b>	<b>4,291.08</b>	<b>3,149.11</b>
<b>VIII. Other Comprehensive Income/(Loss)</b>				
<b>(i) Item that will not be reclassified to profit or loss.</b>				
(a) Re-measurement gains on defined benefit obligations	1.18	0.33	1.25	0.33
(b) Income tax effect on above	(0.30)	(0.08)	(0.32)	(0.08)
<b>(ii) Item that will be reclassified to profit or loss.</b>				
(a) Fair value changes in debt instruments through Other Comprehensive Income	47.38	(4.30)	47.38	(4.30)
(b) Income tax effect on above	(11.93)	1.08	(11.93)	1.08
<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>36.33</b>	<b>(2.97)</b>	<b>36.38</b>	<b>(2.97)</b>
<b>IX. Total comprehensive income for the year</b>	<b>4,265.24</b>	<b>3,080.57</b>	<b>4,327.46</b>	<b>3,146.14</b>
Paid up equity share capital [face value of INR 1 each (PY: INR 1 each)]	242.78	242.70	242.78	242.70
Other Equity	13,707.69	10,598.61	13,756.02	10,584.72
<b>X. Earnings per equity share (EPS) (face value of share of INR 1 each)</b>				
Basic (in INR per share)	17.42	12.63	17.68	12.90
Diluted (in INR per share)	17.42	12.63	17.68	12.90



## State of the Company's Affairs

The Company operates primarily in the manufacturing and trading of readymade garments being Indian wedding and celebration wear for men, women, and kids through its Brands viz. 'Manyavar', 'Mohey', 'Twamev', 'Mebaz' and 'Manthan'. The 'Manyavar' brand is category leader in branded Indian wedding & celebration wear market with pan-India presence<sup>1</sup>. The presence of the Company in women's Indian wedding & celebration wear market is also growing with 'Mohey' being the largest Brand by number of stores with pan-India presence<sup>2</sup>. The Company offers a one-stop destination with a wide product portfolio for every celebratory occasion which are aspirational, yet value-for-money offering.

During the year under review, the Company's strong growth momentum continued and it recorded Turnover of INR 13,259.64 Millions on a standalone basis, as against INR 10,087.45 Millions in the previous Financial Year 2021-22 ('FY 21-22'), i.e., an increase of 31.45%. The profit before tax (PBT) of INR 5,670.32 Millions in FY 22-23 as against INR 4,137.68 Millions in FY 21-22, shows an increase of 37.04%. The Company reported best-in-class profit after tax (PAT) margin of 31.89% and the PAT stood at INR 4,228.91 Millions during FY 22-23 with a significant growth of 37.14% compared to FY 21-22.

On a Consolidated basis, the Company recorded the Turnover of INR 13,549.30 Millions during FY 22-23, as against INR 10,408.41 Millions in FY 21-22, i.e. an increase of 30.18%; the PBT of INR 5,758.39 Millions in FY 22-23, as against INR 4,230.11 in FY 21-22, i.e. an increase of 36.13%; and the PAT of INR 4,291.08 Millions during FY 22-23 (PAT margin: 31.67%) with a significant growth of 36.26% compared to FY 21-22.

The financial performance for the year under review as reported above demonstrates strong growth over the previous year, with the Overall Customer Sales Growth in FY 22-23 at 26.3% over FY 21-22 and the Same-Store Sales Growth (SSSG) in FY 22-23 being 18.1% over FY 21-22.

During FY 22-23, the number of Exclusive Brand Outlets (EBOs), which is the dominant channel for the Company, were increased and as of March 2023, the Company's EBO area stood at 1.47 million square feet, spanning 649 stores (including SIS) in 257 cities and towns globally. The national EBO footprint tally was at 633 stores (including SIS), spread across 245 cities and towns. Your Directors are happy to share that the fundamentals of the business have been sound, robust, and the Company has been encompassing growth.

## Amounts Transferred to Reserves

The Board of the Company has decided to retain the entire amount of its profit earned in FY 2022-23 in the Retained Earnings account only.

## Dividend

Your Company has a dividend policy that balances the dual objectives of rewarding shareholders through dividends, whilst also ensuring availability of sufficient funds for the growth of the Company. The Dividend Distribution Policy of the Company is available on the following weblink on the Company's website: [www.vedantfashions.com/dividend-policy](http://www.vedantfashions.com/dividend-policy).

The Board of Directors of your Company, after considering the strong profitability for the year under review and returns for the Equity Shareholders for their ongoing credence, has decided to recommend a final dividend of INR 9/- (Indian Rupees Nine only) per equity share of INR 1/- (Indian Rupee One only) each fully paid-up for the FY 2022-23. This dividend is subject to approval of the shareholders at the ensuing annual general meeting and shall be subject to deduction of tax at source.

## Material Changes affecting the Financial Position of the Company

During the year under review, there were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which these financial statements relate and date of this report. As such, no specific details are required to be given or provided.

## Change in nature of business, if any

There has been no change in the nature of business of the company during the year under review and the Company continues to carry on its existing business.

## Voluntary Revision of Financial Statements or Board's Report

There has not been any such revision during the year under report.

## Capital Structure of the Company

There was no change in the authorised share capital of the Company during the year under review.

The Company has allotted 51,730 equity shares of INR 1/- each on October 19, 2022, 23,371 equity shares of INR 1/- each on February 08, 2023 and 1,800 equity shares of INR 1/- each on March 27, 2023, against exercising of options by the Eligible Employees/Participants in accordance with the VFL Employee Stock Option Scheme 2018. The equity shares so allotted rank pari-passu with the existing equity shares of the Company.

The Company has not issued equity shares with differential voting rights or any sweat equity shares, during the year under

<sup>1</sup> Source: Crisil Report; As of FY20 (latest available)

<sup>2</sup> Source: Crisil Report; As of FY20 (latest available)



review. The paid-up equity shares capital of the Company as at 31<sup>st</sup> March, 2023 stood at INR 24,27,79,990/- consisting of 24,27,79,990 equity shares of INR 1/- each fully paid up.

### Particulars of Employee Stock Option Scheme

Employees' Stock Options represent a reward system based on overall performance of the individual employee and the Company. The Company has framed an Employees Stock Option Plan with a view to attracting and retaining the best talent, encouraging employees to align individual performance with Company's objectives, and promoting increased participation by them in the growth of the Company. In accordance with the said Plan, the Company has introduced VFL Employee Stock Option Scheme 2018 ("the Scheme Pratham"), pursuant to the approval of the shareholders of the company at their extra-ordinary general meeting held on September 03, 2018 and the amendment made in the same at their general meeting held on September 04, 2021. In terms of Regulation 12(1) of Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI (SBEB & SE) Regulations"], the Scheme Pratham was ratified by the shareholders by passing a resolution in their annual general meeting held on September 08, 2022. The detail of Employees' Stock Options forms part of the Notes to accounts of the Financial Statements for the year under review.

The disclosures as required under Regulation 14 of SEBI (SBEB & SE) Regulations have been placed on the website of the Company: [www.vedantfashions.com](http://www.vedantfashions.com).

### Changes in Directors and Key Managerial Personnel

There were no changes in the Directorships of the Company as well as in the Key Managerial Personnel of the Company during the year under review.

Mr. Ravi Modi, Chairman & Managing Director (DIN: 00361853), retires by rotation at the ensuing Annual General Meeting (AGM) pursuant to the provisions of Section 152 of the Act and is eligible for reappointment. Your Directors recommend his reappointment.

The information prescribed by SEBI (LODR) Regulations, 2015 in respect of the above-named Director shall be given in the Notice of Twenty First AGM.

### Number of Board Meetings & Attendance

During the financial year 2022-23, 6 (Six) meetings of the Board of Directors of the Company were held, as per the details provided in the Corporate Governance Report forming part of Annual Report.

### Number of Committee Meetings & Attendance

The details of the Committee Meetings and respective attendance of Members therein are provided in the Corporate Governance Report forming part of Annual Report.

### Composition of Audit Committee

The Audit Committee constituted by the Board has Ms. Abanti Mitra as Chairperson and Mr. Manish Mahendra Choksi and Mr. Ravi Modi as the members. Further details are provided in the Corporate Governance Report. During the year all recommendations made by the Audit Committee were accepted by the Board.

### Evaluation of the Board's performance, Committee, and Individual Directors

The Company has devised a framework for performance evaluation of Board, its committees, and individual directors. The Board carries out the evaluation of its own performance and that of its Committees and the individual Directors. The performance evaluation of Non-Independent Directors, the Board as a whole and the Chairperson is carried out by the Independent Directors in their separate meeting.

The evaluation process consisted of structured questionnaires covering various aspects of the functioning of the Board and its Committees, such as composition, experience and competencies, performance of specific duties and obligations, governance issues etc. The Board also carried out the evaluation of the performance of Individual Directors based on criteria such as contribution of the director at the meetings, strategic perspective or inputs regarding the growth and performance of the Company etc.

Further, the performance evaluation criteria for the Independent Directors are disclosed in the Corporate Governance Report forming part of Annual Report.

### Declaration by Independent Directors

Declarations pursuant to the Sections 164(2) and 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 and that they have registered their names in the Independent Directors' Databank, as well as affirmation of compliance with the Code of Conduct, by all the Independent Directors of the Company have been made. In the opinion of the Board, the Independent Directors hold highest standard of integrity and possess the requisite qualifications, experience, expertise, and proficiency.

### Nomination and Remuneration Policy

A policy approved by the Nomination and Remuneration Committee and adopted by the Board is practiced by the Company for determining qualification, positive attributes, and independence of a director as well as for appointment and remuneration of Directors and Senior Management Employees, as per the details set out in the Corporate Governance Report. The policy has been placed on the website of the Company and the web link of the same is as follows: <https://www.vedantfashions.com/nr-policy>.



## Remuneration of directors and employees

Disclosure pertaining to Remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules) is annexed and marked as **Annexure I**. The information pursuant to Rules 5(2) and 5(3) of the Rules not annexed to this Report, is readily available for inspection by the members at the Company's Registered Office between 10.30 A.M. to 1:30 P.M. on all working days up to the date of ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, on [complianceofficer@manyavar.com](mailto:complianceofficer@manyavar.com), whereupon a copy would be sent.

## Human Resources

The Company has a workforce of 744 employees with a mix of people from different social, economic, and geographic backgrounds. The Company has maintained healthy, cordial, and harmonious industrial relations at all levels through proactive ER, development initiatives, gender diversity and community development.

Performance of the Company is anchored on its capabilities and productivity, customer-centric culture through a strong service orientation; happiness through purposeful behaviour by high-quality talent; value-oriented through a deep commitment to the values of Vedant Fashions Limited.

## Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2023, the applicable IND-AS have been followed and there is no notable material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of March 31, 2023 and of the profit of the Company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls for the Company which are adequate and are operating effectively; and

- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively. This has been done by identifying significant laws that are applicable to the Company.

## Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements

The Company has adequate internal financial control systems commensurate with its nature of business and size of the operations of the Company including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information and to monitor and ensure compliance with applicable laws, rules, and regulations.

The Company has also appointed an Internal Auditor as per the provisions of the Companies Act, 2013. The Company's internal audit process covers all significant operational areas and reviews the Process and Control. The Internal Auditor has authority to verify whether the policies and procedures, including financial transactions, are carried out in accordance with defined processes and variations and exceptions (if any) are justified and reported properly.

## Details in respect of report by Auditors under subsection (12) of Section 143

During the year under review, there have been no frauds reported by the statutory auditors under subsection (12) of Section 143 of the Companies Act, 2013.

## Details of Subsidiary, Joint Venture, or Associate

The Company has a wholly owned Subsidiary Company, namely Manyavar Creations Private Limited. Further, there are no Associates or Joint Ventures as on March 31, 2023. A report containing the details required under Section 134 of the Companies Act, 2013 ('the Act') read with Rule 8(1) of the Companies (Accounts) Rules, 2014 in respect of performance and financial position for the financial year ended March 31, 2023, of the Subsidiary in the Form AOC-1 is annexed to this Report and marked as **Annexure II**.

## Deposits

The Company did not accept any deposits covered under Chapter V of the Companies Act, 2013 during the financial year ended March 31, 2023. Thus, there were no deposits which were unpaid or unclaimed and due for repayment, hence, there has been no default in repayment of deposits or payment of interest thereon.



## Particulars of Loan, Guarantees and Investments under Section 186

The Company has not given/made any loans, guarantees and investments pursuant to the Section 186 of the Act during the year under review.

## Particulars of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements entered into with related parties, referred to in Section 188(1) of the Companies Act 2013 during the FY 22-23 in the prescribed format (i.e., AOC 2) is attached with this report as **Annexure III**.

## Corporate Social Responsibility (CSR) Policy

The Report as required under Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, is attached as **Annexure IV** to this Report. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the Financial Year under review are inter-alia set out therein. CSR Policy is available on the website of the Company at <https://www.vedantfashions.com/csr>.

## Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo

The details of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo are as under:

### • Conservation of Energy and Technology Absorption:

The various details under this head are as follows –

#### (A) Conservation of energy-

- (i) the steps taken or impact on conservation of energy: The existing operational set-up of the Company uses modern technology. Adequate measures have been taken to ensure the use of energy-efficient computers, servers, scanners, air-conditioners etc. which use the latest environment-friendly technology. Further, the newly acquired or newly renovated offices have adopted various energy saving measures such as use of LEDs or sleep mode equipment.
- (ii) the steps taken by the company for utilising alternate sources of energy: The Company has initiated the process of converting VFL owned four-wheelers into electric vehicles. The Company is exploring renewable energy options such as Solar Energy.
- (iii) the capital investment on energy conservation equipment: There has been no significant investment on this.

#### (B) Technology absorption-

- (i) the efforts made towards technology absorption:
  - a. Initiated Cloud **digital transformation**.
  - b. Expanded **data analytics capabilities**.
  - c. Initiated **digital filing systems**.
  - d. **Upgraded internal networks** at key operation locations.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution:
  - a. Improved **digital engagement** with partner ecosystem.
  - b. 360-degree view of customers to deliver more **personalized** shopping experiences.
  - c. Gradual transition to **minimal paper-based processes**.
  - d. Improved network performance, and greater security visibility.
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): **N.A.**
  - (a) the details of technology imported: **N.A.**
  - (b) the year of import: **N.A.**
  - (c) whether the technology been fully absorbed: **N.A.**
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: **N.A.**
- (iv) the expenditure incurred on Research and Development: **N.A.**

### • Foreign Exchange Earnings / Outgo:

Earnings	INR 33,97,62,984
Outgo	INR 4,21,16,700

## Risk Management Policy

A Risk Management Policy to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating, and resolving risks associated with the Company's business has been adopted, which has been placed in the website of the Company at: <https://www.vedantfashions.com/risk-management-policy>. The Risk Management Committee of the Board of Directors oversees the process of identification, monitoring, and review of all the elements of risk(s) associated with the Company. The detail of Committee and its terms of reference are elaborated in the Report on Corporate Governance





which forms a part of this Report. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviours together form the Risk Management System that governs how the Company conducts its business and manages associated risks. The Company has adequate risk management infrastructure in place capable of addressing those risks.

The Company has also designated an employee as 'Risk Manager' for the purpose of effective coordination of the risk management mechanism.

### **Disclosure on Establishment of a Vigil Mechanism**

The Company has framed a Policy on Reporting Concerns so that Directors and employees can report their genuine concerns or grievance as and when they think fit. The Policy assures adequate safeguard against victimization of employees and directors who avail of the vigil mechanism policy. It also provides for action against frivolous complaints. This policy was communicated to all staff members of the Company for their knowledge and information and was made available on Company's website in the name and style of "Vigil Mechanism Policy (or Whistle Blower Policy)" -

[www.vedantfashions.com/our-organisation/vigilmechanism](https://www.vedantfashions.com/our-organisation/vigilmechanism)

### **Details of Significant & Material Orders passed by the regulators or Courts or Tribunal**

During the year, no significant and material orders were passed against the Company by any regulators, courts or tribunal which impact Company's going concern status.

### **Secretarial Standards**

During the year under review, the Company has complied with Secretarial Standards on Meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") as amended and issued from time to time by the Institute of Company Secretaries of India in terms of Section 118(10) of the Companies Act, 2013.

### **Statutory Auditors & Auditor's Report**

As per the provisions of the Act, the period of office of M/s S.R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, expired at the conclusion of 20<sup>th</sup> (Twentieth) Annual General Meeting held on 8<sup>th</sup> September, 2022. M/s B S R & Co. LLP, Chartered Accountants (FRN: 101248W/W-100022), were appointed as the Statutory Auditors of the Company at the 20<sup>th</sup> AGM of the Company held on 8<sup>th</sup> September, 2022 to hold such office for a period of five years till the conclusion of the 25<sup>th</sup> AGM.

The Auditor's Report on the standalone and consolidated financial statement for the year ended 31<sup>st</sup> March, 2023 does not contain any qualification or adverse remark.

### **Web Link of Annual Return**

As required under the Section 134 of the Companies Act, 2013, a copy of Annual Return (referred to in Section 92(3) of the Act) for the Financial Year 2022-23, has been placed at the Company's website in the following URL - <https://www.vedantfashions.com/annualreturn>.

### **Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

The Company has zero tolerance towards discrimination and harassments including sexual harassment and always strives to create and provide a healthy environment in the workplace(s). It has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, and Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment, which operates in the name and style of "POSH Committee". All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review, no complaints with allegation of sexual harassment were filed with the ICC.

### **Internal Auditors**

In terms of the provisions of the Companies Act, 2013 and Rules made thereunder, Grant Thornton Bharat LLP, Chartered Accountants, Kolkata, were appointed as the Internal Auditors of the Company. During the year under consideration, the Company continued to implement their suggestions and recommendations to improve the control environment.

### **Secretarial Auditor**

Secretarial Audit has been conducted by Vivek Mishra & Co., a Firm of Company Secretaries, appointed by the Board and their report is annexed hereto and marked as **Annexure V**. The Secretarial Audit Report does not contain any qualification, reservation, or adverse remark.

### **Listing fees**

The listing fees for the financial year ending on March 31, 2023 was duly paid and that for the financial year ending on March 31, 2024 would be duly paid.



## General Disclosures

During the year under review:

- (i) Maintenance of cost records, as specified by the Central Government under section 148(1) of the Companies Act, 2013 was not applicable to the Company. Hence, the provisions related to the appointment of Cost Auditor are not applicable.
- (ii) No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year is not applicable.
- (iii) The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

## Acknowledgment

The Board of Directors expresses their sincere appreciation for the assistance and co-operation received from the stakeholders viz. financial institutions, bankers, Government and semi-Government authorities, clients, and shareholders during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staffs, and workers.

For and on behalf of,  
**Board of Directors of Vedant Fashions Limited**

**Ravi Modi**  
Chairman & Managing Director  
DIN 00361853

**Shilpi Modi**  
Whole-time Director  
DIN 00361954

Place: Kolkata  
Date: April 28, 2023



# Annexure I of the Board's Report

## Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rule	Particulars			
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a	Mr. Ravi Modi, Chairman & Managing Director	346.21
		b	Mrs. Shilpi Modi, Wholetime Director	230.81
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a	Mr. Ravi Modi, Chairman & Managing Director	(36.20%)
		b	Mrs. Shilpi Modi, Wholetime Director	(38.72%)
		c	Mr. Rahul Murarka, CFO (refer Note 1 below)	32.37%
		d	Mr. Navin Pareek, Company Secretary	37.54%
(iii)	The percentage increase in the median remuneration of employees in the financial year.			21.85%
(iv)	The number of permanent employees on the rolls of the Company			744
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 13%. There has been a decrease in the remuneration of the managerial personnel [refer (ii)a and (ii)b above] due to revision in their remuneration structure made during April 2022.		
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company.			

### Note:

- The appointment of Mr. Rahul Murarka at the current designation as stated above, was effective from May 17, 2021. While calculating his percentage increase in remuneration, the remuneration paid to him in FY 2021-22 from May 17, 2021 to March 31, 2022 and in FY 2022-23 from April 01, 2022 to March 31, 2023 have been considered.
- For calculation of median remuneration of employees for the current and previous year, the remuneration of employees who were on the payroll as on 31st March of each year respectively, have only been considered.

For and on behalf of,  
**Board of Directors of Vedant Fashions Limited**

**Ravi Modi**  
Chairman & Managing Director  
DIN 00361853

**Shilpi Modi**  
Whole-time Director  
DIN 00361954

Place: Kolkata  
Date: April 28, 2023



# Annexure II of the Board's Report

## Form No. AOC-1

### Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part –A: Subsidiaries

Sl. No.	1
Name of the subsidiary	Manyavar Creations Private Limited
Date since when subsidiary was acquired	10/03/2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign subsidiaries	N.A.
	INR in Million
Share capital	40.10
Reserves & surplus	211.68
Total assets	282.19
Total Liabilities	282.19
Investments	144.76
Turnover	446.99
Profit before taxation	83.39
Provision for taxation	24.72
Profit after taxation	58.67
Proposed Dividend	-
% of shareholding	100.00

#### Notes:

- Names of subsidiaries which are yet to commence operations: Nil
- Names of subsidiaries which have been liquidated or sold during the year: Nil.

#### Part – B: Associates and Joint Ventures

#### Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

The Company had no Associate Company or Joint Venture Company during the year ended 31<sup>st</sup> March, 2023.

For and on behalf of the **Board of Directors of Vedant Fashions Limited**

**Ravi Modi**  
Chairman & Managing Director  
DIN: 00361853

**Shilpi Modi**  
Wholetime Director  
DIN: 00361954

Place: Kolkata  
Date: April 28, 2023

**Rahul Murarka**  
Chief Financial Officer

**Navin Pareek**  
Company Secretary  
ICSI Membership No. F10672



# Annexure III of the Board's Report

## Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangement entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

1. Details of contracts or arrangements or transactions not at arm's length basis - None
2. Details of material contracts or arrangement or transactions at arm's length basis:

### Sale of Products

(a) Name(s) of the related party and nature of relationship	Manyavar Creations Private Ltd Wholly owned subsidiary
(b) Nature of contracts / arrangements / transactions	Sale of products (net of returns) (including taxes)
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 172.93 Millions
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022
(f) Amount paid as advances, if any:	Nil
(a) Name(s) of the related party and nature of relationship	Shenayah Retail Stores Private Ltd. Enterprises owned or significantly influenced by relative of KMP
(b) Nature of contracts / arrangements / transactions	Sale of products (net of returns) (including taxes)
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 285.32 Millions
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022
(f) Amount paid as advances, if any:	Nil.
(a) Name(s) of the related party and nature of relationship	Pranit Fashions Enterprises owned or significantly influenced by relative of KMP
(b) Nature of contracts / arrangements / transactions	Sale of products (net of returns) (including taxes)
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 6.20 Millions
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022
(f) Amount paid as advances, if any:	Nil
(a) Name(s) of the related party and nature of relationship	Vandana Enterprise Enterprises owned or significantly influenced by relative of KMP
(b) Nature of contracts / arrangements / transactions	Sale of products (net of returns) (including taxes)
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 175.90 Millions
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022
(f) Amount paid as advances, if any:	Nil



## Rental Income

(a) Name(s) of the related party and nature of relationship	Mohey Fashions Private Ltd Enterprises owned or significantly influenced by KMP
(b) Nature of contracts / arrangements / transactions	Rental income (including taxes)
(c) Duration of the contracts / arrangements / transactions	Monthly
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 0.07 Million
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022
(f) Amount paid as advances, if any:	Nil

(a) Name(s) of the related party and nature of relationship	Manyavar Creations Private Ltd. Wholly owned subsidiary
(b) Nature of contracts / arrangements / transactions	Rental income (including taxes)
(c) Duration of the contracts / arrangements / transactions	Monthly
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 0.07 Million
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022
(f) Amount paid as advances, if any:	Nil

## Recovery of Expenses (including Taxes)

(a) Name(s) of the related party and nature of relationship	Manyavar Creations Private Ltd. Wholly owned subsidiary
(b) Nature of contracts / arrangements / transactions	Recovery of expenses (including taxes)
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 0.68 Million
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022
(f) Amount paid as advances, if any:	Nil

(a) Name(s) of the related party and nature of relationship	Shenayah Retail Stores Private Ltd. Enterprises owned or significantly influenced by relative of KMP
(b) Nature of contracts / arrangements / transactions	Recovery of expenses (including taxes)
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 0.32 Million
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022
(f) Amount paid as advances, if any:	Nil

(a) Name(s) of the related party and nature of relationship	Vandana Enterprise Enterprises owned or significantly influenced by relative of KMP
(b) Nature of contracts / arrangements / transactions	Recovery of expenses (including taxes)
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 1.09 Million
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022
(f) Amount paid as advances, if any:	Nil



<b>(a) Name(s) of the related party and nature of relationship</b>	Pranit Fashions Enterprises owned or significantly influenced by relative of KMP
<b>(b) Nature of contracts / arrangements / transactions</b>	Recovery of expenses (including taxes)
<b>(c) Duration of the contracts / arrangements / transactions</b>	Multiple transactions during the year
<b>(d) Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	₹ 0.02 Million
<b>(e) Date(s) of approval by the Board, if any:</b>	24 <sup>th</sup> March, 2022
<b>(f) Amount paid as advances, if any:</b>	Nil

#### **Reimbursement of Expenses**

<b>(a) Name(s) of the related party and nature of relationship</b>	Shenayah Retail Stores Private Ltd. Enterprises owned or significantly influenced by relative of KMP
<b>(b) Nature of contracts / arrangements / transactions</b>	Reimbursement of expenses
<b>(c) Duration of the contracts / arrangements / transactions</b>	Multiple transactions during the year
<b>(d) Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	₹ 0.28 Million
<b>(e) Date(s) of approval by the Board, if any:</b>	24 <sup>th</sup> March, 2022
<b>(f) Amount paid as advances, if any:</b>	Nil

<b>(a) Name(s) of the related party and nature of relationship</b>	Manyavar Creations Private Ltd. Wholly owned Subsidiary
<b>(b) Nature of contracts / arrangements / transactions</b>	Reimbursement of expenses
<b>(c) Duration of the contracts / arrangements / transactions</b>	Multiple transactions during the year
<b>(d) Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	₹ 18.88 Million
<b>(e) Date(s) of approval by the Board, if any:</b>	24 <sup>th</sup> March, 2022
<b>(f) Amount paid as advances, if any:</b>	Nil

<b>(a) Name(s) of the related party and nature of relationship</b>	Mohey Fashions Private Ltd Enterprises owned or significantly influenced by KMP
<b>(b) Nature of contracts / arrangements / transactions</b>	Reimbursement of expenses
<b>(c) Duration of the contracts / arrangements / transactions</b>	Multiple transactions during the year
<b>(d) Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	₹ 0.03 Million
<b>(e) Date(s) of approval by the Board, if any:</b>	24 <sup>th</sup> March, 2022
<b>(f) Amount paid as advances, if any:</b>	Nil

<b>(a) Name(s) of the related party and nature of relationship</b>	Vandana Enterprise Enterprises owned or significantly influenced by relative of KMP
<b>(b) Nature of contracts / arrangements / transactions</b>	Reimbursement of expenses
<b>(c) Duration of the contracts / arrangements / transactions</b>	Multiple transactions during the year
<b>(d) Salient terms of the contracts or arrangements or transactions including the value, if any:</b>	₹ 0.13 Million
<b>(e) Date(s) of approval by the Board, if any:</b>	24 <sup>th</sup> March, 2022
<b>(f) Amount paid as advances, if any:</b>	Nil



### Transfer of Liability

(a) Name(s) of the related party and nature of relationship	Manyavar Creations Private Ltd. Wholly owned subsidiary
(b) Nature of contracts / arrangements / transactions	Transfer of liability
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 0.94 Millions
(e) Date(s) of approval by the Board, if any:	28 <sup>th</sup> January, 2023
(f) Amount paid as advances, if any:	Nil

### Purchase of Property , Plant & Equipment

(a) Name(s) of the related party and nature of relationship	Manyavar Creations Private Ltd. Wholly owned subsidiary
(b) Nature of contracts / arrangements / transactions	Purchase of assets
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 3.83 Millions
(e) Date(s) of approval by the Board, if any:	28 <sup>th</sup> January, 2023
(f) Amount paid as advances, if any:	Nil

### Remuneration of KMP

(a) Name(s) of the related party and nature of relationship	Ravi Modi Chairman and Managing Director,KMP
(b) Nature of contracts / arrangements / transactions	Remuneration
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 82.01 Millions
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022
(f) Amount paid as advances, if any:	Nil

(a) Name(s) of the related party and nature of relationship	Shilpi Modi Wholetime Director,KMP
(b) Nature of contracts / arrangements / transactions	Remuneration
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 54.67 Millions
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022
(f) Amount paid as advances, if any:	Nil

(a) Name(s) of the related party and nature of relationship	Rahul Murarka Chief Financial Officer,KMP
(b) Nature of contracts / arrangements / transactions	Remuneration
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 6.92 Millions
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022 & 8 <sup>th</sup> August, 2022
(f) Amount paid as advances, if any:	Nil





(a) Name(s) of the related party and nature of relationship	Navin Pareek Company Secretary, KMP
(b) Nature of contracts / arrangements / transactions	Remuneration
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 3.16 Millions
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022 & 8 <sup>th</sup> August, 2022
(f) Amount paid as advances, if any:	Nil

#### Salary to Relative of KMP

(a) Name(s) of the related party and nature of relationship	Vedant Modi Relative of KMP
(b) Nature of contracts / arrangements / transactions	Salary
(c) Duration of the contracts / arrangements / transactions	Multiple transactions during the year
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	₹ 4.15 Millions
(e) Date(s) of approval by the Board, if any:	24 <sup>th</sup> March, 2022 & 8 <sup>th</sup> August, 2022
(f) Amount paid as advances, if any:	Nil

For and on behalf of,  
**Board of Directors of Vedant Fashions Limited**

Date: April 28, 2023  
Place: Kolkata

**Ravi Modi**  
Chairman & Managing Director  
DIN 00361853

**Shilpi Modi**  
Whole-time Director  
DIN 00361954



# Annexure IV of the Board's Report

## Annual Report on Corporate Social Responsibility Activities for Financial Year 2022-23

### 1. Brief Outline on CSR policy of the Company:

Vedant Fashions Limited ("the Company") has been an early adopter of CSR initiatives, which are guided by its CSR Policy. This policy encompasses the Company's philosophy for giving back to society and lays down the guidelines and mechanism for undertaking socially useful initiatives for the less-privileged communities, in a sensitive and impactful manner and enable these communities to achieve a better quality of life.

As a responsible corporate citizen, the Company contributes towards inclusive growth by promoting healthcare, education and overall development of the underprivileged including support to orphanages. The Company would continue its endeavour to help the society at large through any means and mode as may, from time to time, be recommended by the Company's CSR Committee and approved by the Board.

Pursuant to the provisions of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and in line with its CSR Policy, the Company undertakes the CSR Activities either (i) directly and/ or (ii) through Implementing Agencies registered with the Ministry of Corporate Affairs.

### 2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ravi Modi	Chairperson	2	2
2.	Mrs. Shilpi Modi	Member	2	2
3.	Mr. Tarun Puri	Member	2	2

### 3. The web-links where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board is disclosed on the website of the company.

Composition of CSR Committee is available at the following URL –  
<https://www.vedantfashions.com/corporate-governance/company-committees>

Company's CSR Policy is available at the following URL –  
[https://www.vedantfashions.com/assets/pdf/CSR\\_Policy-V1.pdf](https://www.vedantfashions.com/assets/pdf/CSR_Policy-V1.pdf)

A brief on CSR Projects are available at the following URL –  
<https://www.vedantfashions.com/csr>

### 4. The executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable – Not applicable

5. (a) Average net profit of the company as per section 135(5). **INR 3,03,70,41,279/-**
- (b) Two percent of average net profit of the company as per section 135(5): **INR 6,07,40,826/-**
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - **NIL**
- (d) Amount required to be set off for the financial year, if any- **NIL**
- (e) Total CSR obligation for the financial year (5b+5c-5d): **INR 6,07,40,826/-**

**6.**

- (a) Amount spent on CSR Projects (both Ongoing Project and other then Ongoing Project): **INR 6,19,76,163/-**
- (b) Amount spent in Administrative Overheads: **NIL**
- (c) Amount spent on Impact Assessment, if applicable: **NIL**
- (d) Total amount spent for the Financial Year (6a+6b+6c): **INR 6,19,76,163/-**
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in INR)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
6,19,76,163/-	<b>NOT APPLICABLE</b>				

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

Sl. No.	Particular	Amount (in INR)
(i)	Two percent of average net profit of the company as per section 135(5)	6,07,40,826/-
(ii)	Total amount spent for the Financial Year	6,19,76,163/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	12,35,337/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	12,35,337/-*

\*However, the Company has not yet decided to avail set-off of the excess amount spent

- 7.** Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in INR)	Balance Amount in Unspent CSR Account under section 135(6) (in INR)	Amount spent in the reporting Financial Year (in INR).	Amount transferred to a fund specified under Schedule VII as per section 135(5), if any.		Amount remaining to be spent in succeeding financial years. (in INR)	Deficiency, if any
					Amount (in INR)	Date of transfer		
1	2019-20				Not Applicable			
2	2020-21	1,97,540	1,97,540	1,97,540	Nil	NA	Nil	NA
3	2021-22				Not Applicable			

- 8.** Whether any capital asset have been created or acquired through CSR (iv) amount spent in the financial year – **No.**

If yes, enter the number of Capital assets created/ acquired – **Not Applicable.**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **Not Applicable.**

- 9.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – **Not Applicable**

Date: April 28, 2023  
Place: Kolkata

**Ravi Modi**  
CMD & Chairperson  
of CSR Committee  
DIN: 00361853

**Shilpi Modi**  
Whole-time Director &  
Member of CSR Committee  
DIN: 00361954



# Annexure V of the Board's Report

## FORM NO-MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Vedant Fashions Limited**  
(formerly known as Vedant Fashions Private Limited)  
19 Canal South Road, Paridhan Garment Park  
SDF-1, 4<sup>th</sup> Floor, A501-A502 Kolkata 700015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices, under the Companies Act, 2013, by **VEDANT FASHIONS LIMITED** (formerly known as Vedant Fashions Private Limited) bearing CIN: L51311WB2002PLC094677 (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's statutory registers, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2023, has complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign

Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - a] The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b] The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c] The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d] The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [(erstwhile the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (repealed w.e.f. August 13, 2021)];
  - e] The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (erstwhile The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (repealed w.e.f. August 9, 2021)); **(Not Applicable to the Company during the Audit Period)**
  - f] The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review);**
  - g] The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities



and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

- h] The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**
  - i] The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015
- vi. Specific laws as applicable are mentioned here under:
1. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982
  2. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
  3. Environment (Protection) Act, 1986 read with the Environment (Protection) Rules, 1986;
  4. Factories Act, 1948 & the Central Rules, or Concerned State Rules, made thereunder and allied State Laws
  5. The Employees' State Insurance Act, 1948 & its Central Rules/ State Rules.
  6. The Minimum Wages Act, 1948 & its Central Rules/ State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade.
  7. The Payment of Wages Act, 1936 & its Central Rules/ State Rules if any.
  8. The Payment of Bonus Act, 1965 & its Central Rules/ State Rules if any.
  9. The Payment of Gratuity Act & its Central Rules/ State Rules if any.
  10. The Maternity Benefit Act, 1961 & its Rules.
  11. Information Technology Act, 2000 and the rules made thereunder
  12. The Indian Copyright Act, 1957
  13. The Patents Act, 1970
  14. The Trade Marks Act, 1999

**We have also examined compliance with the applicable clauses of the following:**

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board Meeting (SS-1) and General Meeting (SS-2).
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited

read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one (01) Independent Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

#### **Following were the changes in the Appointment & Re-appointment of Auditors during the year:**

- a) In the Board Meeting of the Company held on August 08, 2022, M/s. B S R & Co. LLP, Chartered Accountants, were appointed as the Tax Auditors of the Company to carry out the Tax Audit of the Company for the Financial Year ended March 31, 2023.
  - b) M/s. Grant Thornton Bharat LLP were appointed as the Internal Auditors of the Company for the Financial Year 2022-23 in the Board Meeting of the Company held on August 08, 2022.
  - c) In the Annual General Meeting of the Company held on September 08, 2022, M/s. B S R & Co. LLP, Chartered Accountants, were appointed as the Statutory Auditor of the Company to hold office from the conclusion of the 20<sup>th</sup> Annual General Meeting till the conclusion of the 25<sup>th</sup> Annual General Meeting.
  - d) M/s. Vivek Mishra & Co., A Firm of Company Secretaries, Kolkata, were appointed as the Secretarial Auditor of the Company, for conducting Secretarial Audit of the Company for the Financial Year 2022-23 in the Board Meeting of the Company held on November 11, 2022.
2. Adequate notice was given to all Directors to schedule the Board Meetings, Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  3. As per the minutes, decisions at the Board Meetings & Committee Meetings were taken unanimously.
  4. We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes in the Company commensurate with the size and operations of



the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

5. We further report that during the audit period, the Company has not undertaken any specific event/action that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., **except** as follows:
- In the meeting of the Board of Directors of the Company held on April 28, 2022 the consent of the members of the Board was accorded to revise the terms and conditions of appointment of Mr. Ravi Modi, Chairman and Managing Director and Mrs. Shilpi Modi, Whole Time Director.
  - Pursuant to the resolutions circulated on June 28, 2022 the consent of the members of the Board was accorded to the revision or alteration (as the case may be) in the remuneration structure of the Senior Management Personnel (SMP) of the Company as per its performance appraisal cycle.
  - Pursuant to the resolutions circulated on June 28, 2022 the consent of the members of the Board was accorded for the payment of remuneration to the Non- Executive Director, Mr. Sunish Sharma, with effect from April 2022.
  - In the meeting of the Board of Directors of the Company held on August 08, 2022 the approval for the revision in remuneration of Mr. Rahul Murarka, CFO and Mr. Navin Pareek, CS was accorded in line with the approval and recommendation of the Audit Committee.
  - Mr. Vedant Modi, son of Mr. Ravi Modi and Mrs. Shilpi Modi, who was appointed as *Chief Marketing Officer* of the Company w.e.f. June 24, 2021 at a remuneration

of Rs. 30,00,000 (Rupees Thirty Lakhs Only) was further appointed as the *Chief Marketing Officer* of the Company w.e.f. June 01, 2022 at a remuneration of Rs. 50,00,000 (Rupees Fifty Lakhs Only) which includes an eligible performance linked incentive pay annual amount of Rs. 10,00,000 (Rupees Ten Lakhs Only) and such other benefits as per the policy of the Company.

- The Company in its Annual General Meeting dated September 08, 2022 declared dividend of Rs. 5/- per fully paid-up equity share of Re. 1 each for the Financial Year ended March 31, 2022 as the final dividend which were duly credited in the respective shareholders account on September 14, 2022.
- Pursuant to the approval of the members of the Company in the Annual General Meeting dated September 08, 2022 the Employee Stock Option Scheme of the Company was ratified and further the extension of benefits of the scheme to the employees of the Group Companies was also ratified.

For **Vivek Mishra & Co**  
A Firm of Company Secretaries

**Vivek Mishra**  
Partner  
FCS 8540  
CP No. 17218

**Place: Kolkata**  
**Date: 28<sup>th</sup> April, 2023**

**UDIN: F008540E000216209**  
**Peer review: 1720/2022**

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.



## 'Annexure A'

To,  
The Members,  
**Vedant Fashions Limited**  
(formerly known as Vedant Fashions Private Limited)  
19 Canal South Road, Paridhan Garment Park,  
SDF-1, 4<sup>th</sup> Floor, A501-A502 Kolkata 700015

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express as opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We further report that, based on the information provided by the Company, its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/Company Secretary/ Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws.
8. We further report that the compliance by the Company of applicable financial laws like Direct & Indirect tax laws have not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For **Vivek Mishra & Co**  
A Firm of Company Secretaries

**Place: Kolkata**  
**Date: 28<sup>th</sup> April, 2023**

**Vivek Mishra**  
Partner  
FCS 8540  
CP No. 17218  
**UDIN: F008540E000216209**  
**Peer review: 1720/2022**



# Management Discussion and Analysis



## Indian economic review

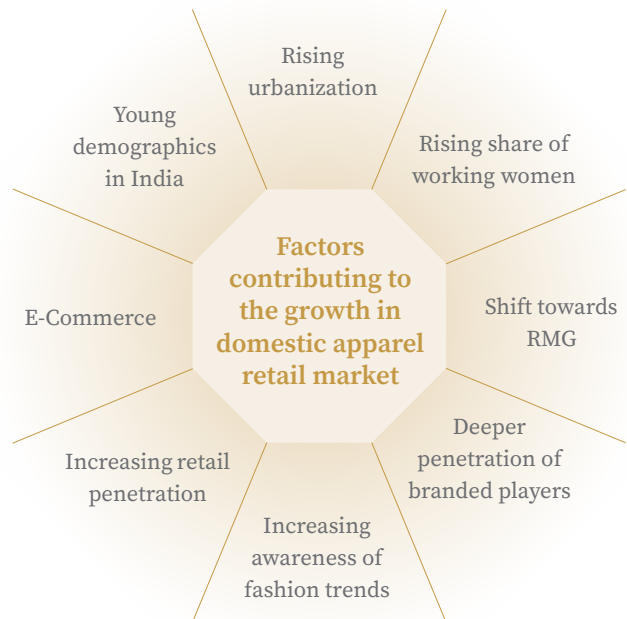
The National Statistical Office's (NSO's) end-February data release indicates that the Indian economy is intrinsically better positioned than many parts of the markets wager, India has emerged from the pandemic years stronger than initially thought, with a steady gathering of momentum since the second quarter of the current financial year.<sup>1</sup>

International Monetary Fund estimates India to be one of the top two fast-growing significant economies in 2022. Despite strong global headwinds and tighter domestic monetary policy, India is still expected to grow between 6.5 and 7.0 per cent, and that too without the advantage of a base effect, it is a reflection of India's underlying economic resilience; of its ability to recoup, renew and re-energise the growth drivers of the economy.<sup>2</sup>

## Overview of apparel retail market in India

The Indian Apparel industry is one of the most distinctive in the world because of its ancient techniques and cultural traditions. In the vastness of India, it is but natural that its different parts, in addition to having their own unique cultures and languages, also have a variety in clothing. With the rise of urbanization and the country adopting traditional values at an increasing pace, the fashion and apparel industries are on the wheel of adaptation.

The domestic market is expected to continue to grow strongly until Financial Year 2025, clocking up to INR 8.1 trillion to INR 8.2 trillion, registering a CAGR of about 18% to 20% between Financial Years 2022 and 2025



Revenue in the Apparel market amounts to US\$ 96.47bn in 2023<sup>3</sup>.

Source: CRISIL Research

<sup>1</sup>RBI March 2023 Bulletin

<sup>2</sup><https://pib.gov.in/PressReleasePage.aspx?PRID=1894932>

<sup>3</sup><https://www.statista.com/outlook/cmo/apparel/india>





### **Men's wear segment projected to be the fastest growing over Financial Years 2022 and 2025** (Source: CRISIL Research)

The share of men's wear is projected to attribute approximately 44% of the retail apparel market in Financial Year 2025, clocking the highest growth rate of nearly 20% to 22% between Financial Years 2022 and 2025, because of the availability of a wide range of brands, designs, colours, sizes, fittings, and fabrics, acceptance of smart casual attire among corporates, global fashion awareness among the youth, and a favourable young demographic in India.

Women's wear and kids' wear are projected to grow at a CAGR of 18% to 20% between Financial Years 2022 and 2025, respectively. Over the longer term, the factors contributing to the rise within the women's wear segment would be the growing number of working women, deeper penetration of global and Indian branded players in the segment, higher discretionary spending, and increasing awareness of fashion trends. The healthy growth of kids' wear in the long term is because of the rising proportion of the young population (30% of India's population is younger than 15 years old).

### **Indian wedding and celebration wear market in India**

#### **An overview of the ethnic-wear market in India** (Source: CRISIL Research)

Ethnic wear in India accounted for about 32% of the overall apparel retail market in India as of Financial Year 2020. Women's ethnic wear is the largest segment of the overall market as it has found acceptance in both daily wear and office-wear categories, apart from the Indian wedding and celebration wear category. It includes lehengas, kurtis, sarees and salwar kameez. Men's ethnic wear is the second-largest category and has a share of approximately 10% of the overall ethnic market. It is dominated by the Indian wedding and celebration wear market which accounted for approximately 80% of men's ethnic wear sales and includes sherwanis, kurta jacket sets, kurta pajama, Indo-western apparel, etc. Acceptance of ethnic wear during festivals and wedding functions is leading to overall growth of the men's ethnic wear market. Kids' ethnic wear accounts for the remaining 9% of the ethnic apparel market.

#### **An overview of the Indian wedding and celebration wear market in India** (Source: CRISIL Research)

The term "Indian wedding and celebration wear" can be defined as apparel worn on special occasions such as weddings; close-knit family functions such as puja, housewarming, etc.; festivals such as Diwali, Eid, Holi, and Raksha Bandhan; and other events such as Independence Day and Republic Day.

The Indian wedding and celebration wear apparel market is led by multiple factors including the increasing trend of multi-day wedding functions in India, higher spending per consumer etc. Not only is the Indian wedding and celebration wear market driven by the immediate family of the bride and the groom but also their close friends. The Indian wedding and celebration category is also driven by frequent festivities in India.

### **Growth drivers**

- Huge domestic market of 9.5 million to 10 million weddings per year
- Multi-day and multi-event wedding celebrations
- Rising income levels leading to higher discretionary spending
- Increasing tendency of wearing appropriate celebration wear for respective festive events
- Increasing association with brands in celebration ethnic apparel
- Shift from tailored to ready-to-wear celebration ethnic apparel.
- Addition of new categories such as Indo-western wear
- Increased penetration of branded players in tier-II and tier-III markets

### **Company overview and segment performance**

Incorporated in 2002, Vedant Fashions is the largest Company in India in the men's Indian wedding and celebration wear segment in terms of revenue, OPBDIT and profit after tax for the Financial Year 2020 (Source: CRISIL Report). According to CRISIL, our 'Manyavar' brand is a category leader in the branded Indian wedding and celebration wear market with a pan-India presence, as of Financial Year 2020.

We have established a multi-channel network and introduced brands by identifying gaps in the under-served and high-growth Indian wedding and celebration wear category.

We focus on spreading India's vibrant culture, traditions, and heritage through our aspirational yet value for money brands at a diverse range of price points. We offer a one-stop destination with a wide-spectrum of product offerings for every celebratory occasion and aim to deliver an aristocratic yet seamless purchase experience to our customers through our aesthetic franchisee-owned exclusive brand stores.

We are focused on strengthening our leadership position in the organised Indian wedding and celebration wear market and establishing dominance in the premium and value segments of the men's Indian wedding and celebration wear market, respectively, through our brands 'Twamev' and 'Manthan', and in the women's Indian wedding and celebration wear market, through our brand 'Mohey', which was launched in 2015.

'Mebaz' is a one-stop heritage brand of ethnic celebration wear catering to the entire family, with an established presence in the states of Andhra Pradesh and Telangana.

The Company's portfolio of products includes a diverse range of attires and accessories, each conceptualised by their designers who have experience in serving the distinct regional preferences of the Indian customer.



The organisation leverages effective brand advertising with distinct targeted marketing campaign using digital and social media, billboards, multiplex theatres, television advertisements and live events, to build a stronger connection with its customers.

Based on the Company's operating structure and available information, the Company has only one reportable segment i.e., branded fashion apparel and accessories.

In Financial Years 2023, around 92.2 % of the Sales of our Customers, respectively, was generated by franchise-owned exclusive brand outlets (our "EBOs"), with the remaining by multi-brand outlets ("MBOs"), large format stores ("LFSs") and online platforms, including our website (www.manyavar.com).

The table below sets forth our brands as per their respective year of launch or acquisition (as applicable), the relevant positioning in the market, the price spectrum of the product mix of each brand and the distribution channel through which each brands' products are available in the market.

Brand	Year	Brand Positioning	Price Spectrum	Distribution Channel
	1999*	Men's and boys' flagship brand	Mid-premium	EBOs, MBOs, LFS, e-commerce
	2015	Women's flagship brand	Mid-premium	EBOs and e-commerce
	2017**	Men's, women's, and kids' brand for the South Indian market	Mid-premium to Premium	EBOs
	2018#	Men's value brand	Value	MBOs, LFS, e-commerce
	2019	Men's premium brand	Premium	EBOs

\* The brand 'Manyavar' commenced operations through a predecessor entity in 1999.

\*\*The brand 'Mebaz' commenced operations in 2002 and was acquired by the Company in financial year 2018.

#Large scale operations commenced following a refreshed launch in 2018.

### Competitive Strengths/ Opportunities & Challenges

The Company's key competitive strengths act as a barrier for entry of other players in the organised Indian wedding and celebration wear market. The strengths include:

- Market-leader in the Indian celebration wear segment with a diverse portfolio of brands catering to the aspirations of the entire family.
- Large and growing Indian wedding and celebration wear market driven by increased customer spending on such wear.
- Omni-channel network with the seamless integration of our offline and online channels
- Differentiated business model combining the strengths of retailing with branded consumer play.
- Technology-based strong supply chain and inventory replenishment systems driven by system-wide data analytics, strong processes, and long-standing vendor relationships.

- Experienced and professional founder-led leadership team.

The industry in which the Company operates may face challenges due to high concentration on Indian wedding and celebration wear and vulnerable to variations in demand, as well as changes in consumer preferences. Our business and operations could be adversely affected by health epidemics like COVID-19 pandemic. Also, other competitors may increase competition for any Company falling under the said industry. The risk management strategy of the Company is geared to identify risks/threats to the business promptly and respond to emergencies in a timely manner.

### Business Outlook

We are asset-light in respect of our plant, property and equipment which enables us to achieve a high return on capital employed, primarily due to the nature of our sourcing and manufacturing operations, with a substantial majority of our sales being generated through our franchisee-owned EBOs. As a result, we do not need to invest in developing manufacturing



facilities or a distribution system and by using economies of scale, we are able to optimize several costs such as our production and procurement costs, distribution costs and employee costs, thereby leading to improved profitability. Our omni-channel presence, through EBOs and online platforms, is designed in a manner such that products across our brands are available under one universal platform. As a result, we are able to make our products available to our customers through their preferred mode of shopping and purchasing. Through our network of over 300 franchisees, we have a track record of commanding a high initial capital commitment from our franchisees and in return, provide all necessary support in connection with identifying and approving potential locations for new stores, managing multi-channel advertising on a national and regional basis, store development and inventory management, management of the supply chain and provide detailed training programmes for store staff and franchisees. We also incur lease costs in connection with EBOs operated by our franchisees on premises leased by us.

As of, Mar 31, 2023, we had a retail footprint of 1.47 million square feet covering 649 EBOs (including 112 shop-in-shops) spanning across 245 cities and towns in India, and 12 overseas across the United States, Canada, UK and the UAE, which are countries with a large Indian diaspora. In addition to our offline retail presence, our consumers also have the option of placing orders through our website ([www.manyavar.com](http://www.manyavar.com)), and through leading lateral e-commerce platforms. As our offline and online channels are integrated, our customers can place orders for our products either offline or online and have the flexibility of buying products at one store and returning at another or browsing our product catalogues and placing orders online with doorstep delivery. We also operate a QR-code enabled digital catalogue at many of our stores so that our customers can select a product of their choice from our entire range of offerings.

Technology is at the forefront of our operations and is essential to us being able to attain operational efficiencies in our sourcing, manufacturing, distribution, and sales processes and delivering an enhanced retail experience to our customers. Most of our business operations are system-driven with limited manual intervention. We utilise data analytics for capturing and analysing evolving consumer preferences and purchase trends across the country and have developed a strong expertise and understanding of consumer preferences across India. We also rely upon our technology platforms to monitor and manage store inventory levels on a real-time basis and integrate our stock and supply chain with our production cycle. Our back-end production processes, including our supply chain and inventory management are data-based and algorithmically managed with every stage system-driven, including the procurement of raw materials, manufacturing (on an SKU-identifiable basis), warehouse inventory management and store replenishment. As a result, we have a record of every product sold at our franchisee owned EBOs and are able to maintain synchronisation between store inventory, sales, and billing cycles from each store. We have also upgraded website to support the customer product selection and sales processes.

As an organization, we recognize the importance of digital interventions at various touchpoints in a customer's pre-sales & post-sales journey, so we had planned to revamp the digital experience. This year we have completed the first phase of this transformation, which includes shifting to new tech stacks in the domains of CRM, Ecommerce & MarTech. These will act as a strong foundation on which next phase – Omnichannel customer journey. The underlying idea for the transformation is improving customer delight, retention & operational efficiency across channels. We have successfully launched our new e-commerce website which is now live at [www.manyavar.com](http://www.manyavar.com).

To achieve a deeper, connect with our consumers, we utilise targeted marketing campaigns through digital and social media, billboards, multiplex cinemas, television advertisement and live events. We believe we have developed a strong brand identity through effective brand advertising and distinct marketing campaigns for our brands. We attempt to connect with our customers at an emotional level through subtle messages that our customers can relate to. These include values-based messaging themes embedded around traditional cultural values, such as “Taiyaar Hokaar Aaiye”, “Diwali Wali Feeling”, “Dulhan wali feeling”, “Shaadi Grand Hogi”, “Pehno Apni Pehchan” “Apno Wali Shaadi” and “Shaadi ka Kharcha Adha Adha”. Some of our campaigns are also based on specific categories of persons such as groomsmen or specific celebrations and occasions.

Headquartered in Kolkata, we are led by our founder, Chairman and Managing Director, Mr. Ravi Modi, a first-generation entrepreneur who has proven his flair for the art of brand building and retailing with the success of our brands. Mr. Modi is supported by an experienced management team whose achievements have been recognised by a number of industry awards including awards received during FY 2022- 2023 such as the “EY Entrepreneur of the year – Consumer Products and Retail”, “India Retail Champions Awards 2023”, “Business Leader of the Year by Sanmarg”, “Entrepreneur Of the Year, Best Financial Performance – ET Bengal”, “IMAGES Most Admired Fashion Brand of the Year: MEN'S ETHNIC/FUSION WEAR”, “The Fastest Value Creator” by Burgundy Private & Hurun India, along with other awards such as Global Award for Retail Excellence, 2020, India's Retail Champion (Speciality Retail), 2020, and Best Men's Ethnic Wear Brand (East), 2019.

## Risk and Concerns

Your Company has adopted a risk management policy for promoting a pro-active approach in reporting, evaluating, and resolving risks associated with the Company's business. The Company's Risk Management Committee (RMC) comprises of three Directors out of which two are Independent Directors, which overviews the process of identification, monitoring, and review of all the elements of risk(s) associated with the Company. The Company has assessed the risks and there is an adequate risk management infrastructure in place capable to identify and mitigate the risks. The Company's Risk Management Policy is established to identify and analyse internal and external risks faced by the Company, to set appropriate risk limits, to lay down measures for risk assessment and mitigation including systems



and processes for internal control of identified risks and to monitor risks and adherence to limits. Risk management processes and systems are reviewed regularly to reflect changes in market conditions and the Company's line of activities. The Company has also designated an employee as 'Risk Manager' for the purpose of effective coordination of the risk management mechanism.

### Our current growth strategies include:

- (i) expanding our footprint within and outside India.
- (ii) scaling up our emerging brands through increased up-selling and cross-selling initiatives;
- (iii) enhancement of brand appeal through targeted marketing initiatives;
- (iv) the significant potential and space for growth of our existing and emerging brands; and

- (v) adopting a disciplined approach towards future acquisitions.

### Discussion on financial performance with respect to operational performance:

The Company has taken various operational measures like strengthening its supply-chain and vendor management by introducing tech-based fully-integrated supply chain with automated replenishment system; strengthening inventory management by introducing Algorithm-based inventory management system for real time monitoring store inventory at EBOs; collecting secondary sales data to analyse consumer buying behaviour; Product development on the basis of prevailing trends & consumer preferences gathered via data analysis, market surveys for the improvement in performance and achieving better results.

### Financial statement

In accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, the Company is required to provide details of significant changes (a change of 25% or more as compared to the previous financial year) in key financial ratios, along with detailed explanations thereof. The key financial ratios are given below:

Key financial ratios	2022-23	2021-22	Difference (%)
Debtors' turnover	3.06	2.65	15.47%
Inventory turnover	8.43	8.37	0.72%
Interest coverage ratio	Not Applicable, since the Company has no Borrowings involving interest coverage.		
Current ratio (in times)	3.33	3.06	8.82%
Debt equity ratio (in times)	0.21	0.24	(12.50%)
Net profit margin (in %)	31.89%	30.57%	4.32%
Return on net worth (in %)	47.38%	46.80%	1.24%

Reasons for variance of more than 25% in above ratios: N.A.

### Human resources

The continued growth of the Company's business depends on the ability to attract, hire, train and retain skilled personnel. In the year under review, the Company had a strength of 744 employees.

For the financial years ended March 31 of 2022 and 2023, the employee benefits expense amounted to ₹ 561.28 million and ₹ 551.80 million, respectively, representing 8.72% and 6.93%, respectively, of the total expenses.

### Internal control system and the adequacy

A separate paragraph on internal control systems and their adequacy has been provided separately in the Board's Report.

### Cautionary statement

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve

a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, a global pandemic like Covid-19 may pose an unforeseen, unprecedented, unascertainable, and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.



# Corporate Governance Report

In accordance with Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”):

## 1. Company’s philosophy on Corporate Governance

The Company firmly believes that good corporate governance practices ensure efficient conduct of the affairs of the Company while upholding the core values of transparency, integrity, honesty, and accountability and help the Company in its goal to maximize value for all its stakeholders. It is a system by which business corporations are directed and controlled.

Vedant Fashions Limited is committed to the adoption of and adherence to the Corporate Governance practices at all times and continuously benchmarks itself against each such practice in the industry. Vedant Fashions Limited believes that sound Corporate Governance is critical for enhancing and retaining investor trust and the Company always seeks to ensure that its performance goals are met with integrity. The Company works with the mission to attain global eminence through quality leadership and vision to raise the bar in line with the global practices and enhance stakeholder value. Vedant Fashions Limited complies with the Corporate Governance Code incorporated in the Listing Regulations.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as applicable, with regard to Corporate Governance.

The Company is committed to continuously scale up the Corporate Governance standards by way of practicing good Governance to ensure transparency in the affairs of the Company.

## 2. Board of Directors

The Board is the apex body of the Company constituted by the Shareholders for overseeing the Company’s overall functions. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of the stakeholders. Accordingly, to oversee the same, competent, experienced, and eminent personalities from diverse spheres, possessing varied skills, qualifications, expertise, and experience have been selected and appointed as the members of the Board.

### a) Composition and Category of Directors

Your Company firmly believes that a diversified and cohesive Board with strong Independent

representation is necessary to ensure the highest level of Corporate Governance. The Board of Directors (Board) of the Company comprises of an optimum combination of Executive and Non-Executive Directors with Executive Director appointed as the Chairman & Managing Director (Chairman related to Promoter). The strength of the Board of Directors of the Company as on March 31, 2023 is 6 (Six). Out of 6 (Six) Directors, 2 (two) directors are Executive Directors (including one Woman Director), 1 (one) director is Non-Executive & Non-Independent Director, and 3 (three) Directors are Independent & Non-Executive Directors including one Independent Woman Director. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

None of the Directors of the Company are Members of more than 10 (Ten) Committees (i.e., Audit Committee and Stakeholders Relationship Committee) nor Chairman of more than 5 (Five) such Committees (as specified in Regulation 26 of the Listing Regulations).

None of the Directors of the Company serves as an Independent Director in more than 7 (Seven) listed companies, nor does any of the Whole time Director serves as an Independent Director in more than 3 (Three) listed companies.

The composition of the Board is as follows:

NAME OF THE DIRECTORS	POSITION/DIRECTOR CATEGORY
<b>A. EXECUTIVE DIRECTORS</b>	
Mr. Ravi Modi (DIN: 00361853)	Chairman & Managing Director (Chairman related to promoter)
Mrs. Shilpi Modi (DIN: 00361954)	Whole time Director
<b>B. NON-EXECUTIVE &amp; NON-INDEPENDENT DIRECTORS</b>	
Mr. Sunish Sharma (DIN: 00274432)	Non-Executive Director
<b>C. NON-EXECUTIVE &amp; INDEPENDENT DIRECTORS</b>	
Ms. Abanti Mitra (DIN: 02305893)	Non-Executive & Independent Director
Mr. Manish Mahendra Choksi (DIN: 00026496)	Non-Executive & Independent Director
Mr. Tarun Puri (DIN: 02117623)	Non-Executive & Independent Director



**As at March 31, 2023, in compliance with the Listing Regulations:**

- In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are Independent of the management.
- Necessary disclosures regarding Committee position in other public companies as at March 31, 2023 have been made by the Directors.

**b) Number of Board Meetings held and dates on which held:**

Number of Board Meeting	Dates on which Board Meetings Held
VFL/BM/22-23/01	April 28, 2022
VFL/BM/22-23/02	May 09, 2022

Number of Board Meeting	Dates on which Board Meetings Held
VFL/BM/22-23/03	August 08, 2022
VFL/BM/22-23/04	November 11, 2022
VFL/BM/22-23/05	January 28, 2023
VFL/BM/22-23/06	March 27, 2023

In case of special and urgent business needs, the Board/Committees approval is taken by passing resolution by circulation, as permitted by law, which is noted and then confirmed in the next Board/Committee meeting.

The necessary quorum was present for all the meetings of the Board/Committees.

**c) Attendance of Directors at the meetings of Board and at last Annual General Meeting**

The Board met Six (6) times during the FY 2022-23. The attendance of Directors at the Board Meetings and at the last Annual General Meeting:

Members of The Board	Board Meetings held on						AGM held on September 08, 2022
	April 28, 2022	May 09, 2022	August 08, 2022	November 11, 2022	January 28, 2023	March 27, 2023	
Mr. Ravi Modi	P	P	P	P	P	P	P
Mrs. Shilpi Modi	P	P	P	P	P	P	P
Mr. Manish Mahendra Choksi	P	P	P	P	P	P	P
Mr. Sunish Sharma	P	P	P	P	P	P	P
Mr. Tarun Puri	P	P	P	P	P	P	P
Ms. Abanti Mitra	P	P	P	P	P	P	P

**Note:**

1. During FY 2022-23, the Board Meetings and the Annual General meeting were held at Kolkata.

**d) Number of other Directorships and Chairmanship/Membership of Committees and Name of the listed entities & Category of directorship of each Director in various Companies are as hereunder:**

The number of Directorships and Committee memberships including name of listed entities and category of Directorship in other Companies as on March 31, 2023 are given hereunder:

Name of the Director	Directorship in other Companies		Committee Memberships held in other Companies (Note 2)	
	No. of Directorship (Note 1)	Name of Listed entities & Category of Directorship	Member	Chairman
Mr. Ravi Modi	0	None	None	None
Mrs. Shilpi Modi	0	None	None	None
Ms. Abanti Mitra	2	<ul style="list-style-type: none"> <li>Spandana Sphoorty Financial Limited (Non-Executive - Independent Director)</li> <li>Criss Financial Limited (Debt Listed) (Non-Executive - Independent Director)</li> </ul>	3	3



Name of the Director	Directorship in other Companies		Committee Memberships held in other Companies (Note 2)	
	No. of Directorship (Note 1)	Name of Listed entities & Category of Directorship	Member	Chairman
Mr. Manish Mahendra Choksi	3	<ul style="list-style-type: none"> <li>Asian Paints Limited (Non-Executive – Non-Independent Director)</li> <li>Torrent Pharmaceuticals Limited (Non-Executive –Independent Director)</li> </ul>	3	None
Mr. Sunish Sharma	1	Spandana Sphoorty Financial Limited (Non-Executive - Nominee Director)	None	None
Mr. Tarun Puri	0	None	None	None

**Note 1:** Number of Directorships in other Companies excludes Directorships in Private Limited Companies, Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013.

**Note 2:** Board Committee Chairmanships/Memberships in other Companies includes only Chairmanships/Memberships of Audit Committees and Stakeholders Relationship Committees.

**Note 3:** Board Committee Memberships in other Companies includes Chairmanships in Committees of other Companies.

**e) List of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business.**

The Board skills matrix provides a guide as to the skills, knowledge, experience, personal attributes, and other criteria appropriate for the board of the Company. The Board is a skill-based Board comprising of Directors who collectively have the skills, knowledge, and experience to effectively govern and direct the Company. The Board is of the opinion that the skill or competence required for the Directors in relation to the present business of the Company includes the following:

Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business	Names of Directors who have such skills/ expertise/ competence
Leadership qualities and indepth knowledge and experience in general management of organization	Mr. Ravi Modi Mrs. Shilpi Modi Ms. Abanti Mitra Mr. Manish Mahendra Choksi Mr. Sunish Sharma Mr. Tarun Puri

Core skills/expertise/competencies identified by the Board of Directors as required in the context of its business	Names of Directors who have such skills/ expertise/ competence
Exposure to sales and marketing management based on understanding of the consumers	Mr. Ravi Modi Mrs. Shilpi Modi Mr. Tarun Puri
Ability to analyse and understand the key financial statements, experience in the fields of taxation, audit, financial management, banking, insurance and investments, treasury, fund raising and internal controls	Mr. Ravi Modi Ms. Abanti Mitra Mr. Manish Mahendra Choksi
Interpersonal relations, human resources management, communication, corporate social responsibility including environment and sustainability	Mr. Ravi Modi Mrs. Shilpi Modi Mr. Manish Mahendra Choksi Mr. Sunish Sharma Mr. Tarun Puri
Technical, professional skills and knowledge including legal, governance and regulatory aspects	Mr. Ravi Modi Ms. Abanti Mitra Mr. Manish Mahendra Choksi Mr. Sunish Sharma Mr. Tarun Puri

**f) Number of Shares and Convertible instruments held by Non-executive directors:**

Name of Directors	No. of Shares and Convertible instruments held
Ms. Abanti Mitra (DIN: 02305893)	Nil



Name of Directors	No. of Shares and Convertible instruments held
Mr. Manish Mahendra Choksi (DIN:00274432)	40 shares (0.00002%)
Mr. Sunish Sharma (DIN: 00274432)	Nil
Mr. Tarun Puri (DIN: 02117623)	Nil

**g) Disclosure of relationships between directors inter-se:**

Mr. Ravi Modi, Chairman & Managing Director is related to Mrs. Shilpi Modi, Executive Director as per Section 2(77) of the Companies Act, 2013. Mrs. Shilpi Modi is the wife of Mr. Ravi Modi. No other Directors are related to each other in terms of the definition of “relative” given under the Act.

**h) Web link where details of familiarization programmes imparted to Independent Directors is disclosed.**

The details of familiarization programmes imparted to Independent Directors are duly disclosed on the website of the Company.

The web link of the same is as follows: <https://www.vedantfashions.com/familiarization-programme-for-independent-directors>

**Code of Conduct for Board Members and Senior Management**

The Board of Vedant Fashions Limited had laid down a Code of Conduct for all the Board members and Senior Management of the Company. The Code of Conduct is posted on the website of the Company (weblink: <https://www.vedantfashions.com/code-of-conduct-for-directors-and-senior-management>). All Board members and Senior Management have affirmed compliance with the Code of Conduct and the Managing Director of the Company has confirmed the same. The same is annexed to the Report.

The Directors of the Company have expertise and skills in diverse fields and are well versed to guide the team in the core areas as mentioned above and lead the Company in the coming years.

**3. Audit Committee**

The Company has in place the Audit Committee in line with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee have the requisite financial and management expertise.

The Audit Committee comprises of one Non-Executive Independent Director as Chairperson, one Non-Executive Independent Director and one Executive Director.

The Audit Committee has been vested with the powers to investigate any activity within its terms of reference, to seek information from any employee, to obtain outside legal or other professional advice, and to secure attendance of outsiders with relevant expertise, if it considers necessary.

Mr. Navin Pareek, Company Secretary of the Company, is the designated Compliance Officer and acts as Secretary to the Committee

Generally, the Statutory Auditors, Internal Auditors, and Chief Financial Officer were invited to the Audit Committee Meetings, as and when required.

**Terms of reference of Audit Committee**

The terms of reference of Audit Committee includes:

- Oversight of the Company’s financial reporting process, examination of the financial statement and the auditors’ report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
- Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
- Reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director’s Responsibility Statement to be included in the Board’s report in terms of section 134 of the Companies Act;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and





(vii) Qualifications / modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
9. Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

**Explanation:** The term "related party transactions" shall have the same meaning as provided in Regulation 2(1)(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act.

10. Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
16. Discussion with internal auditors of any significant findings and follow up there on;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is

suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
20. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
21. Reviewing the functioning of the whistle blower mechanism;
22. Approval of the appointment of the Chief Financial Officer of the Company ("CFO") (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
23. Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations, each as amended and other applicable laws;
24. To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
25. Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee for directors and employees to report their genuine concerns or grievances; and
26. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
27. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
28. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and



29. Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.

#### Review of information by Audit Committee

The Audit Committee conducts a review of the various information as prescribed, including the following:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and

5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;

6. Statement of deviations:

- (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

7. review the financial statements, in particular, the investments made by any unlisted subsidiary.

The terms of reference of the Audit Committee are in conformity with the Listing Regulations read in conjunction with Section 177 of the Companies Act, 2013.

#### Composition, Name of members, Chairperson, Meetings and Attendance

The Committee met six times during the FY 2022-23. The composition of the Audit Committee and the attendance of the Directors at the said meetings are as follows:

Members of the Audit Committee	Designation	Audit Committee Meetings Held On					
		May 09, 2022	August 08, 2022	November 11, 2022	January 17, 2023	January 28, 2023	March 27, 2023
Ms. Abanti Mitra, Non-Executive & Independent Director	Chairperson of the Committee	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Manish Mahendra Choksi, Non-Executive & Independent Director	Member	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Ravi Modi, Chairman & Managing Director	Member	Yes	Yes	Yes	Yes	Yes	Yes

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 8<sup>th</sup> September, 2022 to address shareholder's queries, if any, at the Annual General Meeting.

#### 4. Nomination and Remuneration Committee

The Company has in place a Nomination and Remuneration Committee in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Committee comprises of one Non-Executive Independent Director as Chairman, one Non-Executive Independent Director and one Non-Executive Non-Independent Director. The Company Secretary acts as the Secretary of the Committee.

**The terms of reference of the Committee includes the following:**

- (a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key

managerial personnel, and other employees. The Nomination and Remuneration Committee, while formulating the above policy, shall ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.



- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- (e) Analysing, monitoring and reviewing various human resource and compensation matters;
- (f) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- (g) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
- (h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- (j) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (k) Administering, monitoring, and formulating the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the applicable laws ("ESOP Scheme")
- (i) Determining the eligibility of employees to participate under the ESOP Scheme;
- (ii) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
- (iii) Date of grant;
- (iv) Determining the exercise price of the option under the ESOP Scheme;
- (v) The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
- (vi) The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
- (vii) The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
- (viii) The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- (ix) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
- (x) The grant, vest and exercise of option in case of employees who are on long leave;
- (xi) Allow exercise of unvested options on such terms and conditions as it may deem fit;
- (xii) The procedure for cashless exercise of options;
- (xiii) Forfeiture/ cancellation of options granted;
- (xiv) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
- the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
  - for this purpose, global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
  - the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (l) Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
- (m) Framing suitable policies, procedures, and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- (a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;



(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended; and

(c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015,

by the Company and its employees, as applicable.

(n) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

(o) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

The Nomination and Remuneration policy is available on the Company's website (weblink: <https://www.vedantfashions.com/assets/pdf/NR-Policy-V1.pdf>)

### Performance evaluation criteria by Independent Directors

The criteria for performance evaluation cover the areas such as Qualifications, Experience, Knowledge and Competency, Fulfilment of functions, Ability to function as a team, Initiative, Availability and Attendance, Commitment, Integrity, Preparedness for the Meeting, Staying updated on developments, Active participation

at the meetings, Constructive contribution, Engaging with and challenging the management team without being confrontational or obstructionist, Speaking one's mind and being objective, Protection of interest of all stakeholders, Independence and Independent views and Judgement. The Independent Directors met on 27<sup>th</sup> March, 2023 to review the performance evaluation of Non-Independent Directors and the entire Board of Directors, including the Chairman, while considering the views of the Executive and Non-Executive Directors, excluding the Director being evaluated based on the above evaluation criteria laid down by the Nomination and Remuneration Committee. The Independent Directors were highly satisfied with the overall functioning of the Board and its various committees, which displayed a high level of commitment and engagement. They also appreciated the exemplary leadership of the Chairman of the Board and its committees in upholding and following the highest values and standards of corporate governance. Post the review by the Independent Directors, the results were shared with the entire Board and its respective committees. The Board expressed its satisfaction with the evaluation results, which reflects very high degree of engagement of the Board and its committees with the Management. Based on the outcome of the evaluation and assessment cum feedback of the Directors, the Board and the Management have agreed on various action points, which will be implemented during the year 2023.

### Composition, Number of members, Chairperson, Meetings and Attendance

The Committee met thrice during the FY 2022-23. The attendance of the Directors at the said Meetings

Members of the Nomination and Remuneration Committee	Designation	Nomination and Remuneration Committee Meetings Held On		
		April 28, 2022	June 15, 2022	March 27, 2023
Mr. Tarun Puri, Non-Executive & Independent Director	Chairperson of the Committee	Yes	Yes	Yes
Mr. Manish Mahendra Choksi, Non-Executive & Independent Director	Member	Yes	Yes	Yes
Mr. Sunish Sharma, Non-executive Director	Member	Yes	Yes	Yes

The Chairman of the Nomination & Remuneration Committee attended the last AGM held on 8<sup>th</sup> September, 2022.

## 5. Details of remuneration for the year ended March 31, 2023:

### (i) Executive Directors

Name of Director	Salary	Other benefits	Company's contribution to P.F	Commission (variable component)	Performance linked incentive/ Annual Pay	Total remuneration
Mr. Ravi Modi	8,20,12,987	---	---	---	---	8,20,12,987
Mrs. Shilpi Modi	5,46,75,321	---	---	---	---	5,46,75,321
<b>Total</b>	<b>13,66,88,308</b>	---	---	---	---	<b>13,66,88,308</b>



Payment of remuneration to the Executive/Whole Time Directors of the Company is governed by the terms and conditions of their appointment as recommended by the Nomination and Remuneration Committee and approved by the Board at their respective meetings subject to the approval of the Shareholders.

Details of shares held by Managing & Executive Directors in the Company as on March 31, 2023:

Name	No. of Shareholdings in the Company
Mr. Ravi Modi	16,88,134 shares (0.70%)
Mrs. Shilpi Modi	26,56,104 shares (1.09%)

#### (ii) Non-Executive Directors

Sitting fees for attending Board/Committee meetings are paid to the Non-Executive Directors. The Company pays the following sitting fees to its Directors for every Board meeting attended by them and Committee meetings:

Meetings	Amount of Sitting Fees (INR)
Board Meeting	50,000.00
Audit Committee Meeting	50,000.00
Nomination and Remuneration Committee Meeting	50,000.00
Risk Management Committee	40,000.00
Stakeholders Relationship Committee Meeting	40,000.00
CSR Committee	40,000.00

During the FY 2022-23, the following were the sitting fees paid for attending Board Meeting and other Committee Meetings and the Commission paid to the Non-Executive Directors.

Name of the Director	Board/Committee Memberships in the Company	Total sitting fees received (INR)	Commission (INR)
Mr. Manish Mahendra Choksi	Board Meeting Audit Committee Nomination and Remuneration Committee Risk Management Committee	8,30,000	21,70,000
Mr. Sunish Sharma	Board Meeting Nomination and Remuneration Committee	4,50,000	25,50,000
Mr. Tarun Puri	Board Meeting Nomination and Remuneration Committee Risk Management Committee Corporate social Responsibility Committee	6,10,000	23,90,000
Ms. Abanti Mitra	Board Meeting Audit Committee Stakeholder Relationship Committee	8,30,000	21,70,000

During the financial year 2022-2023, no stock options were granted to any of the directors of the Company. The Company does not pay any performance incentives or severance fees.

The criteria for making payments to non-executive Directors is available on the Company's website (weblink: [https://www.vedantfashions.com/assets/pdf/Criteria\\_for\\_Payment\\_to\\_NED-V1.pdf](https://www.vedantfashions.com/assets/pdf/Criteria_for_Payment_to_NED-V1.pdf))

There are no pecuniary relationships or transactions with Non-Executive Directors, other than those disclosed in this report.

The details of notice period for the Directors are mentioned herein below:

Name of the Director	Notice period
Mr. Ravi Modi (DIN: 00361853)	6 (Six) Months
Mrs. Shilpi Modi (DIN: 00361954)	6 (Six) Months
Mr. Sunish Sharma (DIN: 00274432)	Nil
Mr. Manish Mahendra Choksi (DIN: 00026496)	Nil
Mr. Tarun Puri (DIN: 02117623)	Nil
Ms. Abanti Mitra (DIN: 02305893)	Nil



## 6. Stakeholders Relationship Committee

The Company has in place a Stakeholders Relationship Committee in line with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The Committee comprises of three Directors, two of whom are Executive Directors and one Non-Executive Independent Director, being the Chairperson of the Committee. The Committee specifically looks into the redressal of shareholder and investor complaints.

The Company Secretary acts as the Secretary of the Committee.

Mr. Navin Pareek, Company Secretary of the Company is the designated Compliance Officer.

**The terms of reference of the Committee includes the following:**

- a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc., and assisting with quarterly reporting of such complaints;
- b) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

### Composition, Number of members, Chairperson, Meetings and Attendance

The Committee met three times during the FY 2022-23. The attendance of the Directors at the said meetings was:

Members of the Stakeholders Relationship Committee	Designation	Stakeholders Relationship Committee Meeting Held On		
		July 08, 2022	November 11, 2022	March 27, 2023
Ms. Abanti Mitra, Non-Executive & Independent Director	Chairperson of the Committee	No	Yes	Yes
Mr. Ravi Modi, Chairman & Managing Director	Member	Yes	Yes	Yes
Mrs. Shilpi Modi Whole time Director	Member	Yes	Yes	Yes

The Chairman of the Stakeholders Relationship Committee attended the last AGM held on 8<sup>th</sup> September, 2022.

The Company has received two investor complaints during the FY 2022-23. The lodged complaints were duly disposed of post the submission of responses from RTA and the Company.

Number of complaints received and resolved during the year:

Number of complaints pending at the beginning of the financial year 2022-23	NIL
Number of complaints received during the year 2022-23	2
Number of complaints redressed during the year 2022-23	2
Number of complaints pending at the end of the financial year 2022-23	NIL
Number of complaints not solved to the satisfaction of shareholders	NIL



## 7. Risk Management Committee

The Company has in place a Risk Management Committee in line with Regulation 21 of the Listing Regulations. The Committee comprises of three members, all of them are Board members comprising of two Non-Executive Independent Director and one Executive Director, being the Chairperson of the Company. The Risk Management Committee have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

**The terms of reference of the Committee includes the following:**

- (i) To formulate a detailed risk management policy which shall include:
  - framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined;
  - Measures for risk mitigation including systems and processes for internal control of identified risks;
  - Business continuity plan.
- (ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (iii) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (iv) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (v) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (vi) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- (vii) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- (viii) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such other functions, including cyber security; and
- (ix) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.”

### Composition, Number of members, Chairperson, Meetings and Attendance

The Committee met two times during the FY 2022-23. The attendance of the Directors at the said meetings was:

Members of the Risk Management Committee	Designation	Risk Management Committee Meeting Held On	
		September 17, 2022	March 15, 2023
Mr. Ravi Modi, Chairman & Managing Director	Chairperson of the Committee	Yes	Yes
Mr. Manish Mahendra Choksi Non-Executive & Independent Director	Member	Yes	Yes
Mr. Tarun Puri Non-Executive & Independent Director	Member	Yes	Yes

## 8. IPO Committee

The Board of Directors of the Company had constituted the initial Public offering (IPO) Committee which shall be responsible for preparation of the Company's IPO, Including working with BRLMs and Councils, approved the offer Documents, finalized the DRHP and such other rules and functions as deemed necessary and assigned by the board. The Committee comprises of an Executive Chairman, one Executive Director and one Non-Executive Non-Independent Director.

### Composition, Number of members, Chairperson, Meetings and Attendance

No meeting of the Committee was required and held during the FY 2022-23.



## 9. Internal Complaint Committee (ICC)

The Company has in place an Internal Complaints Committee in accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 along with its relevant Rules, which aims at protecting women's right to gender equality, life, and liberty at workplace to encourage women's participation in work.

Number of complaints received and resolved during the year:

Number of complaints pending at the beginning of the financial year 2022-23	Nil	Nil
Number of complaints filed during the year 2022-23	Nil	Nil
Number of complaints disposed of during the year 2022-23	Nil	Nil
Number of complaints pending at the end of the financial year 2022-23	Nil	Nil

## 10. Corporate Social Responsibility (CSR) Committee

The Company has in place a Corporate Social Responsibility (CSR) Committee in line with the provisions of Section 135 of the Companies Act, 2013 to recommend the amount of expenditure to be incurred on the activities prescribed as per the approved policy and to monitor the Corporate Social Responsibility Policy of the Company from time to time. The Committee comprises of an Executive Chairman, one Executive Director and one Non-Executive Independent Director.

### Composition, Number of members, Chairperson, Meetings and Attendance

The Committee met twice during the FY 2022-23. The attendance of the Directors at the said Meeting was:

Members of the CSR Committee	Designation	CSR Committee Meeting Held On	
		July 08, 2022	March 27, 2023
Mr. Ravi Modi Chairman & Managing Director	Chairperson of the Committee	Yes	Yes
Mrs. Shilpi Modi Whole time Director	Member	Yes	Yes
Mr. Tarun Puri Non-Executive & Independent Director	Member	Yes	Yes

The CSR Policy is available on the Company's website ([weblink: https://www.vedantfashions.com/assets/pdf/CSR\\_Policy-V1.pdf](https://www.vedantfashions.com/assets/pdf/CSR_Policy-V1.pdf))

## 11. Separate meeting of the Independent Directors

The meetings of the Independent Directors during the year 2022-23 were held in accordance with the requirements of Section 149 & Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

During the year, the Independent Directors met once on March 27, 2023 and all Independent Directors attended the meeting. The detail of familiarization programmes is available on the Company's website ([weblink: https://www.vedantfashions.com/assets/pdf/Familiarization\\_Programme\\_for\\_Independent\\_Directors\\_V1.pdf](https://www.vedantfashions.com/assets/pdf/Familiarization_Programme_for_Independent_Directors_V1.pdf))

[https://www.vedantfashions.com/assets/pdf/Familiarization\\_Programme\\_for\\_Independent\\_Directors\\_V1.pdf](https://www.vedantfashions.com/assets/pdf/Familiarization_Programme_for_Independent_Directors_V1.pdf)

## 12. Disclosures

### a) Related Party Transactions:

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year

were in the ordinary course of business and on an arm's length basis. There were no materially significant related party transactions made by the Company with its Promoters, Directors, or the Management, their subsidiaries, or relatives, amongst others, that may have potential conflict with the interest of the Company at large.

Transactions with related parties are disclosed in Note No. 45 of the Standalone Financial Statements in the Annual Report.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website ([weblink: https://www.vedantfashions.com/assets/pdf/related-party-transaction-policy-V1.pdf](https://www.vedantfashions.com/assets/pdf/related-party-transaction-policy-V1.pdf))

b) There were no strictures or penalties imposed by either SEBI or the stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets.





c) The Company has in place a Vigil Mechanism/ Whistle Blower Policy in terms of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, which enables stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices. No personnel has been denied access to the Audit Committee to lodge their grievances. No complaint has been received by the Committee during the year. The Vigil Mechanism/Whistle Blower Policy is also available on the Company's website (weblink: [https://www.vedantfashions.com/assets/pdf/VFL\\_Whistle\\_Blowing\\_Policy.pdf](https://www.vedantfashions.com/assets/pdf/VFL_Whistle_Blowing_Policy.pdf))

d) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

The status of adoption of the non-mandatory requirements as specified in sub-regulation 1 of Regulation 27 of the Listing Regulations are as follows:

(i) **Reporting of Internal Auditor:** The Internal Auditors of the Company have direct access to the Audit Committee.

**e) Monitoring Governance of Subsidiary Companies**

Pursuant to Regulation 16(1)(c) and 24 of the Listing Regulations, the Company had no material subsidiary as on March 31, 2023. The Company has adopted a Policy for determining Material Subsidiaries of the Company, pursuant to Regulation 16(1)(c) of the SEBI Listing Regulations. This policy is available on the Company's website at (<https://www.vedantfashions.com/material-subsiary-policy>), pursuant to Regulation 46(2) of the SEBI Listing Regulations.

Mr. Ravi Modi and Mrs. Shilpi Modi, Executive Directors of the Company, are also appointed on the Board of Manyavar Creations Private Limited, the wholly-owned subsidiary. The investments made by the unlisted subsidiary is placed before the Audit Committee which is reviewed by the said Committee. The minutes of the subsidiary company is placed before the Board of Directors of the Company on a quarterly basis and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary company. The performance of its subsidiary is also reviewed by the Board periodically.

The Company is compliant with other requirements under Regulation 24 of the SEBI Listing Regulations with regard to its subsidiary company.

f) The Company has no material commodity price risks and accordingly has not entered into Commodity hedging.

**g) Details of total fees paid to Statutory Auditors**

The tenure of M/s S.R. Batliboi & Co. LLP, Chartered Accountants, as Statutory Auditors of the Company, expired at the conclusion of 20<sup>th</sup> Annual General Meeting (AGM) of the Company held on 8<sup>th</sup> September, 2022. The Limited Review Report on the Financial results of the Quarter ended June 30, 2022 was issued by S. R Batliboi & Co. LLP. M/s B S R & Co. LLP, Chartered Accountants (FRN: 101248W/W-100022), were appointed as the Statutory Auditors of the Company at the 20<sup>th</sup> AGM held on 8<sup>th</sup> September, 2022. They have issued the limited review reports of the subsequent two quarters of FY 2022-23 and the Audited/Review Report on the Financial Statement/Results for the quarter and year ended 31<sup>st</sup> March, 2023.

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis during FY 2022-23, to the statutory auditor(s) and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

Particulars	Amount (INR in million)
Services as statutory auditors (including quarterly audits)	4.15
Services for other matters	0.55
Re-imbusement of out-of-pocket expenses	0.56
<b>Total</b>	<b>5.26</b>

**h) Certificate from Company Secretary in practice**

The Company has obtained a certificate from M/s Vivek Mishra & Co., Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as a Director of the Company by the Board/ Ministry of Corporate Affairs or any such statutory authority. The same is annexed to this report.

**i) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':**

Sl. No.	Name of Party	Amount of Loan	Rate of Interest	Purpose
Not Applicable.				



**j) Recommendations of the Committees of the Board**

There were no such instances during the financial year 2022-23, wherein the Board had not accepted recommendations made by any Committees of the Board.

**k) Details of Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the Listing Regulations**

The Company has not raised funds through preferential allotment or qualified institutional placement.

**l) MD and CFO Certification**

The MD and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the "Financial Statements" do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

per SEBI requirements, quarterly and annual results of the Company are intimated to the Stock Exchanges as per the prescribed timelines after the same is approved by the Board. Further, the quarter-end shareholding pattern, quarterly Corporate Governance Report, and other Corporate Disclosures are also intimated to the Stock Exchanges within the prescribed time limit. The Company is filing the above necessary announcements to stock exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

**(b) Annual Report:** Annual Report containing, inter alia, Audited Annual Accounts, Board's Report, Auditors' Report, and other important information is circulated to members and others entitled thereto through permitted mode(s).

**(c) Media Releases:** Official news releases are given directly to the press and to National Stock Exchange of India Limited and BSE Limited. The media releases and the presentations made to institutional investors or to the analysts are uploaded on the website of the Company: <https://www.vedantfashions.com/>.

**(d) SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web based complaints redress system.

**(e) Website:** The Company's website is <https://www.vedantfashions.com/>. Quarterly and annual results as well as shareholding pattern, Corporate Governance, and other necessary statutory disclosures are posted on the website.

**(f) Whether MD&A is a part of Annual Report:** Yes

**13. Means of Communication**

**(a) Quarterly results/Annual results/Notices/Other important announcements:**

The quarterly results/annual results/notices/other important announcements are published in newspapers such as Economic Times (All India Edition), Ei Samay (Kolkata Edition) and Sangbad Pratidin (Kolkata Edition). These results are also posted in the Company's website <https://www.vedantfashions.com/>. As

**14. General Body Meeting**

**(i) General Body Meetings**

Details of the last three Annual General Meetings and the summary of the Special Resolution passed therein are as under:

AGM	Financial Year ended	Date & Time	Venue	Special Resolution passed
20 <sup>th</sup>	March 31, 2022	September 08, 2022 3:30 P.M.	Through Video Conferencing/ OAVM (Deemed Venue – Registered Office of the Company)	YES; 1. Approval for Related Party Transaction pertaining to appointment of Mr. Vedant Modi to office or place of profit in the Company. 2. Ratification of the Employee Stock Option Scheme. 3. Ratification of extension of benefits to the Employee Stock Option Scheme to the employees of the Group Companies.



AGM	Financial Year ended	Date & Time	Venue	Special Resolution passed
19 <sup>th</sup>	March 31, 2021	July 28, 2021 4:00 P.M.	“The Vedic Village”, Shikharpur, P.O. Bagu, Rajarhat, Landmark- Lauhati, Kolkata 700135	NIL
18 <sup>th</sup>	March 31, 2020	September 30, 2020 12.00 P.M.	19, Canal South Road, Paidhan Garment Park, SDF-1, 4 <sup>th</sup> Floor, A501-A502, Kolkata – 700015	NIL

#### (ii) Postal Ballot and postal ballot process

No Special resolution was passed by the Company last year through Postal Ballot. No Special resolution is proposed to be conducted through Postal Ballot as on the date of this report.

#### (iii) Information about Directors seeking appointment/ Re-appointment

Mr. Ravi Modi is retiring by rotation and being eligible offer himself for re-appointment. His details would be given in the Annexure to the Notice, under the head Information Pursuant to Regulation 36(3) of the Listing Regulations.

## 15. General Shareholder Information

#### (a) Annual General Meeting for the FY 2022-23

<b>Date &amp; Time</b>	As of the date of signing of this Report, the date/ time/ venue of AGM and the Book Closure Date was yet to be decided. The same will be decided in due course of time and the necessary communication in this regard would be duly issued.
<b>Venue</b>	
<b>Book Closure Date for Final Dividend</b>	

**Dividend Payment Date :** Dividend of 900% i.e. Rs. 9 per equity share of face value of Re. 1 each for the financial year 2022-23 has been recommended by the Board of Directors to the members for their approval. If approved, dividend shall be paid within 30 days from the date of declaration.

The Company has declared Dividend only twice during the last seven years i.e. FY 2019-20 & 2021-22, the details whereof are as follows:

Financial Year	Percentage (%)	Dividend in Rs. Per share
2019-20	200%	4.00 (Face Value: Rs. 2 per share)
2021-22	500%	5.00 (Face Value: Rs. 1 per share)

Some amount of Dividend for the FY 2021-22 was unclaimed. In terms of Section 125 of the Act, read with rules made thereunder, the Company shall be required to transfer the Unpaid/Unclaimed Dividend amounts/shares after seven years in the name of Investor Education and Protection Fund (IEPF) for all shares in respect of which dividend has not been paid or claimed.

#### (b) Tentative Calendar for the FY 2023-24 (subject to change)

Adoption of un-audited quarterly results and Annual Results	Adoption on
Unaudited 1 <sup>st</sup> quarter results	Within 45 days of the end of the quarter, except the 4 <sup>th</sup> quarter (60 days)
Unaudited 2 <sup>nd</sup> quarter results	
Unaudited 3 <sup>rd</sup> quarter results	
Audited 4 <sup>th</sup> quarterly results and annual results	



**(c) Registrar and Share Transfer Agent**

**KFin Technologies Limited** (formerly known as KFin Technologies Pvt Limited)

Selenium Building, Tower B, Plot no. 31 & 32,

Financial District,

Nanakramguda, Serilingampally,

Hyderabad, Rangareddy,

Telangana – 500 032, India

Contact no.: 040 67161700 / 18003094001

Email ID: [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)

Website: [www.kfintech.com](http://www.kfintech.com)

**(d) Investors' Correspondence**

All queries of investors regarding your Company's shares in physical/demat form may be sent to the Registrar and Share Transfer Agent of the Company.

**(e) Listing on Stock Exchanges & Stock Code**

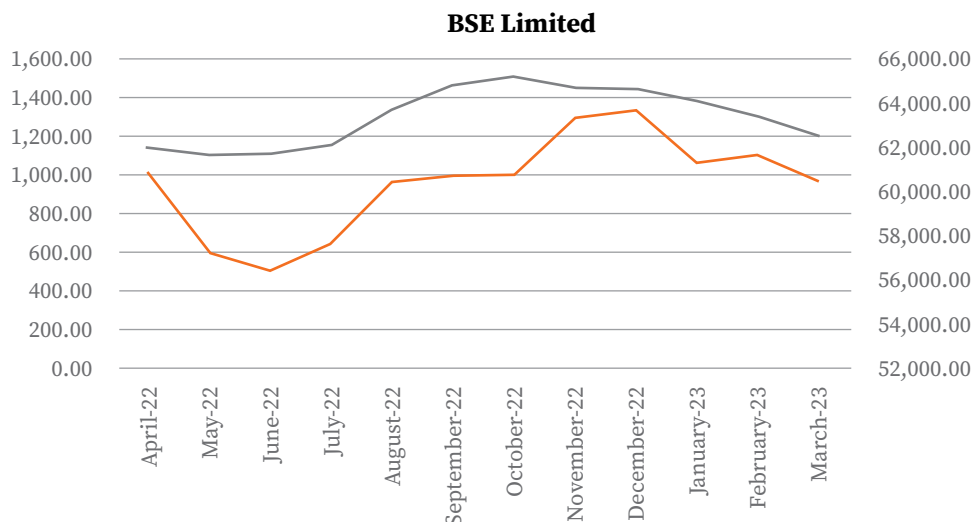
Stock Exchanges	Code
BSE Limited Floor 25, P.J. Towers, Dalal Street, Mumbai - 400001	<b>543463</b>
National Stock Exchange of India Limited Exchange Plaza, Plot No: C/1, G Block Bandra – Kurla complex, Bandra (E), Mumbai – 400 051	<b>MANYAVAR</b>
Demat ISIN No. for NSDL and CDSL	<b>INE825V01034</b>

The listing fees for the financial year ending on March 31, 2023 was duly paid and that for the financial year ending on March 31, 2024 would be duly paid.

**(f) Stock market price data and Performance in comparison to BSE Sensex/Nifty 50 for the year 2022-23**

**(i) BSE Limited**

Month	High (Rs.)	Low (Rs.)	Quantity Traded (No. of Shares)	BSE SENSEX	
				High	Low
<b>2022</b>					
April	1,144.35	931.00	5,90,145	60,845.10	56,009.07
May	1,097.25	917.45	2,30,139	57,184.21	52,632.48
June	1,106.05	905.00	1,28,886	56,432.65	50,921.22
July	1,148.00	962.65	1,54,299	57,619.27	52,094.25
August	1,323.00	1,078.60	2,73,962	60,411.20	57,367.47
September	1,457.90	1,240.40	2,23,724	60,676.12	56,147.23
October	1,501.00	1,382.40	93,973	60,786.70	56,683.40
November	1,460.85	1,301.85	71,816	63,303.01	60,425.47
December	1,445.00	1,254.60	89,501	63,583.07	59,754.10
<b>2023</b>					
January	1,387.35	1,084.15	81,501	61,343.96	58,699.20
February	1,303.00	1,118.35	1,10,159	61,682.25	58,795.97
March	1,206.70	1,058.45	47,506	60,498.48	57,084.91

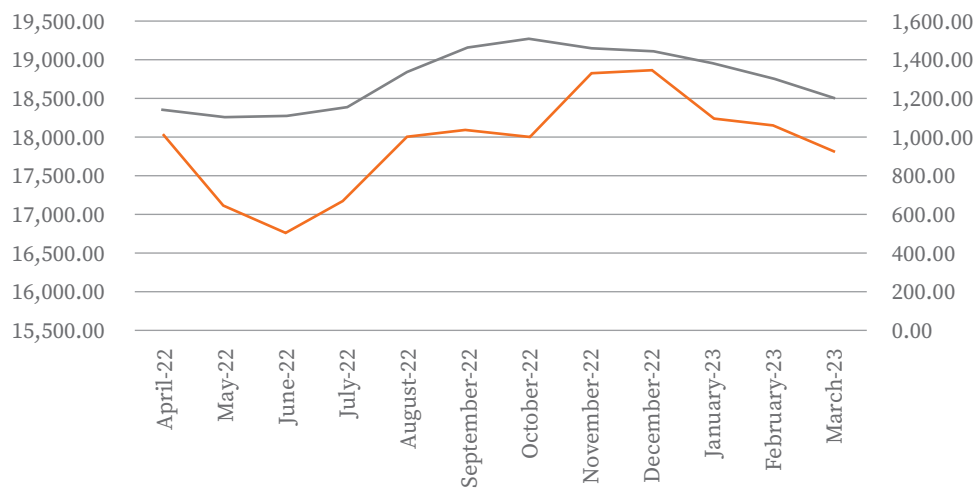




(ii) National Stock Exchange of India Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (No. of Shares)	NIFTY 50	
				High	Low
<b>2022</b>					
April	1,143.95	960.05	46,06,410	18,114.65	16,824.70
May	1,108.70	917.30	25,86,400	17,132.85	15,735.75
June	1,107.20	937.40	21,69,415	16,793.85	15,183.40
July	1,148.00	955.00	21,68,975	17,172.80	15,511.05
August	1,325.00	1,077.35	41,39,894	17,992.20	17,154.80
September	1,459.75	1,258.50	39,09,354	18,096.15	16,747.70
October	1,501.55	1,382.80	16,25,709	18,022.80	16,855.55
November	1,461.20	1,301.20	15,18,183	18,816.05	17,959.20
December	1,447.60	1,253.85	16,28,686	18,887.60	17,774.25
<b>2023</b>					
January	1,388.90	1,092.70	31,39,596	18,251.95	17,405.55
February	1,308.95	1,117.05	16,20,990	18,134.75	17,255.20
March	1,207.95	1,058.05	18,07,102	17,799.95	16,828.35

**National Stock Exchange of India Limited**





- (g) The Company has no material commodity price risks and accordingly has not entered into Commodity hedging.
- (h) Share Transfer System

The Company's Registrar and Share Transfer Agent, M/s KFin Technologies Limited process the share transfers and after completion of all required formalities, return the shares in the normal course within 15 days from the date of receipt if the documents are valid and complete in all respects.

Further, M/s KFin Technologies Limited who is also the Company's Demat Registrars, requests for dematerialization of shares are processed and confirmation is given by them to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL) within 15 days.

(i) **Shareholding pattern and distribution of shares as on March 31, 2023**

Category	Shareholders		Shares	
	Numbers	% of shareholders	Numbers	% of shares
Upto - 5000	62,292	99.673579	36,15,844	1.489350
5001 - 10000	57	0.091206	4,10,832	0.169220
10001 - 20000	30	0.048003	4,38,200	0.180493
20001 - 30000	16	0.025602	3,78,457	0.155885
30001 - 40000	14	0.022401	4,96,887	0.204666
40001 - 50000	13	0.020801	5,89,233	0.242702
50001 - 100000	19	0.030402	14,75,383	0.607704
100001 and above	55	0.088006	23,53,75,154	96.949981
<b>Total</b>	<b>62,496</b>	<b>100.00</b>	<b>24,27,79,990</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2023**

Sl. No.	Category	Total Number Of Shares.	Total Shareholding As A Percentage Of Total Share Capital
1	Promoter/Promoters Group	20,60,67,416	84.88
2	Mutual Funds/UTI	2,16,09,131	8.90
3	Financial Institutions/Banks	-	-
4	Insurance Companies	13,64,445	0.56
5	Central/State Government(s)	-	-
6	Bodies Corporate	6,30,911	0.26
7	Investor Education and Protection Fund Authority	-	-
8	Indian Public	44,93,276	1.85
9	Resident Individual (HUF)	56,723	0.02
10	NRI / Foreign National /OCB	85,58,088	3.53
11	NBFCs registered with RBI	-	-
12	Domestic Corporate Unclaimed Shares Account	-	-
	<b>Total</b>	<b>24,27,79,990</b>	<b>100</b>



**(j) Dematerialization of shares and liquidity**

As on March 31, 2023, 100% of the Company's total shares representing 24,27,79,990 shares (except 1 equity share held in physical) were held in dematerialised form. The entire promoter holding are in dematerialised form.

**(k) Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDRs, ADRs, Warrants or any other convertible instruments.

**(l) Insider trading regulation**

The Company has adopted a code of internal procedures for prevention of any unauthorised trading in the shares of the Company by insiders, as required under SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company Secretary, Mr. Navin Pareek is the Compliance Officer for this purpose.

**(m) Address for Investor correspondence/Grievance Redressal Division**

Shareholders can correspond with the registered office of the Company and/or at the Company's Registrar and Share Transfer Agents. Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

**(n) Compliance Officer**

Mr. Navin Pareek  
Company Secretary & Compliance Officer  
Vedant Fashions Limited  
(formerly known as Vedant Fashions Pvt. Ltd.)  
A501-A502, SDF-1, 4<sup>th</sup> Floor,  
Paridhan Garment Park,  
19 Canal South Road,  
Kolkata-700 015  
Ph- 033-61255495  
E-mail - [complianceofficer@manyavar.com](mailto:complianceofficer@manyavar.com)

**(o) Credit Rating**

During the year under review, the following rating has been reaffirmed for the Company by CRISIL by its letter dated July 11, 2022:

Total Bank Loan Facilities Rated	Rs. 120 crore
Long Term Rating	CRISIL AA-/Stable

**(p) Manufacturing/ Warehouse Units**

<ul style="list-style-type: none"> <li>Part-C, Block-A, Srijan Industrial Logistics Park, NH-6, Bombay Road, Mohiary, Chandni Bagan, Dhulagarh, Howrah-711302, West Bengal</li> </ul>	<ul style="list-style-type: none"> <li>2<sup>nd</sup>, 3<sup>rd</sup> &amp; 4<sup>th</sup> Floors, Block-15, Regent Garment &amp; Apparel Park, 64/1/1/26, Jessore Road (East) Barasat, Kolkata-700124, West Bengal</li> </ul>
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*Note: The details of only the major locations where manufacturing and warehousing activities are carried out have been included above.*

**14. Unclaimed Suspense Account**

The Company do not have any unclaimed suspense account.

**Auditors' Certificate on Corporate Governance**

As required by Part E of Schedule V of the Listing Regulations, a certificate from Vivek Mishra & Co., a firm of Company Secretaries, confirming compliance with the conditions of Corporate Governance, is attached to this report forming part of the Annual Report.

**For and on behalf of**  
The Board of Directors

Place: Kolkata  
Date: April 28, 2023

**Ravi Modi**  
Chairman & Managing Director  
DIN: 00361853



## Certificate in Respect of Compliance with the code of Conduct of the Company\*

I, Ravi Modi in my capacity as the Managing Director and Chairman of the Board of Directors of the Company do hereby certify that during the Financial Year 2022-23, all Directors and Senior Executives of the Company have complied with and adhered to the Code of Conduct of the Company as approved and prescribed by the Board of Directors of the Company.

\*The Code of Conduct can be viewed on the Company's website :<https://www.vedantfashions.com/code-of-conduct-for-directors-and-senior-management>

**For Vedant Fashions Limited**

**Ravi Modi**

Chairman & Managing Director  
DIN: 00361853

Date: April 28, 2023  
Place: Kolkata

## Certificate on Corporate Governance

Registration No. of the Company - L51311WB2002PLC094677  
Nominal Capital - ₹ 30,10,00,000

To,  
The Members  
**Vedant Fashions Limited**  
(formerly known as Vedant Fashions Private Limited)  
19 Canal South Road, Paridhan Garment Park,  
SDF-1, 4<sup>th</sup> Floor, A501-A502, Kolkata 700015, W.B.

We have examined the compliance of the conditions of Corporate Governance by **Vedant Fashions Limited (hereinafter referred to as 'the Company')** for the year ended March 31, 2023, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended March 31, 2023.

We state that no investor's grievance/complaint has been pending unresolved as on March 31, 2023.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For, Vivek Mishra & Co.**  
(a Firm of Company Secretaries)

**CS Vivek Mishra**

Partner

FCS No.: 8540 | COP: 17218

Peer Review No.: 1720/2022

UDIN: F008540E000216264

Date: 28<sup>th</sup> April, 2023  
Place: Kolkata





# Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members

**Vedant Fashions Limited**

(formerly known as Vedant Fashions Private Limited)

19, Canal South Road,

Paridhan Garment Park, SDF-1

4<sup>th</sup> Floor, A501-A502,

Kolkata 700015, W.B., IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Vedant Fashions Limited, having CIN L51311WB2002PLC094677 and having registered office at 19, Canal South Road, Paridhan Garment Park, SDF-1, 4<sup>th</sup> Floor, A501-A502, Kolkata – 700015, W.B. (**hereinafter referred to as ‘the Company’**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

Sr. No.	NAME OF DIRECTOR	DIN	DATE OF APPOINTMENT
1	Mr. Ravi Modi	00361853	24/05/2002
2	Mrs. Shilpi Modi	00361954	24/05/2002
3	Mr. Sunish Sharma	00274432	24/08/2017
4	Ms. Abanti Mitra	02305893	06/09/2021
5	Mr. Manish Mahendra Choksi	00026496	06/09/2021
6	Mr. Tarun Puri	02117623	06/09/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For, **Vivek Mishra & Co.**  
(a Firm of Company Secretaries)

**CS Vivek Mishra**

Partner

FCS No.: 8540 | COP: 17218

Peer Review No.: 1720/2022

UDIN: F008540E000216231

Date: 28<sup>th</sup> April, 2023

Place: Kolkata



# Managing Director & Chief Financial Officer Certification

(Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**Date: April 28, 2023**

To,  
The Board of Directors  
**Vedant Fashions Limited**  
19, Canal South Road,  
Paridhan Garment Park,  
SDF-1, 4<sup>th</sup> Floor, A501-502,  
Kolkata – 700015, W.B.

**Sub: MD and CFO Compliance Certificate on Financial Statements for the financial year ended March 31, 2023 (“the year” or “FY”) of Vedant Fashions Limited (“the Company”)**

Dear Sirs/Madams,

In terms with the Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we, the undersigned, hereby certify to the Board that:

1. We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2023 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company’s code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken to rectify these deficiencies.
4. We do further certify that there has been:
  - (i) no significant changes in internal control over financial reporting during the year;
  - (ii) no significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - (iii) no instance of significant fraud with involvement therein, of the management or any employee having a significant role in the Company’s internal control system over financial reporting.

Request you to take a note of the same.

Thanking you

For, **Vedant Fashions Limited**

**Ravi Modi**  
Chairman & Managing Director

For, **Vedant Fashions Limited**

**Rahul Murarka**  
Chief Financial Officer



# Business Responsibility & Sustainability Reporting

## Section A: General Disclosure

### I. Details

1	Corporate Identity Number (CIN) of the Listed Entity	L51311WB2002PLC094677
2	Name of the Listed Entity	Vedant Fashions Limited
3	Year of incorporation	2002
4	Registered office address	A501-A502, SDF-1, 4 <sup>th</sup> Floor, Paridhan Garment Park, 19 Canal South Road, Kolkata, 700015, West Bengal
5	Corporate address	A501-A502, SDF-1, 4 <sup>th</sup> Floor, Paridhan Garment Park, 19 Canal South Road, Kolkata, 700015, West Bengal
6	Email	<a href="mailto:secretarial@manyavar.com">secretarial@manyavar.com</a>
7	Telephone	91 033 61255353
8	Website	<a href="http://www.vedantfashions.com">www.vedantfashions.com</a>
9	Financial year for which reporting is being done	2022-2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	INR 242.78 million
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Navin Pareek, Company Secretary & Compliance Officer Phone: 91 033 61255495 Email: <a href="mailto:complianceofficer@manyavar.com">complianceofficer@manyavar.com</a>
13	Reporting boundary	Standalone

### II. Product/services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing and Trade	Textile, leather, and other apparel products, Wholesale & Retail Trading	100%

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Wearing Apparel & Accessories	1410	100%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

The Company has centralized warehouse located at Dhulagarh, Howrah, West Bengal, factory at Barasat, Kolkata, West Bengal, and the registered and corporate office is located at Paridhan Garment Park, Kolkata, West Bengal.

Location	Number of plants	Number of offices	Total
National	2	1	3
International	0	0	0

\*Note: The details of only the major locations where manufacturing and warehousing activities are carried out have been included above. However, it doesn't include the retail outlets in various states of India.



## 17. Markets served by the entity:

### a. Number of locations

Location	Total
National (No. of States and UTs)	26
International (No. of Countries)	4

### b. What is the contribution of exports as a percentage of the total turnover of the entity?

During FY 2022-23, the export contribution to the total turnover of the Company was 1.96%

### c. A brief on types of customers

VFL sell their products to customers through four retail channels which include exclusive brand outlets (EBO), multi-brand outlets (MBO), large format stores (LFS) and online platforms. VFL offers a diverse range of Indian attires and accessories under its 5 brands i.e., Manyavar, Mohey, Twamev, Manthan and Mebaz. The Company, through its varied product range aims to cater to the requirements of customers across different demographic segments.

## IV. Employees

### 18. Details as at the end of Financial Year:

#### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1.	Permanent (D)	414	341	82%	73	18%
2.	Other than permanent (E)	3	2	67%	1	33%
3.	Total employees (D+E)	417	343	82%	74	18%
<b>Workers</b>						
4.	Permanent (F)	330	303	92%	27	8%
5.	Other than permanent (G)	216	193	89%	23	11%
6.	Total workers (F+G)	546	496	91%	50	9%

Note: Definition of employee clustering is as under:

• Permanent Employees include employees who are on Company's payroll • Other than Permanent Employees are sourced from third-party agencies to fulfil specific roles or projects • Permanent Workers include those workers who are on Company's payroll and engaged in manual work • Other than Permanent Workers includes workers who are employed for a fixed term that ends when a specific time period expires (LFS, factory, MBO, warehouse, housekeeping and security) • Trainees and Apprentices not included in the Workforce

#### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently abled Employees</b>						
1.	Permanent (D)					
2.	Other than permanent (E)			Nil		
3.	Total employees (D+E)					
<b>Differently abled Workers</b>						
4.	Permanent (F)					
5.	Other than permanent (G)			Nil		
6.	Total workers (F+G)					



#### 19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	6	2	33.34%
Key Management Personnel	4	1	25%

#### 20. Turnover rate for permanent employees and workers:

Particulars	FY2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employee	13%	38%	17%	15%	42%	19%	27%	23%	27%
Permanent workers	6%	4%	6%	2%	0	2%	39%	49%	40%

### V. Holding, Subsidiary and Associate Companies (including joint ventures)

#### 21. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Manyavar Creations Private Limited	Subsidiary	100%	The Subsidiary is encouraged to participate in the BR initiatives of the Company.

### VI. CSR Details

Vedant Fashions Limited, in alignment to its CSR policy and Schedule VII to the Companies Act, 2013 undertakes initiatives across three themes viz. Education, Health and Sustainable livelihood. Through its CSR initiatives, Vedant Fashions Limited has supported numerous lives across 4 states utilizing INR 61.98 Millions CSR funds in the FY 2022-23.

#### 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 - Yes

(ii) Turnover - INR 13,259.64 Million (As on 31<sup>st</sup> March 2023)

(iii) Net worth - INR 13,950.47 Million (As on 31<sup>st</sup> March 2023)

### VII. Transparency and Disclosures Compliances

#### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Vedant Fashions Limited abides by the Code of Conduct (CoC). There are two separate codes of conduct in place: one for the Board of Directors and Senior Management, which is publicly available; and another for employees, vendors, and business associates. Both the CoCs provide guidance on matters related to ethics, workplace responsibilities and conflict of interest. Code of Conduct for Board of Directors and Senior Management can be accessed on Company's website through: <https://www.vedantfashions.com/assets/pdf/SEBI/CODE-OF-CONDUCT-OF-BOARD-OF-DIRECTORS-AND-SENIOR-MANAGEMENT-PERSONNEL.pdf>



There are defined channels for receiving complaints/grievances from stakeholders and the same is addressed upholding the ethical standards implemented by the Company as laid down in its CoC.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investor (other than shareholders)	Yes <a href="https://www.vedantfashions.com/assets/pdf/SEBI/Details-for-Grievance-Redressal-17apr.pdf">https://www.vedantfashions.com/assets/pdf/SEBI/Details-for-Grievance-Redressal-17apr.pdf</a>	0	0	-	0	0	-
Shareholders	Yes <a href="https://www.vedantfashions.com/assets/pdf/SEBI/Details-for-Grievance-Redressal-17apr.pdf">https://www.vedantfashions.com/assets/pdf/SEBI/Details-for-Grievance-Redressal-17apr.pdf</a>	2	0	-	0	0	-
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes <a href="https://www.manyavar.com/page/terms-of-use">https://www.manyavar.com/page/terms-of-use</a>	4014	32	-	7969	0	-
Value chain partners	Yes	0	0	-	0	0	-

#### 24. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Waste management	Risk	Government has enacted environmental and waste management regulations that promotes recycling of generated waste. Failure to comply with these regulations can result in fines, legal action, and damage to the Company's reputation.	<ol style="list-style-type: none"> <li>The Company has started with many initiatives to minimize the wastes like electronic signing of Agreements/ documents, digital invoicing, promotion of paper/ cloth bags over plastic bags, no plastic bottles at office etc.</li> <li>The Company has applied before CPCB for registration as 'Brand Owner' under Plastic Waste Management</li> </ol>	Positive: Consumers are becoming more aware of the environmental impact of the products they buy, and they are more likely to support companies that prioritize sustainability.



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<p>rule, 2016, EPR guidelines, which is pending for review and approval from the authority.</p> <p>3. The Company has also onboarded a registered recycler to channelize the plastic waste.</p>	
2	Occupational Health and Safety	Risk	Workplace accidents and illnesses can result in significant financial costs to a Company, including medical expenses, lost productivity, workers' compensation claims, legal fees, and damage to equipment or property. These costs can have a significant impact on a Company's bottom line, especially if they occur frequently or involve serious injuries.	<ol style="list-style-type: none"> <li>1. The employees of the Company have undergone numerous OHS training programs and regular health check up camps.</li> <li>2. Health and term life insurance have been provided to the Company's employees.</li> <li>3. The Company partnered with a third-party agency to offer discounted diagnostic services to employees and their dependents.</li> <li>4. The Company has system in place to identify and prevent any potential hazards which can cause work related accident.</li> </ol>	Negative: OHS risks can lead to injuries, illnesses, or fatalities, resulting in significant human costs such as medical expenses, lost productivity, and reduced employee morale.
3	Community Welfare	Opportunities	Corporate Social Responsibility (CSR) has been a long-standing commitment at Vedant Fashions Limited. Our Company's objective is to support meaningful socio-economic sustainable development and enable a larger number of people to participate and benefit in country's economic progress.	Not Applicable	<p>Positive: The organization acknowledges its social obligations and contributes to the nation building by means of its corporate social responsibility programs.</p> <p>Supporting various CSR initiatives enables us to have a real impact on the communities we engage with and also helps to build a sense of loyalty and trust among our stakeholders.</p>



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Human Rights	Risk	Changing regulations around human rights may pose as a challenge to maintain the brand reputation	The Company put in substantial efforts to ensure that no human right violations are occurred in the entire line of our business. This is embedded in our Human Rights policy of BRSR policy and Code of Conduct	Negative: Any violation can lead to severe reputational and financial risk for the organization
5	Diversity and inclusion	Opportunity	Company's ability to ensure that it's culture and hiring and promotion practices foster the building of a diverse and inclusive workforce.	Not applicable	Positive: Create a workplace culture in which employees feel valued, respected, and accepted.
6	Talent attraction and retention	Opportunity	Company's aim to become an employer of choice.  Proactively shaping structural changes. E.g., business-relevant trainings, fair and forward-looking remuneration, flexible working models, and further benefits for promoting a productive, enjoyable and sustainable work environment.	Not applicable	Positive: Foster trust and loyalty among our employees.

## Section B: Management and Process Disclosures

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management process</b>									
1. a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://www.vedantfashions.com/brsr-policy">https://www.vedantfashions.com/brsr-policy</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	No	No	No	No	No	No	No	No	No





Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4. Name of the national and international codes / certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Vedant Fashion's policies are based on the NGRBC principles which also conform to the international standards like UNGC principles and United Nations SDGs.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<ol style="list-style-type: none"> <li>1. The Company has made a commitment to convert all of its office commute fleets to electric vehicles.</li> <li>2. Promote environmentally friendly and responsible business operations. Providing employment opportunities to talent from underprivileged sections of society including artisans, embroidery workers, and other jobbers.</li> <li>3. Develop and implement sustainable community welfare activities through CSR interventions that focus on healthcare, education and overall development of people in need.</li> </ol>								
6. Performance of the entity against the Specific commitments, goals and targets along-with reasons in case the same are not met.	<ol style="list-style-type: none"> <li>1. The Company has initiated the process of converting VFL owned four-wheelers into electric vehicles.</li> <li>2. The Company has installed LED lights in its office, warehouse, and factory, as well as VRV system air conditioners to improve its energy efficiency. The Company is also exploring renewable energy options such as solar. The Company has initiated several waste reduction initiatives, including the provision of paper carry bags as a substitute for plastic bags in their stores.</li> <li>3. CSR activities for VFL was carried out by 14 agencies in FY 2022-23.</li> </ol>								
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	<p>At Vedant Fashions Limited, we define sustainability based on our values and purpose. We look beyond economic value creation, to equally focus on the impacts that our business operations and activities create on the environment and society and work towards fostering long term relationship with all our key stakeholders.</p> <p>The Company believes that sound principles of governance are a necessary tool for creating long-term value for all its stakeholders and to promote sustainability.</p> <p>The Company has established a robust governance structure including but not limited to Code of Conduct, CSR policy, and BRSR policy that adheres to the NGRBC principles, all of which express the Company's commitment to operating in a sustainable and responsible manner.</p> <p>By taking on sustainability commitments and working towards their achievement, we create value for our stakeholders including employees, investors, customers, business associates, local community etc. and positive footprints for a fashionable and sustainable future.</p> <p>We continuously engage with our stakeholders to identify key ESG risks and concerns and have identified Business Ethics, Corporate Governance, Human Rights, Community Welfare and Waste Management etc. as some of the material issues for the Company. The Company has defined its commitments, goals and targets in line with the identified material topics.</p> <p>To preserve our natural resources, we have adopted the principles of Reduce, Reuse, and Recycle (3R's) and are collaborating with our value chain partners to build a more resilient, responsible, and robust system.</p> <p>The Company's CSR programmes are focused on strengthening the country's social infrastructure with its thrust in areas such as education, health care and sustainable livelihood. The success of these initiatives lies in delivering impact</p>								



Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	<p>with optimum use of resources, leveraging strengths and collaborating on areas where capacities need to be built. We engage with reputed NGOs to carry out our community welfare activities. In the fiscal year 2022-23, the Company prioritized its efforts on providing support to the community in the areas of education, healthcare and sustainable livelihood.</p> <p>While we are proud of our achievements, we recognize that there is still much to be done. We will continue to take proactive steps towards sustainability and integrate it into every aspect of our business practices.</p> <p>As we move forward, we remain committed to our vision of creating a sustainable future for all.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Chairman and Managing Director								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>Yes</p> <p>The Company's Chairman and Managing Director (CMD) is responsible for oversight of the ESG agenda and provide strategic direction to drive the ESG program. The CMD ensures ESG consideration are integrated into the Company's decision-making process. In addition, the Company has also formed a strategic team of Chief Financial Officer and Company Secretary to develop ESG implementation plan and monitor and track ESG progress.</p>								
<b>10. Details of Review of NGRBCs by the Company:</b>									
<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</b>					<b>Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)</b>			
Performance against above policies and follow up action	<p>All the policies of the Company are approved by the Board and reviewed periodically or on a need basis by Senior Management as a part of ESG review. During the review, the effectiveness of the policies is evaluated and necessary amendments to policies and procedures are implemented</p>								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with applicable laws and regulations.								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company's policies are reviewed by Company's own internal team.								



## Section C: Principle Wise Performance Disclosure

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	<ul style="list-style-type: none"> <li>BRSR 9 principles</li> </ul>	<ul style="list-style-type: none"> <li>BRSR 9 principles - 100%</li> </ul>
Key Managerial Personnel	4	<ul style="list-style-type: none"> <li>Mentorship</li> <li>Prevention of Sexual Harassment (POSH)</li> <li>Prohibition of Insider Trading (PIT)</li> <li>Performance Management System (PMS)</li> </ul>	<ul style="list-style-type: none"> <li>Mentorship - 75%,</li> <li>POSH - 50%</li> <li>PIT - 50%</li> <li>PMS - 50%</li> </ul>
Employees other than BoD and KMPs	4	<ul style="list-style-type: none"> <li>Fire Safety</li> <li>POSH</li> <li>PMS</li> <li>Others (Excel and basic excel training, PIT)</li> </ul>	<ul style="list-style-type: none"> <li>Fire Safety - 63%</li> <li>POSH - 55%</li> <li>PMS - 36%</li> </ul>
Workers	3	<ul style="list-style-type: none"> <li>Fire Safety</li> <li>POSH</li> <li>Others (Ethical Trading Initiative Base Code)</li> </ul>	<ul style="list-style-type: none"> <li>Fire Safety - 41%</li> <li>POSH - 93%</li> </ul>

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in FY 2022-23.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal Been preferred? (Yes/No)
Penalty/ Fine	NA	NA	NA	NA	NA
Settlement	NA	NA	NA	NA	NA
Compounding Fee	P9	Chief judicial magistrate Ghaziabad, Court No. 1	10,000	Measurement discrepancy of one Kurta & one Churidar under Legal Metrology Act.	No
Compounding Fee	P9	Office of the Controller of Legal Metrology Weights and Measures Department, Government of N.C.T. of Delhi	70,000	Notice issued for not declaring size in accordance with the Legal Metrology (Packaged Commodities) Rules, 2011	No



Non-monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	NA
Punishment	NA	NA	NA	NA

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Nil

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the Company's Code of Conduct covers the aspect related to anti-corruption or anti-bribery. It is an internal document which lays down the procedures to follow with respect to anti-corruption or anti-bribery. In addition, the Company has BRSR policy in place, which demonstrates Company's commitments to conduct operations with transparency and refrains from engaging in corrupt or bribery practices.

Vedant Fashions Limited's Code of Conduct is an internal document and BRSR policy is approved by the Board and available on public domain.

<https://www.vedantfashions.com/brsr-policy>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

No Directors/KMPs/employees/workers were involved in bribery/corruption both in FY23 and FY22. On above grounds, no action was taken by any law enforcement agency.

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

**6. Details of complaints with regard to conflict of interest:**

No complaints were received with regard to conflict of interest against Directors/KMPs in FY23 and FY22

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable



## Leadership Indicators

### 1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Vedant Fashions Limited facilitates various training and skill development programs for its key value chain partners like jobbers and franchisee employees to educate and create shared awareness on key aspects like safety, labour practices and sustainability.

Also, the Company on an annual basis sends an email communication to all vendor partners and business associates sensitizing them on the Code of Conduct and Business Ethics of the Company that extends to the value chain partners.

### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.

The Company has defined the Code of Conduct, which applies to all employees across the organization including the Board of Directors. The Code of Conduct procedural guidance on matters related to work ethics, business responsibilities and conflict of interest. As per the Code of Conduct, the Board of Directors and Senior Management of the organization are required to avoid situations which may be in conflict with the interest of the Company or prejudicial to the Company's interest.

The Company has also established a protocol for handling potential conflicts of interest that may arise among members of the Board. As part of this protocol, the directors are obligated to provide an annual declaration to the Board in the beginning of the financial year disclosing any affiliations or interests they may have with other entities. In the event that any updates or modifications are made to the initial declaration submitted by the directors, they must promptly notify the Board by sharing the revised declaration.

Further, the BRSR policy ensures the effective implementation of all mechanisms and procedures to address incidents of conflicts of interest involving its directors, employees, and business partners.

## Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.

## Essential Indicators

### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	0	0	-
Capex	INR 54.49 million	INR 18.07 million	Capex refers to expenditures made on IT infrastructure, operational infrastructure, furniture, and other similar items that aid a Company in improving its operational processes and creating a more favourable work environment for its employees and workers.

### 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No): Yes

### b. If yes, what percentage of inputs were sourced sustainably?

The supply chain of apparel sector is unorganized and fragmented. The Company engages with various kind of suppliers for procuring raw materials, accessories, finished goods etc. While the Company has a positive outlook towards procuring from sustainable sources and is exploring suitable options that meet their raw material requirements, it has adapted a collaborative approach towards its suppliers and engages with them through continuous interactions for capacity building and knowledge sharing. To ensure sustainability development in the supply chain, the Company has a Code of Conduct (COC) that extends to vendors and business associates to provide them guideline and procedures on key aspects like Business Ethics and Human Rights.



In addition, our BRSR policy set guidelines on product stewardship which encourages our suppliers to adapt sustainable practices in their supply chain and operations. The Company endeavours to engage with suppliers who integrate environmental and social considerations into their products and services. The Company also ensures that their business terms and conditions are structured and uniform across divisions to ensure business process standardization and governance.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Vedant Fashions Limited has taken significant steps to improve waste management practices across all of its operations by evaluating resources, technologies, and processes to minimize waste generation. The Company has limited opportunities to use recycled materials due to the nature of its business but has established systems for managing e-waste and plastic waste. The Company engages with certified e-waste handlers to dispose of e-waste, with approximately 272.87 kg of e-waste disposed of through authorized recyclers in the current fiscal year.

To reduce plastic consumption, the Company has implemented practices and initiatives that ensure reduction in the use of plastic products across the organization and also extend to value chain partners like the franchisee retail stores. Some of these include substitution of glass /steel water bottles to plastic bottles, use of digital invoices over paper invoices, electronic signing of Agreements/ Documents etc. Further, to ensure due disposal of the generated plastic waste, the Company has engaged an authorized EPR Agency, who would also support in ensuring the Company's compliance to the PWM (amended) Rules, 2022 and obligations as laid down under the EPR guidelines.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, the Company has engaged an authorized EPR agency to collect, transport, and recycle plastic waste in compliance with the Plastic Waste Management (Amendment) Rules, 2022 and EPR guidelines. In accordance with the rule, the Company has submitted an EPR action plan to the Central Pollution Control Board and has applied for registration as a Brand Owner.

#### Leadership Indicators

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products?**

No

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

The Company hasn't conducted life cycle assessment of its products so far. However, the procedures involved in the processing and disposal of VFL's products are such that there are not significant social or environmental concerns and/or risks arising from them.

The Company operates primarily in the manufacturing and trading of readymade garments being celebration wear for men, women and kids. The brands of the Company strive to source all products responsibly and sustainably. To do this, the Company ensures that the workers in our supply chain are treated with dignity and respect.

The beauty of Indian ethnic wear is that they have a long life, and sometimes, they are also passed down from one generation to another, making them not only a graceful attire but also a perfect memory keepsake. Hence, the shelf life of our product is much longer than the casual attire. This also contributes to lower the environmental impact of the garments over the period of time.

**3. Percentage of recycled or reused input material to total material (by value) used in production.**

Nil



4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022–23			FY 2021-22		
	Reused	Recycled	Safely disposed	Reused	Recycled	Safely disposed
Plastic waste	-	12,000 kg	-	-	12,000 kg	-
e-waste	-	-	272.87 kg	-	-	150.42 kg

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Nil

**Principle 3:** Businesses should respect and promote the well-being of all employees, including those in their value chains.

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

% of employees covered by											
Category	Total A	Health insurance*		Accident insurance		Maternity benefits		Parental benefits		Day care facilities	
		No. B	% (B/A)	No. C	% (C/A)	No. D	% (D/A)	No. E	% (E/A)	No. F	% (F/A)
<b>Permanent employees</b>											
Male	341	341	100%	341	100%	-	-	341	100%	341	100%
Female	73	73	100%	73	100%	73	100%	-	-	73	100%
<b>Total</b>	<b>414</b>	<b>414</b>	<b>100%</b>	<b>414</b>	<b>100%</b>	<b>73</b>	<b>100%</b>	<b>341</b>	<b>100%</b>	<b>414</b>	<b>100%</b>
<b>Other than permanent employees</b>											
Male	2	2	100%	-	-	-	-	-	-	-	-
Female	1	1	100%	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3</b>	<b>3</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Includes ESIC.

- b. Details of measures for the well-being of workers:

% of workers covered by											
Category	Total A	Health insurance*		Accident insurance		Maternity benefits		Parental benefits		Day care facilities	
		No. B	% (B/A)	No. C	% (C/A)	No. D	% (D/A)	No. E	% (E/A)	No. F	% (F/A)
<b>Permanent workers</b>											
Male	303	300	99%	303	100%	-	-	303	100%	303	100%
Female	27	27	100%	27	100%	27	100%	-	-	27	100%
<b>Total</b>	<b>330</b>	<b>327</b>	<b>99%</b>	<b>330</b>	<b>100%</b>	<b>27</b>	<b>100%</b>	<b>303</b>	<b>100%</b>	<b>330</b>	<b>100%</b>
<b>Other than permanent workers</b>											
Male	193	192	99%	-	-	-	-	-	-	-	-
Female	23	23	100%	-	-	23	100%	-	-	-	-
<b>Total</b>	<b>216</b>	<b>215</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*Includes ESIC.



2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	Current financial year			Previous financial year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	69%	96%	Y	72%	99%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	33%	88%	Y	43%	92%	Y

3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Though we do not have any differently abled employees and workers, we are continuously working towards improving infrastructure. Our corporate office has ramps for easy transfer of wheelchairs. We also have elevators and certain infrastructure for better movement of differently abled individuals.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company's Code of Conduct covers the aspect related to equal opportunity policy. In line with the Code of Conduct, the Company firmly believes in providing all employees with equal opportunities and is dedicated to creating an inclusive work culture, free from any form of discriminations. In addition, Company's BRSR policy set guidelines to provide equal opportunity to all employees during the recruitment process.

The Company believes in promoting diversity and inclusion in its work culture which allows all employees to bring their authentic selves to work and contribute wholly with their skills, experience, and perspective for creating unmatched value for all stakeholders.

The Company has zero tolerance for harassment and discrimination of employees at the workplace. We promote a culture wherein employees can freely raise and discuss their concerns with the HR department. We have structured communication channel through which employees can discuss and seek resolutions to their concerns.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	NA	NA	NA
Female	-	NA	NA	NA
Total	100%	NA	NA	NA

\*In FY 2021-22 no employees have taken parental leave, hence retention rate is not applicable. In FY 2022-23 two female employees have taken the maternity leave, which is still in continuity as on 31<sup>st</sup> March 2023. No workers have taken parental leave in FY 2021-22 and FY 2022-23. Hence, Return to work and retention rates are not applicable.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent employees	Yes.
Other than permanent employees	
Permanent workers	
Other than permanent workers	





The Company has grievance redressal mechanism in place for its employees and workers. It aims to provide a fair and transparent mechanism for employees to raise their concerns, ensuring timely complaint resolution, and promoting a positive work environment.

At corporate level, employees can report their grievances to the Corporate HR Business Partner and at factory and warehouse level, employees can raise grievances to the factory HR lead. All the grievances are recorded anonymously. Corporate HR Business Partner addresses the raised concerns to provide adequate resolutions. If any concerns remain unresolved, they are escalated to the Chief Human Resource Officer.

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

The Company does not have any employee associations.

**8. Details of training given to employees and workers:**

Category	Current financial year 2022-23					Previous financial year 2021-22				
	Total A	On health & safety measures		On skill upgradation		Total D	On health & safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	341	157	46%	145	43%	302	45	15%	2	0.66%
Female	73	25	34%	30	41%	59	28	47%	1	1.69%
<b>Total</b>	<b>414</b>	<b>182</b>	<b>44%</b>	<b>175</b>	<b>42%</b>	<b>361</b>	<b>73</b>	<b>20%</b>	<b>3</b>	<b>0.83 %</b>
<b>Workers</b>										
Male	303	124	41%	0	0	315	0	0	0	0
Female	27	12	44%	0	0	28	0	0	0	0
<b>Total</b>	<b>330</b>	<b>136</b>	<b>41%</b>	<b>0</b>	<b>0</b>	<b>343</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**9. Details of performance and career development reviews of employees and worker:**

Category	Current financial year 2022-23			Previous financial year 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	The performance and career development review are yet to be done			302	289	96%
Female				59	45	76%
<b>Total</b>				361	334	93%
<b>Workers</b>						
Male	Not applicable			Not applicable		
Female						
<b>Total</b>						

**10. Health & safety management system**

**a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, at Vedant Fashions Limited safety is at the core of our organizational objective and we regard it with utmost priority. The Company's approach to occupational health and safety is articulated in Company's BRSR policy. All health and safety related issues are managed by Company's Human Resources team. Periodic internal communication and alerts are sent out to employees and awareness sessions are conducted on safety related aspects.

Additionally, we undertake precautionary measures such as installing fire extinguishers along with water sprinklers at the corporate office, factory and warehouse. Our employees and workers working at the factory, warehouse and corporate office premises are given periodic training on basic and advanced fire safety, including evacuation drills. The Company also offers health insurance and term life insurance to its own employees and group personal accident policy to franchisee employees and furthermore, it has collaborated with a third-party agency to offer diagnostic services to the Company's



employees and their dependents at discounted rates. The Company also has a proper HR policy defining work hours to take care of the work-life balance of the employees.

**b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company's draft ERM framework has established strategies for recognizing and evaluating possible risks that could hinder the Company's operations. This framework comprises a set of processes for defining risk appetite of the Company, managing multiple and cross enterprise risks and identifying risk owners with clearly defined roles and responsibilities.

Additionally, the Company performs internal audits at its factory premise, warehouse, and jobber sites to evaluate work related hazards and identify any policy violations, including those related to health and safety.

**c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, the Company has system in place for employees and workers to report work related hazards.

**d) Do the employees have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, the Company provides health insurance and term life insurance to its employees and has collaborated with a third-party agency to offer diagnostic services to its employees and their dependents at reduced rates.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
Total recordable work-related injuries	Employees	Nil	Nil
No. of fatalities	Employees	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company places a strong emphasis on ensuring health and safety of its employees and workers across the organization. The Company's HR policy promotes work-life balance for everyone. The Company has internal process in place to evaluate the effectiveness of the systems to promote health and safety and to ensure that all applicable laws, regulations, and standards are being followed.

The Company conducts fire drills at its factory, warehouse, and corporate office to reinforce its commitment to promoting health and safety. These drills are designed to test the readiness and responsiveness of employees in the event of a fire or other emergency. In addition, the Company offers employee training and awareness programs on health and safety and also covers the workers working at the factory and warehouse premises. These programs are aimed at providing employees with the knowledge and skills they need to maintain a safe and healthy work environment.

In addition, it has installed fire extinguishers along with water sprinkle at factory, warehouse, and corporate office for safety purpose. The Company also organizes a fire safety week for its Franchisees. This week involves evaluating all Franchisee stores based on specific criteria and providing fire safety training to the Franchisee employees.



### 13. Number of Complaints on the following made by employees and workers:

Vedant Fashions Limited has not received any complaint on "Health & Safety" and "Working Conditions" in FY23 and FY22. However, the Company encourages its employees and workers to proactively submit safety observations and report unsafe acts and conditions at workplace as a preventive action.

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health and safety	Nil	Nil	-	Nil	Nil	-

### 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Working Conditions	The Company conducts internal assessments of its offices, warehouses, and factories to evaluate their fire safety and working environments. However, no assessments have been conducted by statutory authorities or third parties.
Health and safety	

### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not applicable

### Leadership Indicators

#### 1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company provides term life insurance to its own employees.

#### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company's compliance team ensures that all relevant clauses pertaining to statutory compliance (GST and TDS which are in relation to Vedant Fashions Limited) are validated and upheld by the Company's value chain partners.

#### 3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Nil

#### 4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

The Company offers a service extension opportunity to retired employees, which allows them to continue working for an additional year beyond their retirement date.



**5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% for franchisee partners
Working conditions	Nil

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Nil

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Vedant Fashions Limited has a dedicated BRSR policy which highlights the need for meaningful stakeholder engagement to improve decision making and accountability. The Company has identified its key stakeholder groups on the basis of the extent to which they influence the Company's business operations and vice versa and regularly engages with them to build trust, business transparency and ensure risk management. These stakeholder groups include employees and workers, suppliers, local communities, customers, investors, shareholders and the media. Going forward, Vedant Fashions Limited is looking to define a more structured mechanism for stakeholder identification.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and workers	No	Company meetings, training programs, email and workshops	Conducted on periodic basis	Workforce wellbeing, grievance redressals, training leading to skill development and sensitization on health and safety
Customers and Franchisee stores	No	Customers: Advertisements on print and electronic media, customer satisfaction surveys, feedback at stores Franchisee stores: Phone, Email, WhatsApp, Internal Portal	Conducted on need basis	Spreading brand awareness
Suppliers and value chain partners	No	Email, SMS, WhatsApp, Jobber's portal	Conducted on need basis	Discussions on orders and purchase prices, material quality, delivery timelines, agreement tenures, inclusion of small-scale suppliers and jobbers.
Local communities	No	In-person visits with local community members, connecting with NGOs implementing the CSR projects for the local communities	Conducted on need basis	Community development, ensuring basic amenities for day-to-day life



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors and Shareholders	No	Annual reports, media announcements, Conference Calls, Earnings Calls, investor conferences, interactions with analysts.	Annual reports – Investor Conference / meeting	Company performance – profits, revenue, financial health of the Company
Media	No	Conferences, interviews, advertisements	Conducted on need basis	Brand promotion, spreading awareness about Vedant Fashions Limited as a responsible corporate citizen

#### Leadership Indicators

**1. Provide the process for consultation between stakeholders and the Board on environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Vedant Fashions Limited acknowledges the inputs it receives from stakeholders for sustainable business growth. Thus, the Company's Chairman and Managing Director (CMD) interact regularly with the key stakeholders to share their views, interests and concerns around the evolving ESG (Environment, Social, Governance) landscape and its impact on the business operations. Further, the Board, through the Chairman & Managing Director (CMD) provides strategic direction to the Company's sustainability and CSR practices along with reviewing and monitoring of the planning initiatives. The economic aspects of the Company are regularly discussed with the investors and shareholders.

Also, the Company has been conducting stakeholder engagement exercise from time to time to address multiple concern areas including economic, social and environment. The feedback received from the stakeholder engagements is reported to the Board for integration into the business strategy and decisions.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, outcomes from stakeholder engagement are shared with the senior management to identify the key sustainability risks and opportunities for the Company. Based on which, the Company plans its future strategy and business actions ensuring that the identified risks are mitigated and opportunities are explored.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

The Company promotes procurement of raw materials from MSME suppliers. As of FY 2022-23, 57% of the Company's input materials have been sourced from small suppliers. The Company promotes growth and livelihoods of its vendors and jobbers. Additionally, it has also extended employment opportunities to local artisans and embroidery workers across the nation.



**Principle 5: Businesses should respect and promote human rights.**

Essential Indicators

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	414	414	100%	361	361	100%
Other than permanent	3	3	100%	4	4	100%
Total employees	417	417	100%	365	365	100%
<b>Workers</b>						
Permanent	330	330	100%	343	343	100%
Other than permanent	216	216	100%	197	197	100%
Total workers	546	546	100%	540	540	100%

\*All the new hires are given CoC trainings which covers human rights aspect

**2. Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent	414	0	0	414	100%	361	0	0	361	100%
Male	341	0	0	341	100%	302	0	0	302	100%
Female	73	0	0	73	100%	59	0	0	59	100%
Other than permanent	3	0	0	3	100%	4	0	0	4	100%
Male	2	0	0	2	100%	3	0	0	3	100%
Female	1	0	0	1	100%	1	0	0	1	100%
<b>Workers</b>										
Permanent	330	0	0	330	100%	343	0	0	343	100%
Male	303	0	0	303	100%	315	0	0	315	100%
Female	27	0	0	27	100%	28	0	0	28	100%
Other than permanent	216	0	0	216	100%	197	0	0	197	100%
Male	193	0	0	193	100%	173	0	0	173	100%
Female	23	0	0	23	100%	24	0	0	24	100%



**3. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration / salary/ wages of respective category	Number	Median remuneration / salary/ wages of respective category
Board of Directors	1	8,20,12,987	1	5,46,75,321
Key managerial personnel	3	69,24,847	1	5,46,75,321
Employees other than BoD and KMP	338	3,51,608	72	3,30,929
Workers	303	1,89,756	27	1,86,976

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Chief Human Resource Officer (CHRO) and Corporate HR Business Partner are responsible for addressing human rights impacts and issues.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company is dedicated to upholding human rights in accordance with applicable national and international regulations. The Company maintains a strict zero-tolerance towards all forms of child labour, forced labour, violence, and any physical, sexual, psychological or verbal abuse.

The BRSR and Whistle Blower policy provide the guidelines with respect to human rights of the employees and the Company also has a system in place to address employee grievances in a fair and structured manner. Employees are encouraged to report their grievances with respect to Sexual harassment to the HR department, which then duly investigates into the matter and takes appropriate actions to resolve the same. The Company's CHRO is responsible for monitoring and overseeing human rights-related issues and provides periodic reports to the CMD.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23			FY 2021-22		
	Filled during the year	Pending resolution at the end of year	Remarks	Filled during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	-	0	0	-
Discrimination at workplace	0	0	-	0	0	-
Child labour	0	0	-	0	0	-
Forced labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has a strong commitment to creating a workplace that is inclusive and free from any type of discrimination or harassment. To achieve this goal, the Company has drafted a comprehensive BRSR policy that set guidelines to ensure that all employees are treated equally and with dignity.

The Company also has a grievance mechanism in place to collect, organize, document and report cases related to discrimination and harassment and ensure that they are addressed by an appropriate authority. Additionally, the Company regularly conducts internal meetings to educate and sensitize its employees on the prevention of sexual harassment in the workplace.



**8. Do human rights requirements form part of your business agreements and contracts?**

Yes, in certain agreements and contracts.

**9. Assessment of the Year**

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	<ul style="list-style-type: none"> <li>100%, the Company's operational areas are subject to periodic assessment and process control reviews. The Company's internal team verifies that policies and procedures are being followed according to defined processes, and ensure that human rights aspects, such as child labour, sexual harassment, and minimum wages, are properly justified and reported.</li> </ul>
Forced labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – Please specify	

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not applicable

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

No such modification being done. However, the Company's BRSR policy is applicable for all its employees, including directors and senior management. It covers Vedant Fashions Limited's commitment towards safeguarding human rights, and any breach of the policy by an employee may result in disciplinary measures. To learn more about this, please refer to the answers given to Questions 5 and 7 under essential indicators of Principle 5.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

The Company has not conducted any Human Rights due diligence separately.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, the Company's office is accessible to differently abled visitors.

**4. Details on assessment of value chain partners:**

	<b>% of plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	<ul style="list-style-type: none"> <li>The Company has not conducted any assessment of value chain partners for Human Rights. However, the Company encourages all of its suppliers, franchisees and jobbers adhere to the relevant legal requirements.</li> </ul>
Forced labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – Please specify	

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not applicable.



**Principle 6: Businesses should respect and make efforts to protect and restore the environment.****Essential Indicators****1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	3304.73 GJ	2389.45 GJ
Total fuel consumption (B)	363.49 GJ	611.73 GJ
Energy consumption through other sources (C)	NA	NA
Total energy consumption (A+B+C)	3668.22 GJ	3001.18 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.28 GJ/INR million	0.30 GJ/INR million
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

If any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

No.

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

**3. Provide details of the following disclosures related to water, in the following format:**

The Company's use of water is limited to human consumption. Since its manufacturing operations are majorly outsourced, the Company has limited activities like stitching, cutting, and finishing at the factory and storage and dispatch at the warehouse premises. Thus, water is used only for domestic purposes across Vedant Fashions Limited's factory, warehouse, corporate office and stores.

Sources of water include purchased water bottles for drinking purposes and the municipality water supply. The Company ensures no wastage of water, thereby resulting in minimal usage of this valuable natural resource.

Amount of drinking water consumed\* (based on litres of drinking water purchased) for the current and previous financial years are listed below:

FY 2022-23: 540.68 KL

FY 2021-22: 386.80 KL

\*Data includes factory, warehouse, and office only

If any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

No

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Not Applicable

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Not applicable

If any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

No



**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions* (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	25.98	43.77
Total Scope 2 emissions** (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	651.77	471.25
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.05 tCO <sub>2</sub> e/INR million	0.05 tCO <sub>2</sub> e/INR million
Total Scope 1 and Scope 2 emission intensity(optional) – the relevant metric may be selected by the entity		NA	NA

\*Scope 1 emissions include fuel consumption (diesel and petrol) by Company-owned vehicles, and amount of CO<sub>2</sub> refilled in fire extinguishers. The Company's factory and warehouse use DG sets which run on diesel, but the ownership and records of diesel consumption lie with the property builder/owner.

\*\*Scope 2 emissions comprise electricity consumption at the Company's factory, warehouse, and office.

**If any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.**

No

**7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

The Company is endeavouring to reduce the GHG emissions from its own operations. It has energy efficient lighting and air conditioning system in place at their own premises. The Company has also initiated the process of converting VFL owned four-wheelers into electric vehicles.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>Total waste generated</b>		
Plastic waste (A)	11,658 kgs	11,618 kgs
E-waste (B)	272.870 kgs	150.420 kgs
Bio-medical waste (C)	NA	NA
Construction and demolition waste (D)	NA	NA
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	NA	NA
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	Textile waste: 4,916 kgs Cardboard: 2,425 kgs	Textile waste: 4,217 kgs Cardboard: 2,424 kgs
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>19,271.87 kgs</b>	<b>18,409.42 kgs</b>
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations		
Category of waste		
(i) Recycled**	12,000 kgs	12,000 kgs
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
<b>Total</b>	<b>12,000 kgs</b>	<b>12,000 kgs</b>
For each category of waste generated, total waste disposed by nature of disposal method		
Category of waste		
(i) Incineration	NA	NA
(ii) Landfilling	NA	NA



Parameter	FY 2022-23	FY 2021-22
(iii) Other disposal operations (Vedant Fashions Limited has sent them to vendors)	E-waste: 272.870 kg Textile waste: 4,916 kgs Cardboard: 2,425 kgs	E-waste: 150.420 kg Textile waste: 4,217 kgs Cardboard: 2,424 kgs
<b>Total</b>	<b>7,613.87 kgs</b>	<b>6,791.42 kgs</b>

\*\*Recycled waste includes plastic wastes collected and recycled by authorised recycler as per EPR guidelines under PWM rules, 2016.

**If any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.**

No

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Vedant Fashions Limited strives to reduce and recycle waste as much as possible. The Company's generated waste primarily comprises of food, waste, paper, plastic, cut piece fabric and E-waste. E-waste (such as waste electrical and electronic equipment) are managed through authorized vendors as per the latest E-waste management rules laid by the Government of India.

The Company has engaged an authorized EPR agency to collect, transport, and recycle plastic waste in compliance with the Plastic Waste (amended) Management Rules, 2022 and EPR guidelines. Accordingly, the Company has submitted an EPR action plan to the Central Pollution Control Board and has applied for registration as a Brand Owner. Other types of wastes generated across our operations such as cloth pieces, threads, paper, etc. are sold at rates per kilo to scrap dealers.

The Company does not generate any hazardous and toxic chemical wastes through its operations.

The Company has also undertaken various initiatives to curb the generation of wastes. Some notable initiatives are:

- Electronic signing of Agreements/ Documents.
- Planning to introduce digital invoices instead of paper invoices to reduce paper waste.
- Curbing plastic waste: The Company is using glass/steel water bottles instead of plastic water bottles at their office for all employees, to stop the generation of plastic waste. We have also replaced plastic handbags with paper bags at the store level for the same purpose.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Not applicable

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Not applicable

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Based on the nature of its business, the Company complies with applicable environmental norms.

**Leadership Indicators**

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23	FY 2021-22
<b>From renewable sources**</b>		
Total electricity consumption (A)	NA	NA
Total fuel consumption (B)	NA	NA
Energy consumption through other sources (C)	NA	NA
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>NA</b>	<b>NA</b>



Parameter	FY 2022-23	FY 2021-22
<b>From non-renewable sources</b>		
Total electricity consumption (D)	3304.73 GJ	2389.45 GJ
Total fuel consumption (E)*	363.49 GJ	611.73 GJ
Energy consumption through other sources (F)	NA	NA
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>3668.22 GJ</b>	<b>3001.18 GJ</b>

\* Fuel consumption includes diesel and petrol consumed by Company-owned vehicles. The Company's factory and warehouse use DG sets which run on diesel, but the ownership and records of diesel consumption lie with the property builder/owner.

\*\*The Company does not have renewable energy sources in its energy mix however, it is undertaking feasibility studies to understand the possibilities and means of implementing renewable energy sources in its operations.

**If any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.**

No

**2. Provide the following details related to water discharged:**

The Company's factory and warehouse are situated in business complexes, where water supplies and discharges are taken care of by the property owner/builder for the entire complex as a whole. Hence, the amount of water discharged for the factory and warehouse in particular cannot be monitored. However, the Company ensures no wastage of water, thereby resulting in minimal usage of this valuable natural resource.

**If any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.**

No

**3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

**For each facility / plant located in areas of water stress, provide the following information:**

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

The Company's operations are not located in areas of water stress hence this question is not applicable for the Company.

**If any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.**

No

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

The Company is currently not calculating its scope 3 emissions.

**If any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.**

No

**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Question 10 is not applicable for the Company as it does not have operations/offices in/around ecologically sensitive areas. Hence, there are no significant direct & indirect impact of the entity on biodiversity in such areas.



6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Warehouse Management System (WMS)	WMS manages and optimizes various warehouse operations especially Inventory Management - receiving, and shipping, order fulfilment, and more.	WMS helps in effective inventory management by ensuring timely and accurate delivery of goods.
2	Electronic Signing of Agreements & Documents	The Company has initiated execution of Agreements and Documents through electronic signing and aadhar based signing.	eSigning has helped the Company reduce consumption of paper and generation of paper waste and reduced the time required for document execution including convenience of signing parties.
3	Digital invoicing system	The Company is planning to introduce digital invoicing system at stores level. Every customer is handed a digital invoice, instead of the erstwhile paper invoice.	Digital invoicing system has helped the Company reduce consumption of paper as a resource and curb the generation of paper waste.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The risk management committee of the Company carries out a comprehensive analysis of emerging risks to identify potential threats to the organization's business operations. Based on this review, the committee formulates a business continuity plan to ensure that the Company can continue its operations even in the event of an unexpected disruption or crisis.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The Company acknowledges that usage of plastics in their product packaging (for example, using plastic carry-bags while selling the apparel in their stores) causes significant adverse impact to the environment. Thus, the Company has switched to alternatives like cloth and paper bags.

The Company is taking initiatives for migration from paper invoices to digital invoices, electronic signing of Agreements/ documents, thereby reducing usage of paper and curbing paper waste.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

As of now, the Company conducts no such assessments.

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

#### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

6 (Six).

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ Associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	Bharat Chamber of Commerce	National
3	Retailers Association of India	National
4	The Clothing Manufacturers Association of India	National
5	Eastern India Garment Manufacturers & Exporters Federation	National
6	Indian Chamber of Commerce	National



**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

The Company has not engaged in any anti-competitive conduct.

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

The Company's BRSR Policy covers policy on Responsible Advocacy. It is approved by the Board and provides the guideline for necessary interface with Government/ Regulatory Authorities on matters concerning the industry/sector in which the Company operates.

**Principle 8: Businesses should promote inclusive growth and equitable development.**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not applicable

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

Not applicable.

**3. Describe the mechanisms to receive and redress grievances of the community.**

Through its CSR activities, the Company seeks to respond to the needs of less-privileged communities, in a sensitive and impactful manner and enable these communities to achieve a better quality of life. The Company's CSR committee selects the implementing agencies to execute the CSR activities on ground. The implementing agency conducts regular interaction sessions with the communities in the intervention areas to identify, discuss and address any issues of community members pertaining to CSR activities.

The CSR team oversees and reviews the implementation process to ensure that any grievances raised by community members are promptly addressed.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	57%	52%
Sourced directly from within the district and neighbouring districts	25%	28%

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above).**

Not applicable

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.**

Nil



3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

The BRSR policy on product stewardship provides the guidelines for responsible sourcing. The Company consistently emphasizes sourcing raw materials and finished products from local suppliers who are small scale, and they actively strive to support and promote the growth and livelihoods of these suppliers. Additionally, the Company has extended employment opportunities to local artisans and embroidery workers across the nation.

b) From which marginalised/vulnerable groups do you procure?

Not any

c) What percentage of total procurement (by value) does it constitute?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Not applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not applicable

6. Details of beneficiaries of CSR Projects:

Sr. No.	Name of the Project	Name of the Implementing Agency	No. of Lives Impacted	% of beneficiaries from vulnerable and marginalised groups
1	Ekal Vidyalaya	Friends of Tribal Society	4,500	100%
2	Bankra School Construction	Samaritan Help Mission	4,000	100%
3	Education for Sustainable Development	Help Us Help Them	1,000	100%
4	Eye-operations of the needy	East Kolkata Nagrik Foundation	600	100%
5	Kalatek New Basti Project	Ramakrishna Mission Ashrama, Sohra	480	100%
6	Parivaar Seva Kutirs	Parivaar Education Society	310	100%
7	Construction of Alpha School, Kachai Village	Sunbird Trust	236	100%
8	Cardiac Surgery of the needy	Narayana Hrudayalaya Ltd - RTIICS	112	100%
9	Cancer Treatment of the needy	Meridian Medical Research & Hospital Ltd (NSH Howrah)	69	100%
10	Cancer Treatment of the needy	Eastern India Healthcare Foundation (Medica Hospitals)	63	100%
11	The Manyavar Scholars	International Foundation for Research and Education (Ashoka University)	9	100%
	<b>Total</b>		<b>11,379</b>	

**Note** – Similar data for the below-mentioned agencies are not available, since the ultimate beneficiaries are not identified, and the project/initiative is aimed at general public:

- Siddhartha Shankar Ray Foundation
- Suresh Kumar Chirimar Charitable Trust
- Rural Healthcare Foundation

**Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.****Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Vedant Fashions Limited understands the importance of proper consumer engagement. Hence, the Company has incorporated relevant guidelines pertaining to consumer relationship in its BRSR policy, that recognize consumer centricity as key to its sustainable operations. It has established a comprehensive consumer feedback system that allows consumers to share their queries or complaints through various channels such as mail, voice call (cellular, landline, toll-free), webchat, contact form, and social media. The consumer service representatives collect and organize the feedback received and respond to the consumers appropriately. Additionally, the Company has introduced e-bills that include a feedback link for consumers to provide their inputs.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and/or safe disposal	100%

**3. Number of consumer complaints in respect of the following:**

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	1	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Other	4014	32	NA	7969	0	NA

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the Company has an internal IT policy, and a Standard Operating Procedure (SOP) for its IT systems. The documents provide direction to the organization pertaining to aspects like cyber security and data privacy, and the risks related to them.

Further, the Company's BRSR Policy provides the necessary guidelines related to customer data privacy.





**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

At Vedant Fashions Limited, any issue raised by any consumer is dealt with utmost priority, and care is taken to ensure that consumers are satisfied with the resolutions offered. In FY2022-23, a complaint regarding data privacy was lodged by a consumer, via the Company's Customer Relationship Management (CRM) team. The consumer was offered with two solutions and was asked to select the one they are most satisfied with. The solutions were:

- **Option 1** – The Company would be disabling the consumer's account from their system. However, in this case the consumer would not be able to login using existing details and would have to use a different email address to create a new account in the Company portal.
- **Option 2** – The Company would be removing existing consumer details from the system. In this case, the consumer can recreate the account in the Company portal in future using the same email address.

The consumer had chosen option 1 as the solution to be offered. Accordingly, the Company has disabled the consumer's account from the portal, which has also been communicated to the CRM team and eventually to the consumer.

#### Essential Indicators

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Details about the brands and products of Vedant Fashions Limited can be found on the Company's website. Please visit the following web links to access the same:

Vedant Fashions Limited: [Vedant Fashions Limited](#)

Manyavar: [Buy best Indian Wedding, Ethnic & Sangeet wear for Men online by Manyavar.com](#)

Mohey: [Indian Dresses Online: Women Ethnic Wear, Party Wear Salwar Suits- Mohey \(manyavar.com\)](#)

Twamev: <https://www.twamev.com/>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

All Businesses of the Company comply with the regulations and relevant voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. The Company's communications are aimed at enabling consumers to make informed purchase decisions. The Company also makes efforts to educate consumers on responsible usage of its products and services. Every Vedant Fashions Limited's product comes with a tag, which contains detailed steps for responsible handling of the products, aimed at sensitising customers about the same.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company's operations and products/services do not qualify under essential services - hence this is not applicable for the Company.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, the product tags of the Company's products come with a bar code, scanning of which provides the customers with details pertaining to the product size and other specifications.

Yes, Vedant Fashions Limited conducts such customer satisfaction surveys.

**5. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches along-with impact: 0
- b. Percentage of data breaches involving personally identifiable information of Customers: 0

# Financial Statements





# Independent Auditor's Report

To  
The Members of **Vedant Fashions Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Vedant Fashions Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

**Revenue recognition** See Note 30 and 54(i) to standalone financial statements

Key audit matter	How our audit address the key audit matter
<p>Revenue is recognised when the Company satisfies performance obligations under the terms of contract with customers by transferring control of the products being sold to customers.</p> <p>The terms of contracts with customers, including the timing of transfer of control and nature of revenue arrangements creates complexities which requires judgment in determining revenues.</p> <p>The refund liability is estimated considering historical trend of actual returns and expected period over which such products could be returned which is inherently complex and judgmental. Accordingly, we have identified revenue recognition as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Evaluated design and implementation and tested operating effectiveness of the Company's key controls over recording of revenue, revenue cut-off and accrual of refund liability.</li> <li>Performed substantive testing (including year-end cut off testing). We selected samples of revenue transactions recorded during the year and verified the underlying sales invoices and shipping documents to evidence the transfer of control.</li> <li>Performed procedures to test actual sales returns recorded during the year on a test basis and verified the relevant source documents.</li> <li>Performed a retrospective analysis of the Company's estimate of refund liabilities by comparing actual returns in current financial year with provisions recorded in prior period.</li> </ul>



## Goodwill and Brand: Impairment Assessment See Note 5(2) to standalone financial statements

Key audit matter	How the matter was addressed in our audit
<p>The Company tests goodwill and brand for impairment annually or more frequently when there is an indication of impairment of the cash generating unit to which goodwill has been allocated.</p> <p>The annual impairment testing of these intangible assets involves significant estimates and judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows.</p> <p>Accordingly, impairment assessment of intangible assets is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluated design and implementation and tested operating effectiveness of controls over the Company's process of impairment assessment.</li> <li>• Assessed the valuation methodology used and challenged the assumptions used, in particular, those relating to forecast revenue growth and earnings and discount rate with the assistance of our valuation specialists.</li> <li>• Performed retrospective analysis of financial projections prepared by the Company by comparing projections for previous financial years with actuals.</li> <li>• Performed sensitivity analysis of key assumptions.</li> <li>• Evaluated the adequacy of disclosures in respect of impairment evaluation of intangible assets in the standalone financial statements.</li> </ul>

## Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report(s) thereon.

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

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

## Management's and Board of Directors Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions

of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

- a. The standalone financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor who had expressed an unmodified opinion on 9 May 2022.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



B. 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, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 43 to the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d
  - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 53 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 53 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our

notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 17 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No.:101248W/W-100022

**Seema Mohnot**  
Partner

Place: Kolkata  
Date: 28 April 2023

Membership No.: 060715  
ICAI UDIN:23060715BGPZZX7366



## Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Vedant Fashions Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii) (b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and granted loans to other parties, in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties. The Company has not granted any loans to companies, firms or limited liability partnership.

- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other parties as below:

Particulars	(INR in millions)
	Loans
<b>Aggregate amount during the year</b>	
- Others	0.26
<b>Balance outstanding as at balance sheet date</b>	
- Others	0.03



- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 (“the Act”). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in million)	Period to which the amount relates	Forum where dispute is pending	Amount paid under protest (Rs. in million)
Tamil Nadu VAT Act, 2006	Value added tax	0.84	2009-10 to 2011-12	High Court, Tamil Nadu	0.28
ESI Act West Bengal	ESI	7.49	2006-07	Employee State Insurance Corporation Kolkata	0.84
Income Tax Act, 1961	Income Taxes	232.56	AY 2013-14 to AY 2017-18	Commissioner of Income Tax (Appeals)	46.51
Income Tax Act, 1961	Income Taxes	1.64	AY 2020-21	Commissioner of Income Tax (Appeals)	Nil
Income Tax Act, 1961	Income Taxes	3.84	AY 2021-22	Commissioner of Income Tax (Appeals)	Nil





- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.



- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No.:101248W/W-100022

**Seema Mohnot**  
Partner  
Membership No.: 060715  
ICAI UDIN:23060715BGPZZX7366

Place: Kolkata  
Date: 28 April 2023



## **Annexure B** to the Independent Auditor's Report on the Standalone Financial Statements of Vedant Fashions Limited for the year ended 31 March 2023

### **Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of Vedant Fashions Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Seema Mohnot**

Partner

Membership No.: 060715

ICAI UDIN:23060715BGPZZX7366

Place: Kolkata

Date: 28 April 2023



## Standalone Balance Sheet as at March 31, 2023

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

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	709.90	731.94
(b) Right of use assets	4	2,782.71	2,519.06
(c) Capital work in progress	4	20.22	-
(d) Goodwill	5	157.11	157.11
(e) Other intangible assets	5	1,525.67	1,542.73
(f) Intangible assets under development	5	1.68	1.04
(g) Financial assets			
(i) Investments	6	1,894.59	1,203.43
(ii) Others	7	621.84	457.27
(h) Non-current tax assets (net)	9	52.44	37.78
(i) Other non-current assets	8	667.32	669.50
<b>Total non-current assets</b>		<b>8,433.48</b>	<b>7,319.86</b>
<b>Current assets</b>			
(a) Inventories	10	1,732.31	1,414.95
(b) Financial assets			
(i) Investments	11	6,032.09	4,034.47
(ii) Trade receivables	12	4,728.40	3,947.99
(iii) Cash and cash equivalents	13	79.07	30.66
(iv) Bank Balances other than (iii) above	14	2.61	2.61
(v) Others	15	166.47	307.76
(c) Other current assets	16	433.82	418.04
<b>Total current assets</b>		<b>13,174.77</b>	<b>10,156.48</b>
Assets held for sale	55	-	13.26
<b>Total assets</b>		<b>21,608.25</b>	<b>17,489.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	17	242.78	242.70
(b) Other equity	18	13,707.69	10,598.61
<b>Total Equity</b>		<b>13,950.47</b>	<b>10,841.31</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	19	1,958.31	1,828.41
(ii) Deposits	20	1,064.18	909.63
(b) Provisions	21	35.13	29.06
(c) Deferred tax liabilities (net)	22	198.47	170.42
(d) Other non-current liabilities	23	439.71	393.12
<b>Total Non-current liabilities</b>		<b>3,695.80</b>	<b>3,330.64</b>



## Standalone Balance Sheet as at March 31, 2023

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

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	24	967.20	800.26
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	25	196.84	158.10
- total outstanding dues of creditors other than micro enterprises and small enterprises	25	648.17	525.75
(iii) Others	26	362.84	295.77
(b) Other current liabilities	27	1,741.24	1,479.99
(c) Provisions	28	2.47	4.25
(d) Current tax liabilities (net)	29	43.22	53.53
<b>Total current liabilities</b>		<b>3,961.98</b>	<b>3,317.65</b>
<b>Total liabilities</b>		<b>7,657.78</b>	<b>6,648.29</b>
<b>Total equity and liabilities</b>		<b>21,608.25</b>	<b>17,489.60</b>
Summary of Significant Accounting Policies	3		

The accompanying notes are an integral part of the Standalone financial statements

In terms of our report attached of the even date

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 101248W/W-100022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)  
For and on behalf of the Board of Directors

**Seema Mohnot**  
Partner  
Membership No. 060715

**Ravi Modi**  
Chairman and Managing Director  
DIN : 00361853

**Shilpi Modi**  
Wholetime Director  
DIN : 00361954

Place: Kolkata  
Date: April 28, 2023

**Rahul Murarka**  
Chief Financial Officer

**Navin Pareek**  
Company Secretary  
ICSI Membership No. F10672



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

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

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income:</b>			
I Revenue from operations	30	13,259.64	10,087.45
II Other income	31	370.42	485.42
<b>III Total income (I + II)</b>		<b>13,630.06</b>	<b>10,572.87</b>
<b>IV Expenses:</b>			
Cost of materials consumed			
- Raw materials	32A	1,436.47	1,152.03
- Accessories & packing materials	32B	190.54	175.73
Purchases of stock-in-trade	33	2,280.96	1,706.48
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(403.53)	(368.85)
Employee benefits expense	35	551.80	561.28
Finance costs	36	303.51	270.70
Depreciation and amortisation expense	37	974.57	880.33
Other expenses	38	2,625.42	2,057.49
<b>Total expenses</b>		<b>7,959.74</b>	<b>6,435.19</b>
<b>V Profit before tax (III-IV)</b>		<b>5,670.32</b>	<b>4,137.68</b>
<b>VI Tax expense:</b>			
- Current tax		1,425.59	1,033.64
- Deferred tax		15.82	20.50
<b>Total Tax expense</b>		<b>1,441.41</b>	<b>1,054.14</b>
<b>VII Profit for the year (V-VI)</b>		<b>4,228.91</b>	<b>3,083.54</b>
<b>VIII Other comprehensive income/(loss)</b>			
<b>Item that will not be reclassified to profit or loss</b>			
(a) Re-measurement gains on defined benefit obligations		1.18	0.33
(b) Income tax effect on above		(0.30)	(0.08)
<b>Item that will be reclassified to profit or loss</b>			
(a) Fair value changes in debt instruments through other comprehensive income		47.38	(4.30)
(b) Income tax effect on above		(11.93)	1.08
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>36.33</b>	<b>(2.97)</b>
<b>IX Total comprehensive income for the year</b>		<b>4,265.24</b>	<b>3,080.57</b>
X Earnings per equity share (EPS) (face value of share of INR 1 each)			
<b>Basic (in INR per share)</b>	39	17.42	12.63
<b>Diluted (in INR per share)</b>	39	17.42	12.63
<b>Summary of Significant Accounting Policies</b>	3		

The accompanying notes are an integral part of the Standalone financial statements

In terms of our report attached of the even date

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 101248W/W-100022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)  
For and on behalf of the Board of Directors

**Seema Mohnot**  
Partner  
Membership No. 060715

**Ravi Modi**  
Chairman and Managing Director  
DIN : 00361853

**Shilpi Modi**  
Wholetime Director  
DIN : 00361954

Place: Kolkata  
Date: April 28, 2023

**Rahul Murarka**  
Chief Financial Officer

**Navin Pareek**  
Company Secretary  
ICSI Membership No. F10672



## Standalone Statement of Cash Flows for the year ended March 31, 2023

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash Flows from Operating Activities</b>		
Profit before tax	5,670.32	4,137.68
<b>Adjustments for :</b>		
- Depreciation and amortisation expenses	974.57	880.33
- (Profit)/Loss on sale/discard of property, plant & equipment (net)	(28.25)	0.14
- Interest income	(86.10)	(76.58)
- Profit on sale of investments (net)	(55.16)	(63.99)
- Profit on fair valuation of investments carried at FVTPL	(177.66)	(99.11)
- Impairment losses on financial assets	14.30	19.15
- Bad debts/advances written off	2.04	1.47
- Liabilities/provisions no longer required written back	(10.14)	(28.36)
- Unrealised net (gain)/loss on foreign currency transactions and translations	(0.05)	0.22
- Rent concession on lease arrangements (Refer Note 31)	-	(137.48)
- Gain on termination of lease arrangements (Refer Note 31)	(1.55)	(17.49)
- Interest expense on lease liabilities	226.79	206.76
- Interest expense on others	76.72	63.94
<b>Operating profit before working capital changes</b>	<b>6,605.83</b>	<b>4,886.68</b>
<b>Movement in working capital:</b>		
Increase in other financial assets	(20.18)	(197.86)
Increase in non financial assets	(62.68)	(152.88)
Increase in trade receivables	(796.18)	(299.04)
Increase in inventories	(317.36)	(418.95)
Increase in provisions	5.46	4.61
Increase in trade payables	171.25	222.97
Increase in other financial and non financial liabilities	455.59	431.64
<b>Cash generated from operations</b>	<b>6,041.73</b>	<b>4,477.17</b>
Income tax paid (net of refund)	(1,450.57)	(1,066.52)
<b>Net cash generated from operating activities</b> (A)	<b>4,591.16</b>	<b>3,410.65</b>
<b>B. Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipments, capital work in progress & intangible assets (including capital advances)	(46.19)	(20.08)
Proceeds from sale of property, plant and equipments and intangible assets (including advance received) (Refer Note 8.1)	93.11	128.58
Interest received	114.05	90.76
Proceeds from sale of investment in subsidiary Company	-	1.00
Acquisition of investments	(19,336.19)	(12,665.41)
Proceeds from sale of investments	16,896.34	12,757.75
Loan given to subsidiary Company	-	(4.00)
Refund of loan from subsidiary Company	-	4.00
Proceeds from maturity of bank deposits	-	327.50
<b>Net cash from/(used) in investing activities</b> (B)	<b>(2,278.88)</b>	<b>620.10</b>





## Standalone Statement of Cash Flows for the year ended March 31, 2023

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>C. Cash Flows from Financing Activities</b>		
Principal payment of lease liabilities	(834.78)	(587.46)
Interest paid on lease liabilities	(226.79)	(206.76)
Interest paid other than interest on lease liabilities	(3.35)	(3.59)
Proceeds from fresh equity shares issuance against vested ESOPs	14.57	46.58
Dividend paid	(1,213.52)	-
Buy Back of shares (including Tax) (Refer Note 17(ii))	-	(3,313.31)
<b>Net cash used in financing activities</b> (C)	<b>(2,263.87)</b>	<b>(4,064.54)</b>
<b>Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>48.41</b>	<b>(33.79)</b>
Cash and Cash Equivalents at the beginning of the year	30.66	64.45
<b>Cash and Cash Equivalents at the end of the year</b>	<b>79.07</b>	<b>30.66</b>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Components of Cash and Cash Equivalents (Refer Note 13)		
Balance with Banks	78.81	30.66
Cash on hand	0.26	-
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>79.07</b>	<b>30.66</b>

### Non-cash investing activities

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Acquisition of Right of use assets (Refer Note 4)	1,159.88	1,463.76

The above standalone statement of cash flows has been prepared under the 'Indirect method' as set out in Ind AS 7, "Statement of cash flows".

The accompanying notes are an integral part of the Standalone financial statements

In terms of our report attached of the even date

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 101248W/W-100022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)  
For and on behalf of the Board of Directors

**Seema Mohnot**  
Partner  
Membership No. 060715

**Ravi Modi**  
Chairman and Managing Director  
DIN : 00361853

**Shilpi Modi**  
Wholtime Director  
DIN : 00361954

Place: Kolkata  
Date: April 28, 2023

**Rahul Murarka**  
Chief Financial Officer

**Navin Pareek**  
Company Secretary  
ICSI Membership No. F10672



## Standalone Statement of changes in equity for the year ended March 31, 2023

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

### A Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	24,27,03,089	242.70	12,39,33,299	247.87
Changes in equity share capital during the year	76,901	0.08	11,87,69,790	(5.17)
<b>Equity shares outstanding at the end of the year</b>	<b>24,27,79,990</b>	<b>242.78</b>	<b>24,27,03,089</b>	<b>242.70</b>

### B Other Equity

As at March 31, 2023

Particulars	Attributable to the equity shareholders					Total other equity
	Reserves and Surplus					
	Securities premium	Capital Reserve	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
As at April 01, 2022	72.06	7.62	8.02	42.93	10,467.98	10,598.61
<b>Total Comprehensive Income for the year ended March 31, 2023</b>						
Profit for the year	-	-	-	-	4,228.91	4,228.91
Other comprehensive income for the year net of tax	-	-	-	-	36.33	36.33
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>4,265.24</b>	<b>4,265.24</b>
<b>Contribution and distributions</b>						
Dividend Paid to shareholders of the company					(1,213.52)	(1,213.52)
Share options exercised during the year	23.65	-	-	(9.16)	-	14.49
Equity settled share-based payments (Note 51)	-	-	-	42.87	-	42.87
<b>Total Contribution and distributions</b>	<b>23.65</b>	-	-	<b>33.71</b>	<b>(1,213.52)</b>	<b>(1,156.16)</b>
<b>As at March 31, 2023</b>	<b>95.71</b>	<b>7.62</b>	<b>8.02</b>	<b>76.64</b>	<b>13,519.70</b>	<b>13,707.69</b>



## Standalone Statement of changes in equity for the year ended March 31, 2023

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

As at March 31, 2022

Particulars	Attributable to the equity shareholders					Total other equity
	Reserves and Surplus					
	Securities premium	Capital Reserve	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
As at April 01, 2021	1,298.87	7.62	2.59	34.76	9,401.85	10,745.69
<b>Total Comprehensive Income for the year ended March 31, 2022</b>						
Profit for the year	-	-	-	-	3,083.54	3,083.54
Other comprehensive income for the year net of tax	-	-	-	-	(2.97)	(2.97)
<b>Total comprehensive income for the year</b>	-	-	-	-	<b>3,080.57</b>	<b>3,080.57</b>
<b>Contribution and distributions</b>						-
Buyback of shares (including tax) (Refer Note 17 (ii))	(1,298.87)	-	-	-	(2,009.01)	(3,307.88)
Transfer to Capital Redemption Reserve on account of buy back of shares (Refer Note 17 (ii))	-	-	5.43	-	(5.43)	-
Share options exercised during the year	72.06	-	-	(25.75)	-	46.31
Equity settled share-based payments (Note 51)	-	-	-	33.92	-	33.92
<b>Total Contribution and distributions</b>	<b>(1,226.81)</b>	-	<b>5.43</b>	<b>8.17</b>	<b>(2,014.44)</b>	<b>(3,227.65)</b>
<b>As at March 31, 2022</b>	<b>72.06</b>	<b>7.62</b>	<b>8.02</b>	<b>42.93</b>	<b>10,467.98</b>	<b>10,598.61</b>

The accompanying notes are an integral part of the Standalone financial statements

In terms of our report attached of the even date

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 101248W/W-100022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)  
For and on behalf of the Board of Directors

**Seema Mohnot**  
Partner  
Membership No. 060715

**Ravi Modi**  
Chairman and Managing Director  
DIN : 00361853

**Shilpi Modi**  
Wholetime Director  
DIN : 00361954

Place: Kolkata  
Date: April 28, 2023

**Rahul Murarka**  
Chief Financial Officer

**Navin Pareek**  
Company Secretary  
ICSI Membership No. F10672



# Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

## 1. COMPANY OVERVIEW

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited) (the Company) is a public Company domiciled in India and was incorporated on May 24, 2002 under the provisions of the Companies Act applicable in India having CIN L51311WB2002PLC094677. The Company is primarily engaged in manufacturing, trading and sale of readymade ethnic wear for men, women and kids primarily in India under the brand names Manyavar, Mohey, Mebaz, Twamev and Manthan. The company is listed on National Stock Exchange and Bombay Stock Exchange.

Registered and corporate office of the Company is located at Paridhan Garment Park, 19 Canal South Road, SDF 1, 4th floor, A501-A502, Kolkata- 700015.

The Company was converted into a public limited Company under the Companies Act, 2013 on August 25, 2021 and consequently, the name was changed to “Vedant Fashions Limited”.

## 2. BASIS OF PREPARATION OF STANDALONE FINANCIAL STATEMENTS

### a) Basis of preparation

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

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

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

The standalone financial statements were authorised for issue by the Company's Board of Director on 28 April 2023.

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

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

### b) Basis of fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

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



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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.

- Critical estimates and judgements (Note 54)
- Quantitative disclosures of fair value measurement hierarchy (Note 47)
- Financial instruments (including those carried at amortised cost) (Note 46)

### c) Functional and presentation currency

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

### d) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, which includes following amendments:

#### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

#### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### a) i) Revenue recognition from contracts with customers

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and that reflects the consideration to which the Company expect to be entitled to in exchange of products. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 54.

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

goods sold and services rendered is net of variable consideration on account of various discounts, margin, rate change etc offered by the Company as part of the contract.

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

### Contract balances

#### Trade receivables

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

#### Contract liabilities

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

### Assets and liabilities arising from rights of return

#### Refund liabilities

The amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The Company updates its estimates of refund liabilities at the end of each reporting year.

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

#### ii) Export benefits

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

#### 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 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.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

#### iv) Dividend income

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

### b) Property, Plant and Equipment

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

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

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



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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 year in which the costs are incurred. Major inspection and overhaul expenditure is capitalised if the recognition criteria are met.

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

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

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

### (ii) Capital work in progress

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

### (iii) Depreciation

Assets in the course of development or construction and freehold land are not depreciated. These assets are tested for impairment.

Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (up to) the date on which asset is ready for use/ (disposed off).

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:

• Buildings	30-60 years
• Computers	3 years
• Computers - Servers	6 years
• Plant and equipment	15 years
• Furniture and fixtures	5-10 years
• Vehicles	8 years
• Office equipment	5 years

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

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

### (iv) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

### c) Intangible assets and intangible assets under development

Intangible assets acquired on a standalone basis 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.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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 with finite economic useful life are amortized on a written down value basis over those useful life and tested for impairment whenever there is an indication of impairment. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or when circumstances indicate that the carrying value may be impaired, either individually or at the cash-generating unit level.

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

• Computer software	3 years
• Trademark and Copyright	5-10 years
• Brand and Goodwill (acquired)	Indefinite Life subject to impairment testing
• Tenancy right and others	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.

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

Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

Impairment is determined for goodwill by assessing the recoverable amount of respective CGU (Cash Generating Unit) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets under development is stated at cost, net of accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

### d) Non-current assets 'held for sale' and discontinued operations

The Company classifies non-current assets and disposal assets as held for sale if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

The criteria to classify an asset as 'Held for Sale' is considered met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset or to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification ,
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.





## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Property, plant and equipment and intangible assets are not depreciated, or amortised assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

### e) Financial instruments

#### Financial assets

##### (i) Recognition and initial measurement of financial assets

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

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument and the contract transaction is executed.

A financial asset (unless it is a trade receivable without a significant financing component) or for which the Company has applied the practical expedient is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component or for which the Company has applied the practical expedient is initially measured at the transaction price determined under Ind AS 115 – “Revenue from contracts with customers”. Refer to the accounting policies in section 3(a)(i) Revenue recognition from contract with customer.

##### (ii) Classification and subsequent measurement of financial asset

At initial recognition, Financial assets are classified and subsequently measured at

- amortised cost,
- fair value through other comprehensive income (OCI) – debt investments,
- fair value through other comprehensive income (OCI) – equity investments and
- fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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.

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.

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A ‘financial asset’ is classified as at the FVTOCI if both of the following criteria are met:

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

Financial assets – Subsequent measurement and gains and losses

Debt investments at FVOCI: Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments.

Financial assets at FVTPL: Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value including any interest or dividend income are recognised in the Statement of Profits and Losses.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

### (iii) Derecognition of financial assets

The Company derecognizes a financial asset when

- the contractual rights to the cash flows from the financial asset expire; or,
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

### Financial liabilities

#### (i) Recognition and initial measurement of financial Liabilities

Financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

#### (ii) Classification and subsequent measurement and gains and losses on financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

#### (iii) Derecognition of financial liabilities

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. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### Investment in subsidiary

Investment in subsidiaries are carried at cost.

### Impairment of financial assets

At each reporting date, the Company assess whether financial assets, than those at FVTPL are credit impaired.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

The Company recognises loss allowances using the expected credit losses (ECL) model for the financial assets which are fair valued through profit or loss.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### f) Derivative financial instruments

#### Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Derivatives are designated upon initial recognition at fair value through profit or loss only if the criteria in Ind AS 109 are satisfied.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

There is no other hedge instrument in the Company.

### g) 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.

### h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use 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.

### i) Inventories

- a. Raw materials, accessories and packing material are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

cost. Cost of raw materials, accessories and packing material is determined on First-in-First-out basis.

- b. Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads (where applicable). Cost of finished goods is determined on weighted average basis using retail method.
- c. 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 weighted average method.
- d. 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.
- e. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.
- f. The comparison of cost and net realisable value is made on an item-by-Item basis
- g. Obsolete, slow moving and defective inventories are identified and written down to net realisable value.

### j) Leases

#### Company as a lessee

The Company's lease asset classes primarily consist of leases for commercial spaces and leasehold building. 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 based on the recognition exemption criteria. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. The lease liability is measured at amortised cost using the effective interest method. 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, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised substance fixed lease payment lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

Leasehold land which is part of right of use asset is amortised over the period of lease i.e. 99 years.

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



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### Company as a lessor

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

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

### k) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

#### 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.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is provided 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 is recognised for all taxable temporary differences, except:

- Taxable temporary difference arising from the initial recognition of goodwill
- Temporary difference on initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- Temporary difference related to investments in subsidiary to the extent that the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

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

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

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

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



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

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

#### I) Employee benefit schemes

##### i) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

##### ii) Post employment benefits

###### Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

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

##### iii) Share-Based Payments

Selected employees of the Company receive part of their remuneration through share-based payments in consideration for the services rendered. The fair value of the options at the grant date is calculated by an independent valuer based on Black Scholes model.

Related costs are recognized as employee benefit expense that are correspondingly credited to share-based payment (SBP) reserves as part of Total Equity, over the period in which the performance and/or service conditions are fulfilled by covered employees. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Statement of Profits and Losses for a year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### m) Foreign currency transactions

In the standalone 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.

### n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year. The weighted average number of equity shares outstanding during the year and for all years 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 year 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.

In a capitalisation or bonus issue or a share split, ordinary shares are issued to existing shareholders for no additional consideration. Therefore, the number of ordinary shares outstanding is increased without an increase in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

### o) Segment Reporting

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

Based on such internal reporting, the Company is solely engaged in manufacturing, trading, and sale of branded apparels for men, women and kids. Based on the nature of business and internal reporting provided to the management for evaluation of the performance of the segment, the Company has a single reportable segment.

### p) Use of Estimates and Judgments

The preparation of the standalone 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 standalone 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 year 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 standalone financial statements are elaborated in Note 54.

### q) Business combinations and goodwill

Business combinations, if any are accounted by using the acquisition method as per Ind AS 103 'Business Combination'. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. Acquisition related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the net acquisition cost and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the net cost of acquisition, then the gain is recognised in Other Comprehensive Income and accumulated in equity as capital reserve. However, if there is no clear evidence



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

of bargain purchase, the Company recognises the gain directly in equity as capital reserve, without routing the same through Other Comprehensive Income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

### r) 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. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements. A disclosure for a contingent liability is made when there is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. 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. Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent asset is not recognised in standalone financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

### s) 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.

### t) Declaration of Dividend

The Company recognises a liability to pay final dividend to equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### u) Share capital

#### Equity shares

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

### v) Impairment of non-financial asset

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.





## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

### w) 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.



## Notes to the Standalone financial statements

as at and for the year ended March 31, 2023

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

### 4. Property, Plant and Equipment, Right of use assets and Capital Work in Progress<sup>1</sup>

Particulars	Property, Plant and Equipment										Capital Work in Progress <sup>3</sup>	
	Right of use assets <sup>2</sup>	Buildings	Land-Freehold	Buildings	Plant and equipment	Furniture and fixtures	Computers	Office equipments	Vehicles	Total		
<b>Gross Block</b>												
As at April 01, 2021	3,447.28	710.13	89.03	14.69	148.46	26.29	56.81	14.19	1,059.60	2.47		
Additions	1,495.59	-	-	0.18	6.89	6.44	4.11	-	17.62	6.63		
Disposals	(250.46)	-	-	-	(0.87)	-	(0.40)	-	(1.27)	-		
Transfer	(15.39)	-	-	-	-	-	-	-	-	(9.10)		
As at March 31, 2022	4,677.02	710.13	89.03	14.87	154.48	32.73	60.52	14.19	1,075.95	-		
Additions	1,206.05	-	-	0.85	16.23	5.80	8.08	2.57	33.53	37.99		
Disposals	(110.83)	-	-	(1.26)	-	(0.11)	(0.37)	(1.72)	(3.46)	-		
Transfers	-	-	-	-	-	-	-	-	-	(17.77)		
As at March 31, 2023	5,772.24	710.13	89.03	14.46	170.71	38.42	68.23	15.04	1,106.02	20.22		
<b>Accumulated Depreciation</b>												
As at April 01, 2021	1,475.96	117.71	-	5.68	87.23	19.53	46.96	10.78	287.89	-		
Charge for the year	805.33	28.83	-	1.60	16.35	4.80	4.64	1.03	57.25	-		
Disposals	(121.20)	-	-	-	(0.79)	-	(0.34)	-	(1.13)	-		
Transfers	(2.13)	-	-	-	-	-	-	-	-	-		
As at March 31, 2022	2,157.96	146.54	-	7.28	102.79	24.33	51.26	11.81	344.01	-		
Charge for the year	903.19	27.42	-	1.37	14.43	6.17	3.58	1.25	54.22	-		
Disposals	(71.62)	-	-	(0.42)	-	(0.10)	(0.04)	(1.55)	(2.11)	-		
As at March 31, 2023	2,989.53	173.96	-	8.23	117.22	30.40	54.80	11.51	396.12	-		
<b>Net Block</b>												
As at March 31, 2022	2,519.06	563.59	89.03	7.59	51.69	8.40	9.26	2.38	731.94	-		
As at March 31, 2023	2,782.71	536.17	89.03	6.23	53.49	8.02	13.43	3.53	709.90	20.22		

(1) On transition to Ind AS (w.e.f. April 1, 2016), the Company had opted to continue with carrying values of items of property, plant and equipment measured as per the previous Indian GAAP and had considered those carrying values as deemed cost of respective items of property, plant and equipment.

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



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 4. Property, Plant and Equipment, Right of use assets and Capital Work in Progress<sup>1</sup> (Contd..)

#### (3) Capital Work in Progress (CWIP) ageing schedule

As at March 31, 2023

Particulars	Amount in CWIP for a period of less than 1 year
Projects in progress	20.22

3.1. There were no projects as on March 31, 2023 where activity has been suspended. Also there were no projects as on the March 31, 2023 which had exceeded cost as compared to its original plan or where completion was overdue.

3.2. There are no CWIP as on March 31, 2023 with ageing exceeding 1 year.

### 5. Intangible Assets and Intangible Assets Under Development (IAUD)<sup>1</sup>

Particulars	Goodwill <sup>2</sup>	Other Intangible Assets			Total	Intangible assets under development <sup>4</sup>
		Computer software	Tenancy right <sup>3</sup>	Trade Mark, Brand & Others <sup>2</sup>		
<b>Cost</b>						
As at April 01, 2021	157.11	9.85	5.16	1,588.71	1,603.72	1.38
Additions	-	2.50	-	0.30	2.80	0.12
Transfer	-	-	-	-	-	(0.46)
As at March 31, 2022	157.11	12.35	5.16	1,589.01	1,606.52	1.04
Additions	-	0.10	-	-	0.10	0.64
As at March 31, 2023	157.11	12.45	5.16	1,589.01	1,606.62	1.68
<b>Accumulated Amortisation</b>						
As at April 01, 2021	-	7.83	5.16	33.05	46.04	-
Charge for the year	-	1.98	-	15.77	17.75	-
As at March 31, 2022	-	9.81	5.16	48.82	63.79	-
Charge for the year	-	1.49	-	15.67	17.16	-
As at March 31, 2023	-	11.30	5.16	64.49	80.95	-
<b>Net Block</b>						
As at March 31, 2022	157.11	2.54	-	1,540.19	1,542.73	1.04
As at March 31, 2023	157.11	1.15	-	1,524.52	1,525.67	1.68

(1) On transition to Ind AS (w.e.f. April 1, 2016), the Company had elected to continue with carrying values of all intangible assets measured as per the previous Indian GAAP and had considered those carrying values as deemed cost of respective items of intangible assets.

(2) Based on the information provided to and used by the Chief Operating Decision Maker, the Company had identified that its only Cash Generating Unit (CGU) is "Branded fashion apparel and accessories", to which the goodwill and brand (with indefinite life) acquired in earlier years through acquisition of business, has been entirely allocated. The carrying amount of goodwill and brand as at the end of the each reporting period is INR 157.11 Million and INR 1,505.83 Million respectively.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 5. Intangible Assets and Intangible Assets Under Development (IAUD)<sup>1</sup> (Contd..)

Following key assumptions were considered while performing impairment testing annually:

The recoverable amount has been calculated based on its value in use, estimated as the present value of projected future cash flows.

Key Assumptions	March 31, 2023	March 31, 2022
Annual growth rate for next 5 financial year	8.00%*	7.00%#
Terminal growth rate	5.00%	5.00%
Weighted Average Cost of Capital % (WACC) after tax (Discount rate)	13.70%	11.50%

# 7.00% growth rate has been considered after the financial year 2022-23.

\* 8.00% growth rate has been considered after the financial year 2023-24.

The projections cover a period of five years, as the Company believes this to be the most appropriate time period over which to review and consider annual performances and thereafter fixed terminal value has been considered. The estimated future projections are after considering past performance and expected normal future performance excluding disruption caused by the pandemic.

Weighted Average Cost of Capital % (WACC) = Risk free return + ( Market risk premium x Beta for the Company).

The goodwill and brand (with indefinite life) are tested for impairment annually and based on such testing, no provision towards impairment has been considered necessary in each of the year presented. Further based on Management assessment there is no trigger for impairment as on March 31, 2023.

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value.

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

(4) Represents applications made for various trademark registration

#### Intangible Assets Under Development (IAUD) ageing schedule

##### As at March 31, 2023

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.64	0.16	-	0.88	1.68

##### As at March 31, 2022

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.16	-		0.88	1.04

There are no projects as on each reporting period where activity had been suspended. Considering the nature of intangible assets under development, there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 6 Financial assets - Non current : Investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investment in equity shares</b>		
<b>Unquoted (at cost)</b>		
<b>Investments in subsidiary company</b>		
Manyavar Creations Private Limited - 40,10,000 equity shares (March 31, 2022 - 40,10,000) of INR 10 each	200.10	200.10
<b>Investment in bonds and debentures</b>		
<b>Quoted</b>		
<b>At fair value through other comprehensive income</b>		
Bajaj Finance Limited - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 - 100 units at par value of INR 10,00,000 each]	-	109.39
Kotak Mahindra Private Limited - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - 420 units at par value of INR 10,00,000 each) [March 31, 2022 - NIL]	364.45	-
Kotak Mahindra Investments Limited - 0% Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 - 103 units at par value of INR 10,00,000 each]	-	93.69
<b>At fair value through profit and loss (FVTPL)</b>		
ICICI Bank Limited - 8.55% Perpetual Bond (March 31, 2023 - NIL) [March 31, 2022 - 150 units at par value of INR 10,00,000 each]	-	159.22
ICICI Bank Limited - 9.15% Perpetual Bond (March 31, 2023 - NIL) [March 31, 2022 - 100 units at par value of INR 10,00,000 each]	-	111.03
HDFC Bank Limited - 8.85% Perpetual Bond (March 31, 2023 - NIL) [March 31, 2022 - 250 units at par value of INR 10,00,000 each]	-	269.57
State Bank of India - 8.50% Perpetual Bond (March 31, 2023 - 95 units at par value of INR 10,00,000 each) [March 31, 2022 - 95 units at par value of INR 10,00,000 each]	97.72	99.86
Axis Finance Limited PP- MLD Series 02/ 2022-23 (March 31, 2023 - 300 units at par value of INR 10,00,000 each) [March 31, 2022 - NIL]	315.84	-
ICICI Home Finance Company Limited, Market Linked Debenture (March 31, 2023 - 400 units at par value of INR 10,00,000 each) [March 31, 2022 - NIL]	409.20	-
Kotak Mahindra Investment Limited, Market Linked Debenture (March 31, 2023 - 100 units at par value of INR 10,00,000 each) [March 31, 2022 - NIL]	102.52	-
Tata Cleantech Capital Limited, Market Linked Debenture March 31, 2023 - 400 units at par value of INR 10,00,000 each [March 31, 2022 - NIL]	404.76	-
State Bank of India - 9.37% Perpetual Bond (March 31, 2023 - NIL) [March 31, 2022 - 150 units at par value of INR 10,00,000 each]	-	160.57
<b>Total</b>	<b>1,894.59</b>	<b>1,203.43</b>
<b>Aggregate market value of quoted investments</b>	<b>1,694.49</b>	<b>1,003.33</b>
<b>Aggregate book value of quoted investments</b>	<b>1,694.49</b>	<b>1,003.33</b>



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 7 Financial assets - Non current : Others

(unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Security deposits		
- Considered good	621.36	456.97
- Considered doubtful	1.48	0.30
	<b>622.84</b>	<b>457.27</b>
Less: Loss Allowance	(1.48)	(0.30)
	<b>621.36</b>	<b>456.97</b>
Bank deposits with remaining maturity greater than 12 months <sup>1</sup>	0.26	0.22
Interest accrued on fixed deposits	0.22	0.08
<b>Total</b>	<b>621.84</b>	<b>457.27</b>

(1) Represents bank deposits lodged with sales tax authorities which earns interest ranging from 4.50% to 7.00% (March 31, 2022 - 4.50% to 5.10%)

### 8 Non-current - Other assets

(unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances (Refer note 8.1)	618.42	621.09
Prepaid expenses	1.12	0.63
Balances with statutory/government authorities	47.78	47.78
<b>Total</b>	<b>667.32</b>	<b>669.50</b>

8.1 During a prior year, the Company had entered into an agreement with a reputed real estate developer for joint development of a parcel of land acquired by the Company under long term lease of 99 years from West Bengal Housing Infrastructure Development Corporation Limited. Consequent to such agreement, the Company had transferred possession of such land parcel in lieu of which the Company was entitled to a share of the area/space to be constructed thereon. Accordingly, the Company had derecognised such leasehold land from property, plant and equipment and considered its cost as capital advance pending possession of its share of constructed area/space. Cost of the land transferred was considered more reliably measurable pending commencement of construction. Based on valuation exercise conducted by an external valuer, fair value of the leasehold land was considered equivalent to the cost of land transferred. Subsequently, the Company had exercised an exclusive and irrevocable option, granted by the aforesaid developer, to convert such area/space sharing arrangement into the revenue sharing arrangement in terms of which the Company is entitled to receive certain agreed percentage of proceeds from sale of the constructed area/space to third parties. Share of sale proceeds received from developer will be adjusted against capital advance on transfer of control of the respective constructed space which will coincide with handover of possession to customers. Pending such handover of possession, advances towards sales proceeds received till March 31, 2023 aggregating INR 500.94 Million (net of GST) [March 31, 2022 - INR 449.95 Million (net of GST)] has been considered as "Advance from customer".



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 9 Non-current - Tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provision for taxation) <sup>1</sup>	52.44	37.78
<b>Total</b>	<b>52.44</b>	<b>37.78</b>

(1) Non current tax asset is net of provision for taxation amounting to INR 2,949.48 Million as on March 31, 2023 (INR 2,949.48 Million as on March 31, 2022).

### 10 Inventories<sup>1</sup>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At lower of cost and net realisable value</b>		
Raw materials (Refer Note 32A)	204.91	227.23
Accessories and packing material (Refer Note 32B)	44.64	36.48
Work in progress (Refer Note 34)	284.71	281.75
Finished goods (Refer Note 34) [Including in transit INR 1.01 Million (March 31, 2022 - INR 6.13 Million)]	611.72	459.77
Stock-in-trade (Refer Note 34) [Including in transit INR 0.28 Million (March 31, 2022 - INR 11.73 Million)]	586.33	409.72
<b>Total</b>	<b>1,732.31</b>	<b>1,414.95</b>

(1) Includes all inventories lying with third party amounting to INR 412.13 Million (March 31, 2022 - INR 404.60 Million).

### 11 Financial assets - Current : Investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investments in mutual funds</b>		
<b>Unquoted</b>		
<b>At fair value through profit and loss (FVTPL)</b>		
Kotak Liquid Fund - Direct Plan - Growth (March 31, 2023 - 84,090 units at par value of INR 1,000 each) [March 31, 2022 - 1,43,664 units at par value of INR 1,000 each]	382.47	618.20
HDFC Liquid Fund - Direct Plan - Growth Option (March 31, 2023 - 47,441 units at par value of INR 1,000 each) [March 31, 2022 - 1,72,319 units at par value of INR 1,000 each]	209.84	721.11
Axis Corporate Debt Fund - Direct - Growth (March 31, 2023 - 57,53,452 units at par value of INR 10 each) [March 31, 2022 - 57,53,452 units at par value of INR 10 each]	86.14	82.04
Axis Treasury Advantage Fund - Direct - Growth (March 31, 2023 - 41,604 units at par value of INR 1,000 each) [March 31, 2022 - 41,604 units at par value of INR 1,000 each]	113.59	107.76
HDFC Corporate Bond Fund - Direct - Growth (March 31, 2023 - 89,67,268 units at par value of INR 10 each) [March 31, 2022 - 89,67,268 units at par value of INR 10 each]	247.67	237.47
HDFC Money Market Fund - Direct Plan - Growth (March 31, 2023 - 11,500 units at par value of INR 1,000 each) [March 31, 2022 - 11,500 units at par value of INR 1,000 each]	56.60	53.53
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth (March 31, 2023 - 96,51,613 units at par value of INR 10 each) [March 31, 2022 - 96,51,613 units at par value of INR 10 each]	251.21	237.30



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 11 Financial assets - Current : Investments (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Growth (March 31, 2023 - 30,28,561 units at par value of INR 10 each) [March 31, 2022 - 30,28,561 units at par value of INR 10 each]	86.30	81.53
ICICI Prudential Money Market Fund - Direct Plan - Growth (March 31, 2023 - 3,48,358 units at par value of INR 100 each) [March 31, 2022 - 3,48,358 units at par value of INR 100 each]	112.98	106.91
IDFC Corporate Bond Fund - Direct Plan - Growth (March 31, 2023 - 1,47,72,541 units at par value of INR 10 each) [March 31, 2022 - 1,47,72,541 units at par value of INR 10 each]	245.26	236.95
Kotak Bond Fund (Short Term) - Direct Plan - Growth (March 31, 2023 - 51,88,975 units at par value of INR 10 each) [March 31, 2022 - 51,88,975 units at par value of INR 10 each]	247.64	237.11
Axis AAA Bond Plus SDL ETF - 2026 Maturity (March 31, 2023 - 1,49,39,790 units at par value of INR 10 each) [March 31, 2022 - 1,49,39,790 units at par value of INR 10 each]	156.92	152.10
Axis CPSE Plus SDL 2025 70:30 Debt Index Fund (March 31, 2023 - 1,48,92,767 units at par value of INR 10 each) [March 31, 2022 - 1,48,92,767 units at par value of INR 10 each]	154.38	150.17
NIPPON INDIA ETF NIFTY SDL - 2026 (March 31, 2023 - 35,00,000 units at par value of INR 10 each) [March 31, 2022 - NIL]	390.99	-
ABSL CRISIL IBX AAA JUN 2023 INDEX FUND (March 31, 2023 - 3,88,46,210 units at par value of INR 10 each) [March 31, 2022 - NIL]	409.11	-
ABSL Nifty SDL Plus PSU Bond Sep 2026 60:40 Index (March 31, 2023 - 1,90,96,499 units at par value of INR 10 each) [March 31, 2022 - NIL]	200.28	-
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 6040 Index Fund (March 31, 2023 - 1,94,09,156 units at par value of INR 10 each) [March 31, 2022 - NIL]	199.99	-
SBI Gilt June 2036 (March 31, 2023 - 95,39,960 units at par value of INR 10 each) [March 31, 2022 - NIL]	99.84	-
<b>Investment in bonds and debentures</b>		
<b>Quoted</b>		
<b>At fair value through other comprehensive income</b>		
Bajaj Finance Limited - 4.66% Secured Redeemable Non-Convertible Debentures (March 31, 2023 -NIL) [March 31, 2022 -100 units at par value of INR 10,00,000 each]	-	99.65
Kotak Mahindra Prime Limited - 8.0818% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 -100 units at par value of INR 10,00,000 each]	-	102.08
Bajaj Finance Limited - 7.70% Secured Redeemable Non-Convertible Debentures (March 31, 2023 -NIL) [March 31, 2022 -100 units at par value of INR 10,00,000 each]	-	102.26
Axis Finance Limited - 5.00% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 -200 units at par value of INR 10,00,000 each]	-	200.29
Bajaj Finance Limited - 7.10% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 -150 units at par value of INR 10,00,000 each]	-	152.30
HDB Financial Services Limited - 7.57% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 -100 units at par value of INR 10,00,000 each]	-	101.94
Housing Development Finance Corporation Limited - 6.99% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 - 250 units at par value of INR 10,00,000 each ]	-	253.77
Bajaj Finance Limited - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2023 -100 units at par value of INR 10,00,000 each) [March 31, 2022 -NIL]	114.45	-





## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 11 Financial assets - Current : Investments (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
Kotak Mahindra Investments Limited - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - 103 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	97.81	-
National Bank For Agriculture and Rural Development - 6.4% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - 100 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	101.92	-
Bajaj Finance - 5.70% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - 200 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	203.31	-
HDB Financial Services Limited - 0.00% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - 350 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	363.98	-
<b>At fair value through profit and loss (FVTPL)</b>		
ICICI Bank Limited - 9.15% Perpetual Bond (March 31, 2023 - 300 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	321.72	-
State Bank of India - 9.37% Perpetual Bond (March 31, 2023 - 150 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	154.73	-
HDB Financial Services Limited - 0% MLD Series 2020 A/0/(ML)/4 (March 31, 2023 - 250 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	302.35	-
Axis Finance Limited ,Market Linked Debenture (March 31, 2023 - 450 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	544.64	-
L&T Finance Limited , Market Linked Debenture (March 31, 2023 - 50 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	60.00	-
Tata Cleantech Capital Limited, Market Linked Debenture (March 31, 2023 - 1000 units at par value of INR 1,00,000 each) [March 31, 2022 - Nil]	115.97	-
<b>Total</b>	<b>6,032.09</b>	<b>4,034.47</b>
<b>Aggregate market value of quoted investments</b>	<b>2,380.88</b>	<b>1,012.29</b>
<b>Aggregate book value of quoted investments</b>	<b>2,380.88</b>	<b>1,012.29</b>
<b>Aggregate book value of unquoted investments</b>	<b>3,651.21</b>	<b>3,022.18</b>

### 12 Financial Assets - Current : Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
- Trade Receivables considered good - Secured <sup>1</sup>	1,949.15	1,610.28
- Trade Receivables considered good - Unsecured	2,811.83	2,360.53
	<b>4,760.98</b>	<b>3,970.81</b>
Less: Loss Allowance	(32.58)	(22.82)
<b>Total trade receivables</b>	<b>4,728.40</b>	<b>3,947.99</b>
- Receivables from related parties - Secured/Considered good (Refer Note 45)	67.70	54.20
- Receivables from related parties - Unsecured/Considered good (Refer Note 45)	84.57	79.89
- Others	4,576.13	3,813.90
<b>Total trade receivables</b>	<b>4,728.40</b>	<b>3,947.99</b>

(1) Receivables are secured to the extent security deposits and bank guarantees taken from customers.



## Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2023  
(All amounts are in INR Million, unless otherwise stated)

### 12 Financial Assets - Current : Trade receivables

#### 12.1 Trade receivables Ageing Schedule

Particulars	Outstanding from due date of payment as on March 31, 2023						Total
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables*	4,562.86	144.00	17.15	3.77	0.62	0.00	4,728.40

Particulars	Outstanding from due date of payment as on March 31, 2022						Total
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables*	3,856.88	75.15	7.28	8.68	0.00	0.00	3,947.99

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

- As per terms of payment under agreements with majority of customers, sales consideration are receivable by the Company with a maximum period of 180 days from date of delivery of goods. In other cases, sales consideration are receivable within a periods ranging from 7 days to 90 days.
- Generally, customers remit sales consideration without specifying particular invoices in respect of which such remittances are being made. Hence, such receipts from the customers are adjusted against their trade receivables on First in First out (FIFO) basis. In few cases, where identification is possible, such receipts are adjusted on basis of actual invoice.
- There are no unbilled trade receivables as on each reporting date.
- There are no disputed trade receivables as on March 31, 2023 and March 31, 2022.

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
- Balances with banks	78.81	30.66
- Cash on hand	0.26	-
<b>Total</b>	<b>79.07</b>	<b>30.66</b>

### 14 Financial Assets - Current : Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Fixed deposits with banks with remaining maturity greater than 3 months but not greater than 12 months (Refer Note 14.1)	2.56	2.61
Earmarked balances with banks - unpaid dividend	0.05	-
<b>Total</b>	<b>2.61</b>	<b>2.61</b>

14.1 Includes deposits of INR 0.21 Million (March 31, 2022 - INR 0.25 Million) lodged with sales tax authorities which earns interest ranging from 4.90% to 5.10% (March 31, 2022 - interest ranging from 6.00% to 6.40%).



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 15 Financial assets - Current : Others

(unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Security deposits		
- Considered good	160.08	158.50
- Considered doubtful	2.08	1.77
	<b>162.16</b>	<b>160.27</b>
Less: Loss Allowance	(2.08)	(1.77)
	<b>160.08</b>	<b>158.50</b>
Interest accrued on		
- Fixed deposits	1.97	1.88
- Bonds and Debentures	4.19	27.86
Loan to employees	0.03	0.23
IPO expenses recoverable (refer note 45.1)	0.15	119.29
<b>At fair value through profit and loss</b>		
Derivative instrument <sup>1</sup>	0.05	-
<b>Total</b>	<b>166.47</b>	<b>307.76</b>

(1) It represents receivables arising from fair valuation of foreign exchange forward contracts.

### Disclosure of loans given to related parties required under section 186(4) of the Companies Act, 2013

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	-	-
Loans given	-	4.00
Interest accrued <sup>1</sup>	-	0.00
Repayment of interest <sup>1</sup>	-	(0.00)
Repayment of principal amount	-	(4.00)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

Particulars	As at March 31, 2023	As at March 31, 2022
Type of Borrower	-	Related Party (Subsidiary Company)
Amount of loan or advance in the nature of loan outstanding	-	4.00
Rate of interest	-	8.50%
Percentage to the total loans and advances in the nature of loans	-	100.00%

(1) Amount is below the rounding off norms adopted by the Company.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 16 Other Current assets

(unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Export incentive receivables</b>		
- Considered good	0.55	0.87
- Considered doubtful	1.09	0.86
	<b>1.64</b>	<b>1.73</b>
Less: Loss Allowance	(1.09)	(0.86)
	<b>0.55</b>	<b>0.87</b>
<b>Balances with statutory/government authorities</b>		
- Considered good	38.71	74.11
- Considered doubtful	-	0.22
	<b>38.71</b>	<b>74.33</b>
Less: Loss Allowance	-	(0.22)
	<b>38.71</b>	<b>74.11</b>
<b>Advances recoverable in cash or kind</b>		
- Considered good	6.74	39.03
- Considered doubtful	0.06	0.22
	<b>6.80</b>	<b>39.25</b>
Less: Loss Allowance	(0.06)	(0.22)
	<b>6.74</b>	<b>39.03</b>
<b>Others</b>		
- Considered doubtful	0.03	0.03
	<b>0.03</b>	<b>0.03</b>
Less: Loss Allowance	(0.03)	(0.03)
	-	-
Advance to employees	0.49	0.40
Prepaid expenses	22.88	11.19
Right of return assets <sup>1</sup>	364.45	292.44
<b>Total</b>	<b>433.82</b>	<b>418.04</b>

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



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 17 Equity Share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Authorized</b>				
30,10,00,000 equity shares of INR 1 each (March 31, 2022: 30,10,00,000 equity shares of INR 1 each) (Refer Note (i) below)	30,10,00,000	301.00	30,10,00,000	301.00
<b>Issued, subscribed and fully paid-up shares</b>				
24,27,79,990 equity shares of INR 1 each (March 31, 2022: 24,27,03,089 equity shares of INR 1 each) (Refer Note (i) below)	24,27,79,990	242.78	24,27,03,089	242.70
<b>Total</b>	<b>24,27,79,990</b>	<b>242.78</b>	<b>24,27,03,089</b>	<b>242.70</b>

- i) During the previous year, pursuant to a resolution passed by the Board of Directors and a resolution passed by the Company's equity shareholders in the Extra-ordinary General Meeting held on July 16, 2021, the Company had split face value of its equity shares from INR 2 per equity share to INR 1 per equity share. Consequently, total number of authorised equity shares increased from 15,05,00,000 to 30,10,00,000 and total number of issued equity shares increased from 12,12,16,127 to 24,24,32,254 (after adjustment of buyback as mentioned in Note 17(ii)).
- ii) During the previous year, the Board of Directors of the Company, at its meeting held on June 25, 2021 and Shareholders of the Company in the Extra-ordinary General Meeting held on June 26, 2021, approved buyback of the Company's 27,17,172 fully paid-up equity shares of face value of INR 2 each from the equity shareholders of the Company, at a price of INR 990 per equity share under the Companies Act, 2013, and Rules thereunder. The Maximum buyback size was less than 25% of aggregate of the Company's paid up equity capital and free reserves based on the audited financial statements of the Company for the year ended March 31, 2021.

Total cash outflow on account of buyback was INR 3,313.31 Million (including tax of INR 621.93 Million and buyback related expense of INR 1.38 Million). Out of the said amount, nominal value of shares bought back INR 5.43 Million, was reduced from share capital and Securities premium account was utilised to the extent of the amount of INR 1,298.87 Million and retained earning was utilised to the extent of the balance amount of INR 2,009.01 Million. A sum equal to the nominal value of the shares so bought back i.e INR 5.43 Million was transferred from retained earnings to the capital redemption reserve as per requirement of Companies Act, 2013. The shares were extinguished as on July 20, 2021.

#### iii) 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, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Equity shares outstanding at the beginning of the year [face value of INR 1 each (March 31, 2022 - face value of INR 2 each)]</b>	24,27,03,089	242.70	12,39,33,299	247.87
Less: Equity Shares cancelled pursuant to the scheme of buyback (Refer Note 17 (ii))	-	-	(27,17,172)	(5.43)
Add : Split of shares from INR 2 per share to INR 1 per share	-	-	12,12,16,127	-
Add : Issue of shares pursuant to ESOP exercised during the year	76,901	0.08	2,70,835	0.26
<b>Equity shares outstanding at the end of the year (face value of INR 1 each)</b>	<b>24,27,79,990</b>	<b>242.78</b>	<b>24,27,03,089</b>	<b>242.70</b>



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 17 Equity Share capital (Contd..)

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

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares	% of Holding	Number of shares	% of Holding
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	16,28,41,754	67.07%	16,28,41,754	67.10%
Ravi Modi HUF	3,88,81,422	16.02%	3,88,81,422	16.02%
<b>Total</b>	<b>20,17,23,176</b>	<b>83.09%</b>	<b>20,17,23,176</b>	<b>83.12%</b>

#### v) Disclosure of shareholding of promoters

Name of Shareholder	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021		% Change in holding pursuant to no. of shares as at March 31, 2023 (Refer Note 45.1)	% Change in holding pursuant to no. of shares as at March 31, 2022 (Refer Note 45.1)
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding		
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	16,28,41,754	67.07%	16,28,41,754	67.10%	18,50,82,010	74.67%	-	(12.02%)
Usha Devi Modi	2	0.00%	2	0.00%	-	-	-	100.00%
Shilpi Modi	26,56,104	1.09%	26,56,104	1.09%	27,15,644	1.10%	-	(2.19%)
Ravi Modi	16,88,134	0.70%	16,88,134	0.70%	17,25,978	0.70%	-	(2.19%)
<b>Total</b>	<b>16,71,85,994</b>	<b>68.86%</b>	<b>16,71,85,994</b>	<b>68.89%</b>	<b>18,95,23,632</b>	<b>76.47%</b>	-	<b>(11.80%)</b>

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

The Company has only one class of equity shares having par value of INR 1 each (March 31, 2022: INR 1 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 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.

#### vii) Shares reserved for issue under options

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Under Employee Stock Option Plan - 2018	5,03,167	188.45	6,39,689	224.01

For movement of shares issued under options and other terms and conditions, refer Note 51.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 17 Equity Share capital (Contd..)

viii) Aggregate number of equity shares issued as bonus, share issued for consideration other than cash and shares bought back during the period of 5 (Five) years immediately preceding the reporting date:

Particulars	No. of Shares	
	As at March 31, 2023	As at March 31, 2022
Aggregate number of fully paid bonus shares issued <sup>1</sup>	-	6,25,57,585
Shares issued for consideration other than cash	96,42,250	96,42,250
Shares bought back	40,11,293	40,11,293

(1) The bonus shares were issued on December 5, 2017.

ix) After the reporting dates dividends amounting to INR 2,185.02 million (INR 9 per equity share) for the current year and INR 1,213.52 million (INR 5 per equity share) for the previous year were proposed by the Board of Directors subject to approval of shareholders at the Annual General Meeting (AGM) of the Company. The dividends have not been recognized as liabilities.

During the year the Company has paid dividend of INR 1,213.52 (INR 5 per equity shares) representing the final dividend declared in previous year.

### 18 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Retained earnings</b>		
Opening balance	10,467.98	9,401.85
Profit for the year	4,228.91	3,083.54
Other comprehensive income/(loss) for the year	0.88	0.25
- Re-measurement gains on defined benefit obligations (net of tax)		
- Fair value changes in debt instruments through OCI (net of tax)	35.45	(3.22)
Dividend Paid to shareholders of the company	(1,213.52)	-
Buyback of shares (including tax and buyback related expenses) (Refer Note 17 (ii))	-	(2,009.01)
Transfer to Capital Redemption Reserve on account of buy back of shares (Refer Note 17 (ii))	-	(5.43)
	<b>13,519.70</b>	<b>10,467.98</b>
<b>Securities Premium</b>		
Opening balance	72.06	1,298.87
Buyback of shares (including tax) (Refer Note 17 (ii))	-	(1,298.87)
Share options exercised during the year	23.65	72.06
	<b>95.71</b>	<b>72.06</b>
<b>Capital Redemption Reserve</b>		
Opening balance	8.02	2.59
On buy back of shares (Refer Note 17 (ii))	-	5.43
	<b>8.02</b>	<b>8.02</b>
<b>Capital Reserve</b>		
Opening balance	7.62	7.62
	<b>7.62</b>	<b>7.62</b>



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 18 Other equity (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Share based payment reserve (Refer Note 51)</b>		
Opening balance	42.93	34.76
Equity settled share-based payments (Note 51)	42.87	33.92
Share options exercised during the year	(9.16)	(25.75)
	<b>76.64</b>	<b>42.93</b>
<b>Total</b>	<b>13,707.69</b>	<b>10,598.61</b>

#### 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 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.

**Capital Redemption Reserve:** As per the provisions of section 68 of Companies Act, 2013, the Company has recognised Capital Redemption Reserve on buyback of equity shares from its securities premium and retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

**Capital Reserve:** During amalgamation, the excess amount of the cancelled share capital of the Company over the investment by the amalgamating Company in the Company is treated as Capital Reserve in the Company's financial statements.

**Share based payment reserve:** The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve. The same is adjusted on ESOP allotment made by the Company.

### 19 Financial liabilities - Non current : Lease Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Lease liabilities	1,958.31	1,828.41
<b>Total</b>	<b>1,958.31</b>	<b>1,828.41</b>

(1) For changes in liabilities arising from financing activities and maturity analysis, refer Note 44.

### 20 Financial liabilities - Non current : Deposits

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Security deposits	1,064.18	909.63
<b>Total</b>	<b>1,064.18</b>	<b>909.63</b>





## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 21 Non-current - Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Benefits - Gratuity (Refer Note 42)	35.13	29.06
<b>Total</b>	<b>35.13</b>	<b>29.06</b>

### 22 Non-current - Deferred tax liabilities (net)

Particulars	Opening as on April 01, 2022	Recognised in PL	Recognised in OCI	Closing as on March 31, 2023
<b>Deferred Tax Assets</b>				
Expenses allowable on payment, write off, etc.	14.15	3.81	(0.30)	17.66
Provision for expected sales return (net)	137.11	40.58	-	177.69
Others	3.89	3.36	-	7.25
	<b>155.15</b>	<b>47.75</b>	<b>(0.30)</b>	<b>202.60</b>
<b>Deferred Tax Liabilities</b>				
Temporary differences in carrying value of property, plant and equipment, intangible assets and right of use assets net of lease liabilities between books of account and for tax purposes	266.03	27.07	-	293.10
Income taxable in future on realisation	20.00	36.50	11.93	68.43
Goodwill	39.54	-	-	39.54
	<b>325.57</b>	<b>63.57</b>	<b>11.93</b>	<b>401.07</b>
<b>Net deferred tax liabilities</b>	<b>170.42</b>	<b>15.82</b>	<b>12.23</b>	<b>198.47</b>

Particulars	Opening as on April 01, 2021	Recognised in PL	Recognised in OCI	Closing as on March 31, 2022
<b>Deferred Tax Assets</b>				
Expenses allowable on payment, write off, etc.	14.83	(0.60)	(0.08)	14.15
Provision for expected sales return (net)	118.34	18.77	-	137.11
Others	3.70	0.19	-	3.89
	<b>136.87</b>	<b>18.36</b>	<b>(0.08)</b>	<b>155.15</b>
<b>Deferred Tax Liabilities</b>				
Temporary differences in carrying value of property, plant and equipment, intangible assets and right of use assets net of lease liabilities between books of account and for tax purposes	240.36	25.67	-	266.03
Income taxable in future on realisation	7.90	13.18	(1.08)	20.00
Goodwill	39.54	-	-	39.54
	<b>287.80</b>	<b>38.85</b>	<b>(1.08)</b>	<b>325.57</b>
<b>Net deferred tax liabilities</b>	<b>150.93</b>	<b>20.50</b>	<b>(1.00)</b>	<b>170.42</b>



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 22 Non-current - Deferred tax liabilities (net) (Contd..)

22.1

Particulars	As at March 31, 2023	As at March 31, 2022
Accounting profit before tax	5,670.32	4,137.68
At India's statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	1,427.11	1,041.37
Non deductible expenses for tax purposes	15.67	13.91
Non taxable (income) for tax purposes	-	(7.17)
Others	(1.37)	6.03
<b>Total tax expense for the year</b>	<b>1,441.41</b>	<b>1,054.14</b>

22.2 Income tax expenses for the current year and previous year represents charge for respective year, Income tax for earlier year included in the charge amounts to INR Nil.

22.3 The Company is having expected long term capital loss (LTCL) of INR 62.02 Million (March 31, 2022 - INR 52.66 Million), subject to income tax return filing /pending assessment, on which deferred tax assets has not been recognized in the absence of certainty regarding availability of future long term capital gains against which aforesaid LTCL can be set off. The LTCL of INR 52.66 million can be carried forward till assessment year 2028-29 and LTCL of INR 9.36 million can be carried forward to AY 2031-32.

### 23 Non-current - Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Deferred income	439.71	393.12
<b>Total</b>	<b>439.71</b>	<b>393.12</b>

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

### 24 Financial liabilities - Current : Lease Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Lease liabilities	967.20	800.26
<b>Total</b>	<b>967.20</b>	<b>800.26</b>

(1) For changes in liabilities arising from financing activities and maturity analysis, refer Note 44.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 25 Financial liabilities - Current : Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 25.1)	196.84	158.10
	<b>196.84</b>	<b>158.10</b>
- Dues to related parties (Refer Note 45)	6.66	0.03
- Total outstanding dues of creditors other than micro enterprises and small enterprises	641.51	525.72
	<b>648.17</b>	<b>525.75</b>
<b>Total</b>	<b>845.01</b>	<b>683.85</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	196.84	158.10
(ii) The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	0.17	1.90
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.28	0.17
(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	-	-
Interest payable to micro, small and medium enterprises (Refer Note 26)	<b>0.28</b>	<b>0.17</b>

25.2 Trade Payables Ageing Schedule - Based on the requirements of Amended Schedule III

Particulars	Outstanding as on March 31, 2023 from due date of payment							Total
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years		
<b>Undisputed</b>								
Total outstanding dues of micro enterprises and small enterprises	0.10	190.43	6.31	-	-	-	196.84	
Total outstanding dues of creditors other than micro enterprises and small enterprises	271.77	236.74	137.82	0.61	0.16	1.05	648.15	
<b>Disputed</b>								
Dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	0.02	0.02	
<b>Total</b>	<b>271.87</b>	<b>427.17</b>	<b>144.13</b>	<b>0.61</b>	<b>0.16</b>	<b>1.07</b>	<b>845.01</b>	



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 25 Financial liabilities - Current : Trade payables (Contd..)

Particulars	Outstanding as on March 31, 2022 from due date of payment						
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Undisputed</b>							
Total outstanding dues of micro enterprises and small enterprises	0.05	156.00	2.05	-	-	-	158.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	286.57	211.71	17.06	0.59	0.02	0.91	516.86
<b>Disputed</b>							
Dues of creditors other than micro enterprises and small enterprises	0.86	-	1.89	5.83	0.23	0.08	8.89
<b>Total</b>	<b>287.48</b>	<b>367.71</b>	<b>21.00</b>	<b>6.42</b>	<b>0.25</b>	<b>0.99</b>	<b>683.85</b>

(1) There are no disputed dues of micro enterprises and small enterprises at the end of each year reported.

### 26 Financial liabilities - Current : Others

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Employees related liabilities	74.21	101.40
Security deposits	282.01	193.33
Payables to capital creditors	6.29	0.65
Interest payable on micro and small enterprises (Refer Note 25.1)	0.28	0.17
Unpaid dividend	0.05	-
<b>At fair value through profit and loss</b>		
Derivative instrument <sup>1</sup>	-	0.22
<b>Total</b>	<b>362.84</b>	<b>295.77</b>

(1) It represents liability arising from loss on fair valuation of derivative contracts in the nature of foreign exchange forward contracts.

### 27 Other liabilities : Current

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers (Refer Note 8.1) <sup>1</sup>	545.87	465.56
Refund liabilities <sup>2</sup>	1,070.49	837.23
Advance received towards sale of property, plant & equipment (Refer Note 55)	-	13.24
Statutory dues	43.34	90.78
Interest payable on income tax	-	2.92
Deferred income (Refer Note 23.1)	81.54	70.26
<b>Total</b>	<b>1,741.24</b>	<b>1,479.99</b>

(1) Refer Note no 45.1 for balances with related parties

(2) 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.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 28 Provisions : Current

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits - Gratuity (Refer Note 42)	2.47	4.25
<b>Total</b>	<b>2.47</b>	<b>4.25</b>

### 29 Tax liabilities (net) : Current

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax liabilities (net of advance income tax) <sup>1</sup>	43.22	53.53
<b>Total</b>	<b>43.22</b>	<b>53.53</b>

(1) Current tax liabilities is net of advance taxes paid, TDS and TCS receivable amounting to INR 3,646.86 Million as on March 31, 2023 (March 31, 2022 - INR 2,210.68 Million).

### 30 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	13,240.26	10,073.38
<b>Other operating revenue:</b>		
(i) Scrap sales	2.50	3.87
(ii) Insurance charges recovery	10.21	7.36
(iii) Export incentives	6.67	2.84
<b>Total</b>	<b>13,259.64</b>	<b>10,087.45</b>

#### 30.1 Disaggregated revenue information

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	12,979.86	9,787.03
Outside India	260.40	286.35
<b>Total revenue from contracts with customers</b>	<b>13,240.26</b>	<b>10,073.38</b>

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract Price	13,391.50	10,121.60
Add: Impact of deferred income on deposits taken from customers (Refer Note 23.1)	82.02	61.31
Less: Refund Liabilities	(233.26)	(109.53)
<b>Total revenue from contracts with customers</b>	<b>13,240.26</b>	<b>10,073.38</b>



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 30 Revenue from operations (Contd..)

#### Contract Balances

Particulars	As at year ended March 31, 2023	As at year ended March 31, 2022
Trade Receivables	4,728.40	3,947.99
Advance from customers*	44.93	15.61
Refund Liabilities	1,070.49	837.23

\* The amount of INR 15.61 million included in contract liabilities at March 31, 2022 has been recognised as revenue during the year ended March 31, 2023.

#### Performance obligation from contracts with customers

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

### 31 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest income under effective interest rate method on:</b>		
- Fixed deposits	0.26	9.98
- Loans	0.02	0.02
- Bonds and debentures	55.42	48.70
- Others <sup>1</sup>	30.40	17.88
Profit on sale of investments (net)	55.16	63.99
Gain on fair valuation of investments carried at FVTPL	177.66	99.11
Profit on sale of property, plant & equipment (net)	28.25	-
Liabilities/provisions no longer required written back	10.14	28.36
Insurance claim received	4.94	54.47
Rent concession on lease arrangements (Refer Note 44.1)	-	137.48
Gain on termination of lease arrangements (Refer Note 44.1)	1.55	17.49
Other miscellaneous income	6.62	7.94
<b>Total</b>	<b>370.42</b>	<b>485.42</b>

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

### 32 Cost of materials consumed

#### A. Raw materials

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	227.23	146.53
Add: Purchases during the year	1,414.15	1,232.73
	<b>1,641.38</b>	<b>1,379.26</b>
Less: Inventory at the end of the year (Refer Note 10)	204.91	227.23
<b>Total</b>	<b>1,436.47</b>	<b>1,152.03</b>



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 32 Cost of materials consumed (Contd..)

#### B. Accessories & packing materials

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	36.48	32.15
Add: Purchases during the year	198.70	180.06
	<b>235.18</b>	<b>212.21</b>
Less: Inventory at the end of the year (Refer Note 10)	44.64	36.48
<b>Total</b>	<b>190.54</b>	<b>175.73</b>

### 33 Purchases of stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases of stock-in-trade	2,280.96	1,706.48
<b>Total</b>	<b>2,280.96</b>	<b>1,706.48</b>

### 34 Changes in inventories of finished goods, stock-in-trade & work-in-progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Inventory at the end of the year (Refer Note 10)</b>		
Finished goods	611.72	459.77
Work in progress	284.71	281.75
Stock-in-trade	586.33	409.72
	<b>1,482.76</b>	<b>1,151.24</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	459.77	400.52
Work in progress	281.75	170.00
Stock-in-trade	409.72	246.81
	<b>1,151.24</b>	<b>817.33</b>
	<b>(331.52)</b>	<b>(333.91)</b>
(Increase)/Decrease in Right of return assets (Refer Note 16)	(72.01)	(34.94)
<b>Changes in inventories of finished goods, work-in-progress &amp; stock-in-trade</b>	<b>(403.53)</b>	<b>(368.85)</b>

### 35 Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus (including Directors' remuneration) (Refer Note 45)	481.66	506.81
Contribution to provident and other funds	8.76	8.01
Gratuity expense (Refer Note 42)	6.39	5.65
Staff welfare expenses	12.12	6.89
Equity settled share-based payments (Note 51)	42.87	33.92
<b>Total</b>	<b>551.80</b>	<b>561.28</b>



## Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2023  
(All amounts are in INR Million, unless otherwise stated)

### 36 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on lease liabilities (Refer Note 44)	226.79	206.76
Interest expense on financial liabilities measured at amortised cost <sup>1</sup>	76.72	61.02
Interest expense on income tax	-	2.92
<b>Total</b>	<b>303.51</b>	<b>270.70</b>

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

### 37 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Property, plant and equipment (Refer Note 4)	54.22	57.25
Right of use assets (Refer Note 4)	903.19	805.33
Intangible assets (Refer Note 5)	17.16	17.75
<b>Total</b>	<b>974.57</b>	<b>880.33</b>

### 38 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Job charges	903.52	781.95
Electricity charges	10.38	8.04
Lease rent (Refer Note 44.1)	516.94	377.15
Rates and taxes	32.90	18.80
Loss on foreign exchange fluctuations (net)	0.62	0.19
Insurance	28.36	29.92
Repairs and maintenance		
- Others	3.60	3.83
Legal & professional fees	39.85	53.33
Travelling and conveyance	31.42	15.77
Payment to auditors (Refer Note 40)	4.52	3.62
Directors' Fees and Commission	12.00	5.10
Loss allowances on financial assets	14.30	19.15
Bad debts/advances written off	2.04	1.47
Loss on sale/discard of Property, plant & equipments (net)	-	0.14
Corporate social responsibility expenditure (Refer Note 41)	61.98	52.05
Selling and distribution expenses		
- Advertisement, publicity and sales promotion expenses	648.95	438.16
- Commission	79.48	60.77
- Freight and forwarding expenses	71.26	80.48
Miscellaneous expenses	163.30	107.57
<b>Total</b>	<b>2,625.42</b>	<b>2,057.49</b>





## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 39 Earnings per share (EPS)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax for the year	4,228.91	3,083.54
<b>Basic earnings per share (Refer Note 17(i))</b>		
Weighted average number of ordinary shares (No. in Million)	242.73	244.10
Nominal value of ordinary share (INR per share) (Refer Note 17)	1.00	1.00
<b>Basic earnings for ordinary shares (in INR per share)</b>	<b>17.42</b>	12.63
<b>Diluted earnings per share (Refer Note 17(i))</b>		
Weighted average number of ordinary shares (No. in Million)	242.73	244.10
Weighted average number of ESOP options (No. in Million) (Refer Note 51)	0.03	-
	<b>242.76</b>	<b>244.10</b>
Nominal value of ordinary share (INR per share) (Refer Note 17)	1.00	1.00
<b>Diluted earnings for ordinary shares (in INR per share)</b>	<b>17.42</b>	<b>12.63</b>

### 40 Payment to auditors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>As statutory auditors (audit &amp; review of financial statements)*:</b>		
Audit fees	2.70	2.70
Tax audit fees	0.40	0.40
Limited review of quarterly results	0.90	0.30
<b>In other Capacity :</b>		
Other services	-	0.20
Reimbursement of expenses	0.52	0.02
<b>Total</b>	<b>4.52</b>	<b>3.62</b>

\*Excluding payment made related to IPO services (Refer Note 45.1)

### 41 Corporate social responsibility (CSR) expenditure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross amount to be spent by the Company during the year	60.74	52.01
b) Amount spent and approved by the board during the year		
(i) Construction/ acquisition of any asset	-	-
(ii) On purpose other than (i) above	61.98	52.05
c) Amount unspent during the year	Not Applicable	Not Applicable
d) Nature of CSR activities	Healthcare, Education & Sustainable Livelihood	Environment Sustainability & Animal Welfare, Healthcare, Education



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 41 Corporate social responsibility (CSR) expenditure (Contd..)

(1) For details of related party transactions, refer Note 45.

For movement in CSR, refer below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	-	0.20
Gross amount to be spent during the year	60.74	52.01
Actual spent during the year	(61.98)	(52.25)
<b>(Excess) /short spent</b>	<b>(1.24)</b>	<b>(0.04)</b>

### 42 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 as per the provisions of applicable statute. Retirement benefit in the form of provident fund and employees' state insurance (ESI) are defined contribution scheme and the contributions are charged to statement of profit and loss of the period when the employee renders the service. There are no obligations other than the contribution payable to the respective funds.

#### (II) Defined benefit plan - Unfunded

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, 2023	March 31, 2022
Discount rate	7.20%	7.10%
Expected rate of increase in compensation level of covered employees	7.00%	7.00%
Average duration of defined benefit obligation	10 years	10 years
Mortality rate	Indian Assured Lives Mortality (2006 -08) Ultimate	Indian Assured Lives Mortality (2006 -08) Ultimate
Withdrawal Rate		
- Upto 30 years	15.00%	15.00%
- 31 to 40 years	8.00%	8.00%
- 41 years and above	3.00%	3.00%

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



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 42 Employee benefits (Contd..)

#### 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, 2023	As at March 31, 2022
Present value of defined benefit obligations	37.60	33.31
<b>Net liability arising from defined benefit obligations</b>	<b>37.60</b>	<b>33.31</b>

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

Particulars	March 31, 2023	March 31, 2022
Current service cost	4.08	3.74
Interest cost	2.31	1.91
<b>Total charge to statement of profit or loss</b>	<b>6.39</b>	<b>5.65</b>

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

Remeasurement of the net defined benefit obligation:-

Particulars	March 31, 2023	March 31, 2022
Re-measurement gains arising from changes in financial assumptions	(0.36)	(1.26)
Re-measurement (gain)/losses arising from experience adjustments	(0.82)	0.93
<b>Re measurement of the net defined benefit liability</b>	<b>(1.18)</b>	<b>(0.33)</b>

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

Particulars	March 31, 2023	March 31, 2022
<b>Opening balance</b>	<b>33.31</b>	<b>29.04</b>
Current service cost	4.08	3.74
Interest cost of scheme liabilities	2.31	1.91
Benefits (paid)	(1.44)	(1.05)
Acquisition Adjustment	0.52	-
Re-measurement losses / (gains) arising from changes in financial assumptions	(0.36)	(1.26)
Re-measurement losses /(gains) arising from experience adjustments	(0.82)	0.93
<b>Closing balance</b>	<b>37.60</b>	<b>33.31</b>
<b>Recognised under:</b>		
Current provision	2.47	4.25
Non current provision	35.13	29.06

The gratuity scheme of the Company is unfunded hence there was no plan asset as at March 31, 2023 and March 31, 2022.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 42 Employee benefits (Contd..)

#### 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.

Increase/(Decrease) impact on defined benefit obligation

Particulars	March 31, 2023	March 31, 2022
<b>Discount rate</b>		
Increase by 0.50%	(1.76)	(1.47)
Decrease by 0.50%	1.90	1.59
<b>Expected rate of change in compensation level of covered employees</b>		
Increase by 0.50%	1.95	1.28
Decrease by 0.50%	(1.11)	(1.21)
<b>Mortality Rate</b>		
Increase by 10%	0.01	0.01
Decrease by 10%	(0.01)	(0.01)
<b>Attrition Rate</b>		
Increase by 0.50%	0.14	0.12
Decrease by 0.50%	(0.14)	(0.13)

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.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 42 Employee benefits (Contd..)

**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.

### 43 Contingencies and commitments

(To the extent not provided for)

#### (i) Contingent liabilities

	As at March 31, 2023	As at March 31, 2022
<b>Demands/claims by various government authorities and other claims not acknowledged as debts:</b>		
- Commercial sales tax of various states	0.99	0.99
- Income Tax demands*	232.56	232.56
- Bank Guarantee given#	284.92	284.92
- Demand for employee state insurance (including interest)	7.49	7.15
<b>Total</b>	<b>525.96</b>	<b>525.62</b>
<b>Payment made under protest against the above</b>		
- Commercial sales tax of various states	0.43	0.43
- Demand for Income tax	46.51	46.51
- Demand for employee state insurance	0.84	0.84
<b>Total</b>	<b>47.78</b>	<b>47.78</b>

\* The Income Tax department had carried out a search and seizure operation at the premises of the Company in November 2018. During the previous year, the department has issued assessment orders dated September 21, 2021 for Assessment Years 2013-14 to 2018-19 under Section 153A of the Income Tax Act, that were subsequently revised vide Orders dated November 30, 2021 and December 01, 2021. Tax demands aggregating INR 232.56 million (including interest upto the date of demand order) over and above the income tax obligations estimated by the Company for those assessment years has been raised by the department on account of disallowances of certain expenses. The Company has filed Appeals against these Orders after paying INR 46.51 million under protest.

Based on records maintained, management is confident that the Company will be able to prove that such expenses were incurred for the purpose of the Company's business and are eligible for deduction which is duly supported by a legal opinion obtained in this regard and has been considered as contingent liability as on March 31, 2023.

# Bank Guarantee amounting to Rs. 284.92 million given to National Stock Exchange of India Limited (NSE) in relation to Initial Public Offer (IPO).

#### (ii) Commitments

	As at March 31, 2023	As at March 31, 2022
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account	3.94	8.95

### 44 Leases

(a) The right of use assets comprise of buildings taken on lease. The effective interest rate for lease liabilities is 8.09% as on March 31, 2023 (March 31, 2022 - 8.40%).

	As at March 31, 2023	As at March 31, 2022
(b) Carrying value of right of use assets at the end of the reporting period (Refer Note 4)	2,782.71	2,519.06



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 44 Leases (Contd..)

(c) Analysis of Lease liabilities:

Movement of lease liabilities	As at March 31, 2023	As at March 31, 2022
<b>Opening Lease liabilities</b>	<b>2,628.67</b>	2,036.60
Addition during the year	1,159.88	1,463.76
Accretion of interest during the year	226.79	206.76
Cash outflow towards payment of lease liabilities	(1,061.57)	(794.22)
Rent concession on lease arrangements (Refer Note 31 and Note 44.1)	-	(137.48)
Deletion during the year on account of termination of lease agreements	(28.26)	(146.75)
<b>Closing Lease liabilities</b>	<b>2,925.51</b>	<b>2,628.67</b>

44.1 The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19-Related Rent concessions" effective from the period beginning on or after April 01, 2020 as amended till June 30, 2022. As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B of Ind AS 116 is a lease modification. Pursuant to the notification, the Company has applied the practical expedient in financial year ended March 31, 2022 and hence rent concession received during the financial year 2021-22 aggregating INR 137.48 Million has been accounted for as reversal of liability and disclosed in Other Income.

The table below summarises the maturity profile of the Company's lease liabilities based on contractual undiscounted payments:

	As at March 31, 2023	As at March 31, 2022
Less than 1 year	1,173.17	963.86
Between 2 to 3 year	1,568.88	1,483.50
More than 3 year	638.25	583.06
<b>Lease liabilities included in the Standalone Balance sheet</b>		
Current	967.20	800.26
Non-Current	1,958.31	1,828.41
<b>Total</b>	<b>2,925.51</b>	<b>2,628.67</b>

(d) Impact on Statement of profit and loss:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on lease liabilities	226.79	206.76
Depreciation on right of use assets*	903.19	805.33
Rent concession on lease arrangements	-	(137.48)
Gain on termination of lease arrangements	(1.55)	(17.49)

\* includes depreciation on leasehold building.

(e) The Company applies short term lease recognition exemption for the following leases:

	For the year ended March 31, 2023	For the year ended March 31, 2022
Lease rent as per Statement of profit and loss	516.94	377.15



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 45 Related party disclosures

#### (A) Name of Related Parties

##### i. Subsidiaries:

Mohey Fashions Private Limited - Wholly owned subsidiary (ceased to be subsidiary w.e.f. August 20, 2021)

Manyavar Creations Private Limited - Wholly owned subsidiary

##### ii Enterprise controlling the Company:

Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited

##### iii. Other related parties and related party relationships with whom transactions have taken place during the year:

Mr. Ravi Modi - Chairman and Managing Director	Key Managerial Person (KMP)
Mrs. Shilpi Modi - Wholetime Director	Key Managerial Person (KMP)
Mrs. Usha Devi Modi - Wholetime Director	Key Managerial Person (KMP) (upto September 06, 2021)
Mr. Ajay Modi- Wholetime Director	Key Managerial Person (KMP) (upto September 06, 2021)
Mr. Manish Mahendra Choksi- Independent Director	Key Managerial Person (KMP) (w.e.f. September 06, 2021)
Mr. Tarun Puri- Independent Director	Key Managerial Person (KMP) (w.e.f. September 06, 2021)
Ms. Abanti Mitra- Independent Director	Key Managerial Person (KMP) (w.e.f. September 06, 2021)
Mr. Sunish Sharma - Non executive Director	Key Managerial Person (KMP)
Mr. Rahul Murarka - Chief Financial Officer	Key Managerial Person (KMP) (w.e.f. May 17, 2021)
Mr. Navin Pareek - Company Secretary	Key Managerial Person (KMP)
Mr. Vedant Modi - Chief Marketing Officer	Relative of KMP
Mr. Ajay Modi	Relative of KMP (w.e.f. September 07, 2021)
Manas Foundation (Trust)	Enterprises owned or significantly influenced by KMP
Shenayah Retail Stores Private Limited	Enterprises owned or significantly influenced by the relative of KMP
Ravi Modi HUF	Enterprises owned or significantly influenced by the relative of KMP
Vandana Enterprise	Enterprises owned or significantly influenced by the relative of KMP
Pranit Fashions	Enterprises owned or significantly influenced by the relative of KMP
Mohey Fashions Private Limited	Enterprises owned or significantly influenced by the relative of KMP (w.e.f. August 21, 2021)

#### (B) Details of transactions with related parties

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of products (net of returns) (including taxes)</b>		
Manyavar Creations Private Limited	172.93	212.25
Shenayah Retail Stores Private Limited	285.32	262.25
Pranit Fashions	6.20	6.23
Vandana Enterprise	175.90	132.06
<b>Total</b>	<b>640.35</b>	<b>612.79</b>
<b>Rent income (including taxes)</b>		
Mohey Fashions Private Limited	0.07	0.07
Manyavar Creations Private Limited	0.07	0.07
<b>Total</b>	<b>0.14</b>	<b>0.14</b>



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 45 Related party disclosures (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Recovery of expenses (including taxes) (electricity and other charges)</b>		
Manyavar Creations Private Limited	0.68	0.92
Shenayah Retail Stores Private Limited	0.32	0.13
Vandana Enterprise	1.09	0.77
Pranit Fashions	0.02	0.01
<b>Total</b>	<b>2.11</b>	<b>1.83</b>
<b>Reimbursement of Expenses (advertisement charges, electricity expense, etc.)</b>		
Pranit Fashions *	-	0.00
Shenayah Retail Stores Private Limited	0.28	0.20
Manyavar Creations Private Limited	18.88	13.58
Mohey Fashions Private Limited	0.03	0.03
Vandana Enterprise	0.13	0.38
Tarun Puri	-	0.08
Abanti Mitra	0.01	0.13
Manish Mahendra Choksi	0.01	-
<b>Total</b>	<b>19.34</b>	<b>14.40</b>
<b>Security Deposit Received</b>		
Shenayah Retail Stores Private Limited	12.50	35.50
Vandana Enterprise	6.50	17.50
Pranit Fashions	-	1.20
<b>Total</b>	<b>19.00</b>	<b>54.20</b>
<b>Security Deposit Refunded</b>		
Vandana Enterprise	4.25	-
Shenayah Retail Stores Private Limited	0.50	-
<b>Total</b>	<b>4.75</b>	<b>-</b>
<b>Corporate social responsibility expenditure</b>		
Manas Foundation	-	30.78
<b>Total</b>	<b>-</b>	<b>30.78</b>
<b>Loan given (repayable on demand)</b>		
Manyavar Creations Private Limited	-	4.00
<b>Total</b>	<b>-</b>	<b>4.00</b>
<b>Refund of loan given</b>		
Manyavar Creations Private Limited	-	4.00
<b>Total</b>	<b>-</b>	<b>4.00</b>
<b>Buy back of shares (excluding taxes) (Refer Note 17(ii))</b>		
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	-	2,008.62
Ravi Modi HUF	-	431.42
Ravi Modi	-	18.73
Shilpi Modi	-	29.47
<b>Total</b>	<b>-</b>	<b>2,488.24</b>
<b>Interest income on loan given</b>		
Manyavar Creations Private Limited*	-	0.00
<b>Total</b>	<b>-</b>	<b>0.00</b>





## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 45 Related party disclosures (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of Subsidiary Company</b>		
Ravi Modi	-	0.50
Shilpi Modi	-	0.50
<b>Total</b>	<b>-</b>	<b>1.00</b>
<b>Bank Guarantee Taken</b>		
Shenayah Retail Stores Private Limited	-	2.00
	-	<b>2.00</b>
<b>Bank Guarantee Refunded</b>		
Shenayah Retail Stores Private Limited	-	2.00
	-	<b>2.00</b>
<b>Salary to relative of KMP</b>		
Vedant Modi	4.15	1.75
Ajay Modi	9.80	4.35
<b>Total</b>	<b>13.95</b>	<b>6.10</b>
<b>Dividend Paid (Gross)</b>		
Ravi Modi	8.44	-
Shilpi Modi	13.28	-
Navin Pareek	0.02	-
Rahul Murarka	0.06	-
Ajay Modi	0.36	-
Ravi Modi HUF	194.41	-
Ravi Modi Family Trust	814.21	-
<b>Total</b>	<b>1,030.78</b>	
<b>Commission to Independent Director (including sitting fees)</b>		
Manish Mahendra Choksi	3.00	1.70
Tarun Puri	3.00	1.70
Sunish Sharma	3.00	-
Abanti Mitra	3.00	1.70
<b>Total</b>	<b>12.00</b>	<b>5.10</b>
IPO Expense incurred on behalf of selling share holders <sup>45.1</sup>	51.63	246.97
<b>Total</b>	<b>51.63</b>	<b>246.97</b>
<b>Transfer of Liability (Gratuity &amp; other liabilities)</b>		
Manyavar Creations Private Limited	0.94	-
<b>Total</b>	<b>0.94</b>	<b>-</b>
<b>Transfer of Security deposit given</b>		
Manyavar Creations Private Limited	12.87	-
<b>Total</b>	<b>12.87</b>	<b>-</b>
<b>Purchase of Property, Plant &amp; Equipment</b>		
Manyavar Creations Private Limited	3.83	-
<b>Total</b>	<b>3.83</b>	<b>-</b>

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

All transactions with related parties are priced on an arm's length basis.

45.1 Certain IPO expenses paid/payable under the terms of the Offer Agreement jointly executed by the Company, the selling shareholders and Book Running Lead Managers (BRLMs) shall be borne by the selling shareholders and are being/will be paid out of the Public Offer Account directly and hence, not recognised in these standalone financial statements.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 45 Related party disclosures (Contd..)

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

	As at March 31, 2023	As at March 31, 2022
<b>Receivable from:</b>		
Manyavar Creations Private Limited	-	6.99
Pranit Fashions	2.86	3.07
Shenayah Retail Stores Private Limited	106.07	87.39
Vandana Enterprise	43.34	36.64
<b>Sub Total</b>	<b>152.27</b>	<b>134.09</b>
IPO Expense Recoverable from selling share holder <sup>45.1</sup>	0.15	119.29
<b>Total</b>	<b>152.42</b>	<b>253.38</b>
<b>Advance from customer:</b>		
Manyavar Creations Private Limited	25.66	-
<b>Total</b>	<b>25.66</b>	<b>-</b>
<b>Payable to:</b>		
Ravi Modi	23.46	47.45
Shilpi Modi	15.64	25.50
Sunish Sharma	2.39	-
Abanti Mitra	2.10	-
Manish Mahendra Choksi	2.14	-
Tarun Puri	0.03	0.03
<b>Total</b>	<b>45.76</b>	<b>72.98</b>
<b>Security Deposit Taken:</b>		
Shenayah Retail Stores Private Limited	47.50	35.50
Vandana Enterprise	19.75	17.50
Pranit Fashions	1.20	1.20
<b>Total</b>	<b>68.45</b>	<b>54.20</b>

### (C) Remuneration of key management personnel

The remuneration of key management personnel and a relative of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 'Related party disclosures'.

	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Salary &amp; Allowances*</b>		
Ravi Modi	82.01	128.55
Shilpi Modi	54.67	89.22
Usha Devi Modi (upto September 06, 2021)	-	0.05
Ajay Modi (upto September 06, 2021)	-	4.42
<b>Total Directors' Remuneration</b>	<b>136.68</b>	<b>222.24</b>



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 45 Related party disclosures (Contd..)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Navin Pareek	3.16	2.29
Rahul Murarka (w.e.f. May 17, 2021)	6.92	5.23
<b>Total KMP's Remuneration</b>	<b>146.76</b>	<b>229.76</b>

\* Salary & Allowances excludes Company's contribution (if any) towards retirement benefits and employee stock options scheme since those are ascertained for the Company as a whole.

Balance of Retirement Benefit of KMP's and a relative of KMP is INR 4.44 million as on March 31, 2023 (INR 4.06 million as on March 31, 2022).

All transactions with related parties are priced on an arm's length basis.

### 46 Financial Instruments

#### Financial risk management objectives 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, 2023			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Carrying Value
<b>Financial Assets</b>				
Investments	6,480.66	1,245.92	-	7,726.58
Trade receivables*	-	-	4,728.40	4,728.40
Cash and cash equivalents*	-	-	79.07	79.07
Other bank balances*	-	-	2.61	2.61
Other financial assets*	0.05	-	788.26	788.31
<b>Total</b>	<b>6,480.71</b>	<b>1,245.92</b>	<b>5,598.34</b>	<b>13,324.97</b>
<b>Financial Liabilities</b>				
Non-current security deposits*	-	-	1,064.18	1,064.18
Lease liabilities	-	-	2,925.51	2,925.51
Trade payables*	-	-	845.01	845.01
Other financial liabilities*	-	-	362.84	362.84
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,197.54</b>	<b>5,197.54</b>



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 46 Financial Instruments (Contd..)

Particulars	March 31, 2022			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Carrying Value
<b>Financial Assets</b>				
Investments	3,822.43	1,215.37	-	5,037.80
Trade receivables*	-	-	3,947.99	3,947.99
Cash and cash equivalents*	-	-	30.66	30.66
Other bank balances*	-	-	2.61	2.61
Other financial assets*	-	-	765.03	765.03
<b>Total</b>	<b>3,822.43</b>	<b>1,215.37</b>	<b>4,746.29</b>	<b>9,784.09</b>
<b>Financial Liabilities</b>				
Non-current security deposits*	-	-	909.63	909.63
Lease liabilities	-	-	2,628.67	2,628.67
Trade payables*	-	-	683.85	683.85
Other financial liabilities*	0.22	-	295.55	295.77
<b>Total</b>	<b>0.22</b>	<b>-</b>	<b>4,517.70</b>	<b>4,517.92</b>

\* The carrying amount of the Company's financial assets and financial liabilities are reasonable approximation of their fair value and hence the Company has not disclosed the fair values.

### 47 Fair Value Hierarchy

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

**Level 1:** unquoted/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 March 31, 2023
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments in mutual funds	3,651.21	-	-	3,651.21
Investments in bonds and debentures	4,075.37	-	-	4,075.37
Derivative instruments	-	0.05	-	0.05
<b>Total</b>	<b>7,726.58</b>	<b>0.05</b>	<b>-</b>	<b>7,726.63</b>



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 47 Fair Value Hierarchy (Contd..)

Particulars	Fair Value measuring at the end of the reporting year using			As at March 31, 2022
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in mutual funds	3,022.18	-	-	3,022.18
Investments in bonds and debentures	2,015.62	-	-	2,015.62
<b>Total</b>	<b>5,037.80</b>	-	-	<b>5,037.80</b>
Financial Liabilities				
Derivative instruments	-	0.22	-	0.22
	-	<b>0.22</b>	-	<b>0.22</b>

- Financial assets and liabilities at fair value are reported at amounts that would be received from sale of an asset and amount of resource to be utilised for settlement of a liability respectively in an orderly transaction between market participants.
- Derivative instruments - Forward Rate Contracts: The fair value is determined using Level 2 inputs. The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. All derivative financial instruments are measured at fair value, generally based on quotations obtained from banks.
- Trade receivables, cash and cash equivalents, other bank balances, other financial assets, non current deposits, trade payables, lease liabilities and other financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments. Fair value of investments in mutual funds are on the basis of net asset value as declared by mutual fund house as on the Balance Sheet date.
- There has been no transfer between level 1, level 2 and level 3 during the above period.

### 48 Financial Risk Management

The Company's activities expose it to variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is commodity price risk. The Company uses forward contracts to mitigate foreign exchange related risk exposures.

#### a) Market Risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Currency 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 holds forward contracts such as foreign exchange contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 48 Financial Risk Management (Contd..)

#### Exposure to Currency risk

The following table analyzes foreign currency risk from financial instruments:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Exposure Currency (USD)</b>		
Trade receivables (INR in Million) <sup>1</sup>	24.16	80.93
Less: Forward Contracts outstanding	24.11	38.60
<b>Net exposure</b>	<b>0.05</b>	42.33
<b>Exposure Currency (CAD)</b>		
Trade receivables (INR in Million) <sup>2</sup>	0.10	-

(1) For the year ended March 31, 2023 and March 31, 2022, every percentage appreciation in the exchange rate between the Indian rupee and USD, would increase the Company's profit before tax by approx. INR 0.00 Million and INR 0.42 Million and increase in equity by INR 0.00 Million and INR 0.32 Million respectively.

(2) For the year ended March 31, 2023 and March 31, 2022, every percentage depreciation in the exchange rate between the Indian rupee and USD, would decrease the Company's profit before tax by approx. INR (0.00) Million and INR (0.42) Million and decrease in equity by INR (0.00) Million and INR (0.32) Million respectively.

#### Derivative Financial Instruments

The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury risks. Treasury derivative transactions are in the form of forward contracts and these are subject to the Company's guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on quotations obtained from banks. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation. The fair values of all derivatives are separately recorded in the balance sheet within current assets and liabilities.

The Company uses derivative instruments as part of its management of exposures to fluctuations in foreign currency exchange rates. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Less than 1 year</b>		
Forward contract - to cover export receivables (Amount in USD Million)	0.29	0.51



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023 (All amounts are in INR Million, unless otherwise stated)

### 48 Financial Risk Management (Contd..)

#### Commodity Price Risk

The Company is affected by price volatility of its key raw materials and traded goods. Its operating activities requires a continuous supply of key material for manufacturing products. The Company's procurement department continuously monitor the fluctuation in price and take necessary action to minimize its price risk exposure.

#### Interest rate Risk

The Company is debt-free and the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of safety, liquidity and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

#### Price Risk

The Company's businesses are subject to certain risks and uncertainties including financial risks. Company has invested in bonds, debentures and 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.

#### b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 4,728.40 Million and INR 3,947.99 Million as at March 31, 2023 and March 31, 2022 respectively. Trade receivable includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Company through taking security deposits and bank guarantees from customers, 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.

Credit risk on cash and cash equivalents including other bank balances, investment in mutual funds and debt securities is limited as the Company generally invest in deposits with banks, financial institutions and counterparties with high credit ratings assigned by international and domestic credit rating agencies.

For ageing analysis of the trade receivables, refer Note 12.

#### Credit risk exposure

The allowance for lifetime expected credit loss on customer balances amounts to INR 32.58 million and INR 22.58 million as at year ended March 31, 2023 and March 31, 2022 respectively.

#### c) Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds, fixed deposits, bonds and debentures. 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.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 48 Financial Risk Management (Contd..)

Particulars	Contractual Cash Flows		Carrying Amount	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Less than 1 year</b>				
Trade payables	845.01	683.85	845.01	683.85
Lease Liabilities	1,173.17	963.86	967.20	800.26
Other financial liabilities	207.58	201.98	362.84	295.77
	<b>2,225.76</b>	<b>1,849.69</b>	<b>2,175.05</b>	<b>1,779.88</b>
<b>Between 2 to 3 year</b>				
Lease Liabilities	1,568.88	1,483.50	1,357.31	1,281.96
Other financial liabilities	172.95	215.25	143.40	174.80
	<b>1,741.83</b>	<b>1,698.75</b>	<b>1,500.71</b>	<b>1,456.76</b>
<b>More than 3 year</b>				
Lease Liabilities	638.25	583.06	601.00	546.45
Other financial liabilities	1,598.83	1,293.59	920.78	734.83
	<b>2,237.08</b>	<b>1,876.65</b>	<b>1,521.78</b>	<b>1,281.28</b>
<b>Total</b>	<b>6,204.67</b>	<b>5,425.09</b>	<b>5,197.54</b>	<b>4,517.92</b>

### 49 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 less cash and cash equivalents and current investments. Excess cash and bank balance has been invested by the Company in fixed deposits, bonds, debentures and mutual funds.

Particulars	As at March 31, 2023	As at March 31, 2022
Share capital	242.78	242.70
Other equity	13,707.69	10,598.61
<b>Equity (A)</b>	<b>13,950.47</b>	<b>10,841.31</b>
Cash and cash equivalents	79.07	30.66
Current investments	6,032.09	4,034.47
Other bank balances	2.61	2.61
<b>Total fund (B)</b>	<b>6,113.77</b>	<b>4,067.74</b>
Lease Liabilities (F)	2,925.51	2,628.67
<b>Total debt (C)</b>	<b>2,925.51</b>	<b>2,628.67</b>
<b>Net debt (D=(C-B))</b>	<b>(3,188.26)</b>	<b>(1,439.07)</b>
Total capital (equity + net debt)	10,762.21	9,402.24
Net debt to equity ratio (E=D/A)	*	*
<b>Net debt (excluding lease liabilities) [G=(D-F)]</b>	<b>(6,113.77)</b>	<b>(4,067.74)</b>
<b>Net debt to equity ratio (excluding lease liabilities)</b>	*	*

\* Net debt is negative and hence not applicable.

49.1 The Company is having cash credit facility and the same carries interest rate ranging from 8.00% to 8.20% p.a as on March 31, 2023 (March 31, 2022 - 8.00% p.a). Cash credit facility is unsecured. The facility is unutilised as on March 31, 2023 and March 31, 2022.





## Notes to the Standalone Financial Statements

as at and for the year ended March 31, 2023  
(All amounts are in INR Million, unless otherwise stated)

### 50 Segment Reporting :

Based on the Company's operating structure and information provided to the Chief Operating Decision Maker (CODM) for his review of performance and allocation of resources, the company has only one reportable segment i.e. branded fashion apparel and accessories.

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

Particulars	Revenue from Operations	
	For the year ended March 31, 2023	For the year ended March 31, 2022
India	12,999.24	9,801.10
Overseas	260.40	286.35
<b>Total</b>	<b>13,259.64</b>	<b>10,087.45</b>

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

Particulars	Carrying amount of assets*	
	As at March 31, 2023	As at March 31, 2022
India	5,917.05	5,659.16
Overseas	-	-
<b>Total</b>	<b>5,917.05</b>	<b>5,659.16</b>

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

#### (ii) Disaggregated revenue information

For disaggregation of revenue, refer Note 30.1.

(iii) The Company is not reliant on revenue from transaction with any single customer and does not receive 10% or more of its revenue from transaction with any single customer.

### 51 Share based payments

The Company has an Employee Stock Option Scheme 2018 ("ESOP") as approved by the shareholders at their extra ordinary general meeting held on September 3, 2018. The ESOP scheme includes both tenure based and performance based stock options. The performance conditions attached to the option is measured by comparing Company's performance in terms of revenue and profit before tax over the performance period with budgeted revenue and budgeted profit before tax respectively as defined in the Scheme, and individual employee performance.

Vesting Conditions	Exercise Period	Tranches	Date of Grant	Numbers of options granted	Exercise Price per share
On continued employment with the Company and achievement of performance parameters over a period of 2 to 4 years from the date of grant.	10 years from the date of grant of stock options	Tranche 1	September 3, 2018	3,32,124	344
		Tranche 2	December 21, 2018	13,663	344
		Tranche 3	January 21, 2020	19,039	536
		Tranche 4	December 18, 2020	32,193	685
		Tranche 5	September 4, 2021	4,95,140	400

## Notes to the Standalone financial statements

as at and for the year ended March 31, 2023  
(All amounts are in INR Million, unless otherwise stated)

### 51 Share based payments (Contd..) Movement of Options Granted

The movement of the options for the year is as given below:

Particulars	Tranche 1		Tranche 2		Tranche 3		Tranche 4		Tranche 5	
	Stock Options (Numbers)	Weighted Average price exercise price (Price per option)	Stock Options (Numbers)	Weighted Average price exercise price (Price per option)	Stock Options (Numbers)	Weighted Average price exercise price (Price per option)	Stock Options (Numbers)	Weighted Average price exercise price (Price per option)	Stock Options (Numbers)	Weighted Average price exercise price (Price per option)
<b>Options exercisable as at March 31, 2021</b>	1,92,960	344	12,987	344	10,634	536	32,193	685	-	-
Split of shares from Rs. 2 per share to Re. 1 per share (Refer Note 17 (i))	1,92,960	-	12,987	-	10,634	-	32,193	-	-	-
Options granted during the period	-	-	-	-	-	-	-	-	4,95,140	400
Options exercised during the year	(2,54,855)	172	(15,980)	172	-	-	-	-	-	-
Options lapsed during the period (Unvested)	(14,628)	172	(702)	172	(21,268)	268	(8,322)	343	(37,244)	400
<b>Options exercisable as at March 31, 2022</b>	1,16,437	172	9,292	172	-	-	56,064	343	4,57,896	400
Options exercised during the year	(60,058)	172	(8,985)	172	-	-	(7,858)	343	-	-
Options lapsed during the period (Unvested)	(6,484)	172	(307)	172	-	-	(22,876)	343	(29,954)	400
<b>Options exercisable as at March 31, 2023</b>	49,895	172	-	-	-	-	25,330	343	4,27,942	400

The weighted-average share price at the date of exercise for share options exercised in year ended March 31, 2023 was INR 1,342.78.

The weighted-average remaining contractual life of outstanding options as at 31 March 2023 and 31 March 2022 is 8.10 year and 8.78 years.

51.1 There were 52,523 (post split) number of vested options as on March 31, 2023 (March 31, 2022 - no options were vested). Also no vested options lapsed at the end of each reporting date. For the computation of diluted earnings per share, options outstanding at respective reporting dates have been considered as dilutive (Refer Note 39).





## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 51 Share based payments (Contd..)

51.2 There were no options forfeited in any of the reporting period.

#### Fair Valuation:

The fair valuation of options was carried out by an independent valuer using Black Scholes Model. The various inputs and assumptions considered in the pricing model at grant date for the stock options granted under ESOP Scheme 2018 are as under.

Particulars	Tranche 1 & 2	Tranche 3	Tranche 4	Tranche 5*
Risk Free interest rate (%)	7.95	6.41	6.18	6.18
Option Life (Years)	7	7	7	7
Expected Volatility (%)	37	42	43	43
Fair value (in Rs. per option)	190.00	428.00	660.00	310.50
Share price at options grant date (in Rs. per share)	344.97	686.35	1,008.80	504.40

\*Post split. Refer Note 17(i)

Effect of the above employee share-based payment plan on the statement of profit and loss and on its financial position:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employee Compensation Cost pertaining to share-based payment plans (in INR Million)	42.87	33.92

### 52 Ratio Analysis and its elements

#### Ratio

Particulars	March 31, 2023	March 31, 2022	% change from March 31, 2022 to March 31, 2023
Current ratio	3.33	3.06	8.82%
Debt- Equity Ratio	0.21	0.24	(12.50%)
Debt Service Coverage ratio	5.15	5.10	0.98%
Return on Equity	34.12%	28.24%	20.82%
Inventory Turnover ratio	8.43	8.37	0.72%
Trade Receivable Turnover Ratio	3.06	2.65	15.47%
Trade Payable Turnover Ratio	8.53	8.89	(4.05%)
Net Capital Turnover Ratio	1.44	1.48	(2.70%)
Net Profit ratio	31.89%	30.57%	4.32%
Return on Capital Employed	47.38%	46.80%	1.24%
Return on Investment	4.24%	4.15%	2.17%



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 52 Ratio Analysis and its elements (Contd..)

#### Elements of Ratio

Ratios	Numerator	Denominator	March 31, 2023		March 31, 2022	
			Numerator	Denominator	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities	13,174.77	3,961.98	10,156.48	3,317.65
Debt- Equity Ratio	Debt (Borrowing + Lease liabilities)	Total Equity	2,925.51	13,950.47	2,628.67	10,841.31
Debt Service Coverage ratio	Earnings for Debt Service (Profit for the year + Finance cost + Depreciation + Loss on sale of property, plant and equipment - Profit on sale of property, plant and equipment - Liabilities/ provisions no longer required written back - Rent concession on lease arrangements -Gain on termination of lease arrangements + Loss allowances on financial assets + Bad debts/ advances written off)	Debt Service ( Interest & Lease Payments + Principal Re-payments)	5,483.39	1,064.92	4,072.01	797.81
Return on Equity ratio	Profit for the year	Average Shareholder's Equity	4,228.91	12,395.89	3,083.54	10,917.43
Inventory Turnover ratio	Revenue from operations	Average Inventory	13,259.64	1,573.63	10,087.45	1,205.48
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade Receivable	13,259.64	4,338.20	10,087.45	3,805.89
Trade Payable Turnover Ratio	Purchases during the year of raw materials, accessories and stock in trade + other expenses	Average Trade Payable	6,519.23	764.43	5,176.77	582.39
Net Capital Turnover Ratio	Revenue from operations	Working Capital *	13,259.64	9,212.79	10,087.45	6,838.83
Net Profit ratio	Profit for the year	Revenue from operations	4,228.91	13,259.64	3,083.54	10,087.45
Return on Capital Employed	Earnings before interest and taxes (Profit Before Tax + Finance Cost)	Capital Employed [ Tangible Net Worth + Total Debt (Borrowing + Lease liabilities) + Deferred Tax Liability ]	5,973.83	12,607.28	4,408.38	9,420.46
Return on Investment	Interest Income on fixed deposits, bonds and debentures + Profit on sale of investments + Gain on fair valuation of investments carried at FVTPL + Changes in fair valuation of investments carried at FVTOCI	Current investments + Non current Investments + Other bank balances	335.88	7,929.29	217.48	5,240.51

\* Working capital has been calculated as current assets minus current liabilities.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 52 Ratio Analysis and its elements (Contd..)

#### 52.1 Ratios without considering lease liabilities as debt

##### Ratio

Particulars	March 31, 2023	March 31, 2022	% change from March 31, 2022 to March 31, 2023
Debt- Equity Ratio	-	-	Not Applicable
Debt Service Coverage ratio	1,636.83	1,076.95	51.99%
Return on Capital Employed	59.36%	61.86%	(4.84%)

#### Reasons for variance of more than 25% in above ratios

- Increase in Debt -Service Coverage Ratio is on account of overall increase in Company's earnings during the year.

#### Elements of Ratio

Ratios	Numerator	Denominator	March 31, 2023		March 31, 2022	
			Numerator	Denominator	Numerator	Denominator
Debt- Equity Ratio	Debt (Borrowing)	Total Equity	-	13,950.47	-	10,841.31
Debt Service Coverage ratio	Earnings for Debt Service (Profit for the year + Finance cost + Depreciation - Profit on sale of property, plant and equipment + Loss on sale of property, plant and equipment -Liabilities/ provisions no longer required written back-Rent concession on lease arrangements-Gain on termination of lease arrangements+Loss allowances on financial assets+Bad debts/ advances written off)	Debt Service (Interest paid other than interest on lease liabilities)	5,483.39	3.35	3,865.25	3.59
Return on Capital Employed	Earnings before interest and taxes (Profit Before Tax + Finance cost - Interest on lease liabilities)	Capital Employed [ Tangible Net Worth + Total Debt (Borrowing) + Deferred Tax Liability]	5,747.04	9,681.77	4,201.62	6,791.79

- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 54 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 interim financial statements are as follows:

#### i) Revenue Recognition

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

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

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

The Company updates its assessment of expected returns based on the best estimates and judgements and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances & judgements and the Company's past experience regarding returns may not be representative of customers' actual returns in the future. As at March 31, 2023, the amount recognised as refund liabilities for the expected returns is INR 1,070.49 Million and corresponding right of return asset is INR 364.45 Million (March 31, 2022: expected returns was INR 837.23 Million and corresponding right of return asset is INR 292.44 Million).

#### 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 (excluding brand & goodwill) 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 for prospectively.

#### iii) Impairment of non-financial assets (including intangible assets)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to the goodwill and brand.

#### iv) Estimation of provisions and contingencies

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

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



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 54 Critical estimates and judgements in applying accounting policies (Contd..)

#### v) 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 42)

#### vi) 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.

#### vii) Share-based payment

The Company uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option and volatility. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 51.

#### viii) Fair Value Measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

#### ix) Recoverability of Deferred Tax Assets

Deferred tax assets are recognised for unused tax losses including capital losses to the extent it is probable that taxable future profit/capital gains will be available against which applicable 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. Deferred tax assets on Long term capital loss have not been recognised in the absence of certainty of availability of adequate future long term capital gains for set off. Further details on taxes are disclosed in Note 22.



## Notes to the Standalone Financial Statements as at and for the year ended March 31, 2023

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

### 55 Assets Held For Sale

During the previous year, the Company had received advance amounting to INR 13.24 Million against sale of an identified asset - building under right of use asset. Consequently, the carrying value of such assets amounting to INR 13.26 Million (Gross block: INR 15.39 Million and Accumulated depreciation of INR 2.13 Million) has been disclosed as "Assets held for sale" as on March 31, 2022. The transaction is completed in financial year ended March 31, 2023. Recoverable value from the transaction was INR 26.36 million (including amount received till March 31, 2022).

**56** The Company has one wholly owned subsidiary i.e. Manyavar Creations Private Limited (principal place of business is in India) which is accounted at cost in these standalone financial statements of the Company.

### 57 Subsequent event

There are no material non-adjusting events after the reporting period till the date of issue of these financial statements (i.e. April 28, 2023) which require disclosure in standalone financial statement.

In terms of our report attached of the even date

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 101248W/W-100022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)  
For and on behalf of the Board of Directors

**Seema Mohnot**  
Partner  
Membership No. 060715

**Ravi Modi**  
Chairman and Managing Director  
DIN : 00361853

**Shilpi Modi**  
Wholetime Director  
DIN : 00361954

Place: Kolkata  
Date: April 28, 2023

**Rahul Murarka**  
Chief Financial Officer

**Navin Pareek**  
Company Secretary  
ICSI Membership No. F10672





# Independent Auditor's Report

To  
The Members of **Vedant Fashions Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Vedant Fashions Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

**Revenue recognition** See Note 31 and Note 56(i) to consolidated financial statements

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

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

The key audit matter	How our audit address the key audit matter
<p>Revenue is recognised when the Group satisfies performance obligations under the terms of contract with customers by transferring control of the products being sold to customers. The terms of contracts with customers, including the timing of transfer of control and nature of revenue arrangements creates complexities which requires judgment in determining revenues.</p> <p>The refund liability is estimated considering historical trend of actual returns and expected period over which such products could be returned which is inherently complex and judgmental. Accordingly, we have identified revenue recognition as a key audit matter</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluated design and implementation and tested operating effectiveness of the Group's key controls over recording of revenue, revenue cut-off and accrual of refund liability.</li> <li>• Performed substantive testing (including year-end cut off testing). We selected samples of revenue transactions recorded during the year and verified the underlying sales invoices and shipping documents to evidence the transfer of control.</li> <li>• Performed procedures to test actual sales returns recorded during the year on a test basis and verified the relevant source documents.</li> <li>• Performed a retrospective analysis of the Group's estimate of refund liabilities by comparing actual returns in current financial year with provisions recorded in prior period.</li> </ul>



**Goodwill and Brand: Impairment Assessment** See Note 5(2) to consolidated financial statements

The key audit matter	How our audit address the key audit matter
<p>The Holding Company tests goodwill and brand for impairment annually or more frequently when there is an indication of impairment of the cash generating unit to which goodwill has been allocated.</p> <p>The annual impairment testing of these intangible assets involves significant estimates and judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows.</p> <p>Accordingly, impairment assessment of intangible assets is considered to be a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluated design and implementation and tested operating effectiveness of controls over the Holding Company's process of impairment assessment.</li> <li>• Assessed the valuation methodology used and challenged the assumptions used, in particular, those relating to forecast revenue growth and earnings and discount rate with the assistance of our valuation specialists.</li> <li>• Performed retrospective analysis of financial projections prepared by the Holding Company by comparing projections for previous financial years with actuals.</li> <li>• Performed sensitivity analysis of key assumptions.</li> <li>• Evaluated the adequacy of disclosures in respect of impairment evaluation of intangible assets in the consolidated financial statements.</li> </ul>

**Other Information**

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's reports thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

**Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the company included in the Group are

responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

- a. The consolidated financial statements of the Group for the year ended 31 March 2022 were audited by the predecessor auditor who had expressed an unmodified opinion on 09 May 2022.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.



- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. 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, in our opinion and to the best of our information and according to the explanations given to us:

- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 44 to the consolidated financial statements.
- b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.
- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2023.
- d. (i) The management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act has represented that, to the best of their knowledge and belief, as disclosed in the Note 55 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"),

with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company and subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management of the Holding Company and its subsidiary company incorporated in India whose financial statements have been audited under the Act has represented that, to the best of their knowledge and belief, as disclosed in the Note 55 to the consolidated financial statements, no funds have been received by the Holding Company and subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company and subsidiary company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

- e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 18 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.



f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company and subsidiary company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. No remuneration has been paid by the subsidiary

company to any of its directors. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

**Seema Mohnot**

Partner

Membership No.: 060715

ICAI UDIN:23060715BGPZZY5056

Place: Kolkata

Date: 28 April 2023



**Annexure A** to the Independent Auditor's Report on the Consolidated Financial Statements of Vedant Fashions Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

For **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No.:101248W/W-100022

**Seema Mohnot**  
Partner  
Membership No.: 060715  
ICAI UDIN:23060715BGPZZY5056

Place: Kolkata  
Date: 28 April 2023



## **Annexure B** to the Independent Auditor's Report on the consolidated financial statements of Vedant Fashions Limited for the year ended 31 March 2023

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

### **Opinion**

In conjunction with our audit of the consolidated financial statements of Vedant Fashions Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such company incorporated in India under the Act which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such Companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external



purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility

of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No.:101248W/W-100022

**Seema Mohnot**  
Partner  
Membership No.: 060715  
ICAI UDIN:23060715BGPZZY5056

Place: Kolkata  
Date: 28 April 2023





## Consolidated Balance Sheet as at March 31, 2023

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

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	713.62	746.38
(b) Right of use assets	4	2,790.55	2,667.36
(c) Capital work in progress	4	20.22	-
(d) Goodwill	5	157.11	157.11
(e) Other intangible assets	5	1,543.14	1,575.14
(f) Intangible assets under development	5	1.68	1.04
(g) Financial assets			
(i) Investments	6	1,694.49	1,003.33
(ii) Others	7	629.24	484.07
(h) Deferred tax assets (net)	8	7.42	13.06
(i) Non-current tax assets (net)	10	57.55	40.63
(j) Other non-current assets	9	667.32	669.50
<b>Total non-current assets</b>		<b>8,282.34</b>	<b>7,357.62</b>
<b>Current assets</b>			
(a) Inventories	11	1,736.46	1,430.00
(b) Financial assets			
(i) Investments	12	6,176.85	4,120.89
(ii) Trade receivables	13	4,734.43	3,967.41
(iii) Cash and cash equivalents	14	97.45	36.09
(iv) Bank Balances other than (iii) above	15	2.61	2.61
(v) Others	16	167.07	314.47
(c) Other current assets	17	462.95	455.22
<b>Total current assets</b>		<b>13,377.82</b>	<b>10,326.69</b>
Assets held for sale	57	-	13.26
<b>Total assets</b>		<b>21,660.16</b>	<b>17,697.57</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	18	242.78	242.70
(b) Other equity	19	13,756.02	10,584.72
<b>Total Equity</b>		<b>13,998.80</b>	<b>10,827.42</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	20	1,958.31	1,934.48
(ii) Deposits	21	1,064.18	912.09
(b) Provisions	22	35.19	29.91
(c) Deferred tax liabilities (net)	23	197.31	168.11
(d) Other non-current liabilities	24	439.71	393.43
<b>Total non-current liabilities</b>		<b>3,694.70</b>	<b>3,438.02</b>



## Consolidated Balance Sheet as at March 31, 2023

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

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	25	975.50	852.52
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	26	196.84	158.11
- total outstanding dues of creditors other than micro enterprises and small enterprises	26	661.98	572.03
(iii) Others	27	367.02	297.47
(b) Other current liabilities	28	1,719.63	1,494.17
(c) Provisions	29	2.47	4.30
(d) Current tax liabilities (net)	30	43.22	53.53
<b>Total current liabilities</b>		<b>3,966.66</b>	<b>3,432.13</b>
<b>Total liabilities</b>		<b>7,661.36</b>	<b>6,870.15</b>
<b>Total equity and liabilities</b>		<b>21,660.16</b>	<b>17,697.57</b>
Summary of Significant Accounting Policies	3		

The accompanying notes are an integral part of the Consolidated financial statements

In terms of our report attached of the even date

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 101248W/W-100022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)  
For and on behalf of the Board of Directors

**Seema Mohnot**  
Partner  
Membership No. 060715

**Ravi Modi**  
Chairman and Managing Director  
DIN : 00361853

**Shilpi Modi**  
Wholtime Director  
DIN : 00361954

Place: Kolkata  
Date: April 28, 2023

**Rahul Murarka**  
Chief Financial Officer

**Navin Pareek**  
Company Secretary  
ICSI Membership No. F10672



# Consolidated Statement of profit and loss for the year ended March 31, 2023

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

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income:</b>			
I Revenue from operations	31	13,549.30	10,408.41
II Other income	32	402.41	499.26
<b>III Total income (I + II)</b>		<b>13,951.71</b>	<b>10,907.67</b>
<b>IV Expenses:</b>			
Cost of materials consumed			
- Raw materials	33A	1,436.47	1,152.03
- Accessories & packing materials	33B	190.54	175.73
Purchases of stock-in-trade	34	2,280.96	1,706.48
Changes in inventories of finished goods, stock-in-trade and work-in-progress	35	(388.61)	(365.98)
Employee benefits expense	36	566.30	575.28
Finance costs	37	314.64	284.25
Depreciation and amortisation expense	38	1,037.85	943.56
Other expenses	39	2,755.17	2,206.21
<b>Total expenses</b>		<b>8,193.32</b>	<b>6,677.56</b>
<b>V Profit before tax (III-IV)</b>		<b>5,758.39</b>	<b>4,230.11</b>
<b>VI Tax expense:</b>			
- Current tax		1,444.69	1,056.68
- Deferred tax		22.62	24.32
<b>Total Tax expense</b>		<b>1,467.31</b>	<b>1,081.00</b>
<b>VII Profit for the year (V-VI)</b>		<b>4,291.08</b>	<b>3,149.11</b>
<b>VIII Other comprehensive income/(loss)</b>			
<b>Item that will not be reclassified to profit or loss</b>			
(a) Re-measurement gains on defined benefit obligations		1.25	0.33
(b) Income tax effect on above		(0.32)	(0.08)
<b>Item that will be reclassified to profit or loss</b>			
(a) Fair value changes in debt instruments through other comprehensive income		47.38	(4.30)
(b) Income tax effect on above		(11.93)	1.08
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>36.38</b>	<b>(2.97)</b>
<b>IX Total comprehensive income for the year</b>		<b>4,327.46</b>	<b>3,146.14</b>
X Earnings per equity share (EPS) (face value of share of INR 1 each)			
<b>Basic (in INR per share)</b>	40	<b>17.68</b>	<b>12.90</b>
<b>Diluted (in INR per share)</b>	40	<b>17.68</b>	<b>12.90</b>
<b>Summary of Significant Accounting Policies</b>	3		

The accompanying notes are an integral part of the Consolidated financial statements

In terms of our report attached of the even date

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 101248W/W-100022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)  
For and on behalf of the Board of Directors

**Seema Mohnot**  
Partner  
Membership No. 060715

**Ravi Modi**  
Chairman and Managing Director  
DIN : 00361853

**Shilpi Modi**  
Wholetime Director  
DIN : 00361954

Place: Kolkata  
Date: April 28, 2023

**Rahul Murarka**  
Chief Financial Officer

**Navin Pareek**  
Company Secretary  
ICSI Membership No. F10672



## Consolidated Statement of Cash Flows for the year ended March 31, 2023

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. Cash Flows from Operating Activities</b>		
Profit before tax	5,758.39	4,230.11
<b>Adjustments for :</b>		
- Depreciation and amortisation expenses	1,037.85	943.56
- Profit on sale/ discard of property, plant and equipment (net)	(30.55)	(0.26)
- Profit on sale of investments in subsidiary Company	-	(0.61)
- Interest income	(88.62)	(79.75)
- Profit on sale of investments (net)	(59.10)	(65.25)
- Profit on fair valuation of investments carried at FVTPL	(180.15)	(99.64)
- Impairment losses on financial assets	16.29	26.41
- Bad debts/advances written off	2.24	1.49
- Liabilities/provisions no longer required written back	(16.05)	(29.10)
- Unrealised net (gain)/loss on foreign currency transactions and translations	(0.05)	0.22
- Rent concession on lease arrangements (Refer Note 32)	-	(143.73)
- Gain on termination of lease arrangements (Refer Note 32)	(15.69)	(17.49)
- Interest expense on lease liabilities	237.62	219.58
- Interest expense on others	77.02	64.67
<b>Operating profit before working capital changes</b>	<b>6,739.20</b>	<b>5,050.21</b>
<b>Movement in working capital:</b>		
(Increase)/decrease in other financial assets	3.92	(182.32)
Increase in non financial assets	(50.19)	(151.82)
Increase in trade receivables	(778.02)	(377.11)
Increase in inventories	(306.46)	(417.65)
Increase in provisions	4.70	4.75
Increase in trade payables	111.96	252.05
Increase in other financial and non financial liabilities	444.96	422.28
<b>Cash generated from operations</b>	<b>6,170.07</b>	<b>4,600.39</b>
Income tax paid (net of refund)	(1,471.93)	(1,090.21)
<b>Net cash generated from operating activities</b> (A)	<b>4,698.14</b>	<b>3,510.18</b>
<b>B. Cash Flows from Investing Activities</b>		
Acquisition of property, plant and equipments, capital work in progress and intangible assets (including capital advances)	(44.76)	(22.60)
Proceeds from sale of property, plant and equipments and intangible assets (including advance received) [Refer Note 9.1]	101.26	131.87
Interest received	115.97	90.87
Proceeds from sale of investments in subsidiary Company	-	1.00
Acquisition of investments	(19,620.55)	(12,986.54)
Proceeds from sale of investments	17,128.80	13,022.50
Proceeds from maturity of bank deposits	-	327.50
<b>Net cash flow from/(used) in investing activities</b> (B)	<b>(2,319.28)</b>	<b>564.60</b>



## Consolidated Statement of Cash Flows for the year ended March 31, 2023

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>C. Cash Flows from Financing Activities</b>		
Principal payment of lease liabilities	(877.58)	(614.89)
Interest paid on lease liabilities	(237.62)	(219.58)
Interest paid other than interest on lease liabilities	(3.35)	(3.59)
Proceeds from fresh equity shares issuance against vested ESOPs	14.57	46.58
Dividend Paid	(1,213.52)	-
Buy Back of equity shares (including Tax) [Refer Note 18 (ii)]	-	(3,313.31)
<b>Net cash used in financing activities</b> (C)	<b>(2,317.50)</b>	<b>(4,104.79)</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>61.36</b>	<b>(30.01)</b>
Cash and Cash Equivalents at the beginning of the year	36.09	66.10
<b>Cash and Cash Equivalents at the end of the year</b>	<b>97.45</b>	<b>36.09</b>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Components of Cash and Cash Equivalents (Refer Note 14)		
Balance with Banks	96.88	36.01
Cash on hand	0.57	0.08
<b>Cash and Cash Equivalents as at the end of the year</b>	<b>97.45</b>	<b>36.09</b>

### Non-cash investing activities

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Acquisition of Right of use assets (Refer Note 4)	1,159.88	1,588.64

The above consolidated statement of cash flows has been prepared under the 'Indirect method' as set out in Ind AS 7, "Statement of cash flow".

The accompanying notes are an integral part of the Consolidated financial statements

In terms of our report attached of the even date

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 101248W/W-100022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)  
For and on behalf of the Board of Directors

**Seema Mohnot**  
Partner  
Membership No. 060715

**Ravi Modi**  
Chairman and Managing Director  
DIN : 00361853

**Shilpi Modi**  
Wholetime Director  
DIN : 00361954

Place: Kolkata  
Date: April 28, 2023

**Rahul Murarka**  
Chief Financial Officer

**Navin Pareek**  
Company Secretary  
ICSI Membership No. F10672



## Consolidated Statement of changes in equity for the year ended March 31, 2023

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

### A Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	24,27,03,089	242.70	12,39,33,299	247.87
Changes in equity share capital during the year	76,901	0.08	11,87,69,790	(5.17)
<b>Equity shares outstanding at the end of the year</b>	<b>24,27,79,990</b>	<b>242.78</b>	<b>24,27,03,089</b>	<b>242.70</b>

### B Other Equity

As at March 31, 2023

Particulars	Attributable to the equity shareholders					Total other equity
	Reserves and Surplus					
	Securities premium	Capital Reserves	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
<b>As at April 01, 2022</b>	<b>72.06</b>	<b>7.62</b>	<b>8.02</b>	<b>42.93</b>	<b>10,454.09</b>	<b>10,584.72</b>
<b>Total Comprehensive Income for the year ended March 31, 2023</b>						
Profit for the year	-	-	-	-	4,291.08	4,291.08
Other comprehensive income for the year, net of tax	-	-	-	-	36.38	36.38
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,327.46</b>	<b>4,327.46</b>
<b>Contribution and distributions</b>						
Dividend Paid to shareholders of the company	-	-	-	-	(1,213.52)	(1,213.52)
Share options exercised during the year	23.65	-	-	(9.16)	-	14.49
Equity settled share-based payments (Refer Note 52)	-	-	-	42.87	-	42.87
<b>Total Contribution and distributions</b>	<b>23.65</b>	<b>-</b>	<b>-</b>	<b>33.71</b>	<b>(1,213.52)</b>	<b>(1,156.16)</b>
<b>As at March 31, 2023</b>	<b>95.71</b>	<b>7.62</b>	<b>8.02</b>	<b>76.64</b>	<b>13,568.03</b>	<b>13,756.02</b>



# Consolidated Statement of changes in equity

for the year ended March 31, 2023  
(All amounts are in INR Million, unless otherwise stated)

As at March 31, 2022

Particulars	Attributable to the equity shareholders					Total other equity
	Reserves and Surplus					
	Securities premium	Capital Reserves	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
<b>As at April 01, 2021</b>	<b>1,298.87</b>	<b>7.62</b>	<b>2.59</b>	<b>34.76</b>	<b>9,322.39</b>	<b>10,666.23</b>
<b>Total Comprehensive Income for the year ended March 31, 2022</b>						
Profit for the year	-	-	-	-	3,149.11	3,149.11
Other comprehensive loss for the year, net of tax	-	-	-	-	(2.97)	(2.97)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,146.14</b>	<b>3,146.14</b>
<b>Contribution and distributions</b>						
Buyback of shares (including tax) [Refer Note 18 (ii)]	(1,298.87)	-	-	-	(2,009.01)	(3,307.88)
Transfer to Capital Redemption Reserve on account of buy back of shares (Refer Note 18 (ii))	-	-	5.43	-	(5.43)	-
Share options exercised during the year	72.06	-	-	(25.75)	-	46.31
Equity settled share-based payments (Refer Note 52)	-	-	-	33.92	-	33.92
<b>Total Contribution and distributions</b>	<b>(1,226.81)</b>	<b>-</b>	<b>5.43</b>	<b>8.17</b>	<b>(2,014.44)</b>	<b>(3,227.65)</b>
<b>As at March 31, 2022</b>	<b>72.06</b>	<b>7.62</b>	<b>8.02</b>	<b>42.93</b>	<b>10,454.09</b>	<b>10,584.72</b>

The accompanying notes are an integral part of the Consolidated financial statements

In terms of our report attached of the even date

For **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 101248W/W-100022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)  
For and on behalf of the Board of Directors

**Seema Mohnot**  
Partner  
Membership No. 060715

**Ravi Modi**  
Chairman and Managing Director  
DIN : 00361853

**Shilpi Modi**  
Wholetime Director  
DIN : 00361954

Place: Kolkata  
Date: April 28, 2023

**Rahul Murarka**  
Chief Financial Officer

**Navin Pareek**  
Company Secretary  
ICSI Membership No. F10672



# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

## 1. GROUP OVERVIEW

The Consolidated Financial Statements comprise financial of statements of Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited) (the Holding Company) and its subsidiary (collectively, the Group) for year ended March 31, 2023

The Group is primarily engaged in manufacturing, trading and sale of readymade ethnic wear for men, women and kids primarily in India under the brand names Manyavar, Mohey, Mebaz, Twamev and Manthan. The Holding company is listed on National Stock Exchange and Bombay Stock Exchange.

Registered and corporate office of the Holding Company is located at Paridhan Garment Park, 19 Canal South Road, SDF-1, 4th floor, A501-502, Kolkata- 700015.

The Holding Company was converted into a public limited company under the Companies Act, 2013 on August 25, 2021 and consequently, the name was changed to "Vedant Fashions Limited".

## 2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

### a. Basis of preparation

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

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

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

The Consolidated Financial Statements were authorised for issue by the Group's Board of Director on 28 April 2023.

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

- a) Certain financial assets and liabilities measured at fair value (refer accounting policies regarding financial instruments)

- b) Defined employee benefit plans

### b. Basis of fair value measurement

The Group 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 Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group 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 consolidated 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 Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing





# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

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

The Group 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 Group 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.

- Critical estimates and judgements (Note 56)
- Quantitative disclosures of fair value measurement hierarchy (Note 48)
- Financial instruments (including those carried at amortised cost) (Note 47)

## c. Functional and presentation currency

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

## d. Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, which includes following amendments:

### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group

does not expect this amendment to have any significant impact in its consolidated financial statements.

### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its consolidated financial statements.

### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The group does not expect this amendment to have any significant impact in its consolidated financial statements.

## 2.1 BASIS OF CONSOLIDATION

The Consolidated Financial Statements comprise the financial statements of the Group and its subsidiary as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The results of subsidiary acquired or disposed off during the year are included in the Consolidated Summary Statement of Profits and Losses from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the Group's accounting policies.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests if any, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Consolidated Financial Statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

There are no associates, joint ventures and joint operations in the Group.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group has applied following accounting policies to all reporting years presented in these Ind AS Consolidated Financial Statements.

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

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and that reflects the consideration to which the Group expect to be entitled to in exchange of products. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 56.

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance

obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts, margin, rate change etc offered by the Group as part of the contract.

The Group 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 Group does not adjust any of the transaction prices for the time value of money.

#### Contract balances

##### Trade receivables

A receivable represents the Group'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 Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

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

##### Refund liabilities

The amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The Group updates its estimates of refund liabilities at the end of each reporting year.

Corresponding Right of return asset represents the Group'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 Group 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.

#### ii) Export benefits

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



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

conditions will be complied with. It is recognized as other operating revenue.

### 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 Group 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.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

### iv) Dividend Income

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

## b) Property, Plant and Equipment

### (i) Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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 Consolidated Statement of Profit and Loss in the year 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 Consolidated 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 Consolidated Statement of Profit and Loss, when the asset is derecognized.

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

### (ii) Capital work in progress

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

### (iii) Depreciation

Assets in the course of development or construction and freehold land are not depreciated. These assets are tested for impairment.

Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (up to) the date on which asset is ready for use/ (disposed off).

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.



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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:

• Buildings	30-60 years
• Computers	3 years
• Computers - Servers	6 years
• Plant and equipment	15 years
• Furniture and fixtures	5-10 years
• Vehicles	8 years
• Office equipment	5 years

The Group, 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.

### (iv) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

### c) Intangible assets and intangible assets under development

Intangible assets acquired on a consolidated basis 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 with finite economic useful life are amortised on a written down value basis over those useful life and tested for impairment whenever there is an indication of impairment. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end

of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or when circumstances indicate that the carrying value may be impaired, either individually or at the cash-generating unit level.

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

• Computer software	3 years
• Trademark and Copyright	5 – 10 years
• Tenancy Right and others	5 years
• Brand and goodwill (acquired)	Indefinite Life subject to impairment testing

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 Consolidated Statement of Profits and Losses when the asset is derecognised.

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

Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

Impairment is determined for goodwill by assessing the recoverable amount of respective CGU (Cash Generating Unit) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets under development is stated at cost, net of accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

### d) Non-current assets 'held for sale' and discontinued operations

The Group classifies non-current assets and disposal assets as held for sale if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

The criteria to classify an asset as 'Held for Sale' is considered met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification,

Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

Property, plant and equipment and intangible are not depreciated, or amortised assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the consolidated balance sheet.

### e) Financial instruments

#### Financial assets

#### (i) Recognition and initial measurement of financial assets

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

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial

assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument and the contract transaction is executed.

A financial asset (unless it is a trade receivable without a significant financing component) or for which the Group has applied the practical expedient is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component or for which the Group has applied the practical expedient is initially measured at the transaction price determined under Ind AS 115 – "Revenue from contracts with customers". Refer to the accounting policies in section 3(a)(i) Revenue recognition from contract with customer.

#### (ii) Classification and subsequent measurement of financial asset

At initial recognition, Financial assets are classified and subsequently measured at

- amortised cost
- fair value through other comprehensive income (OCI) – debt investments
- fair value through other comprehensive income (OCI) – equity investments, and
- fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

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.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from



# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Subsequent measurement and gains and losses

### Debt investments at FVOCI:

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments.

### Financial assets at FVTPL:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value including any interest or dividend income are recognised in the Consolidated Statement of Profit and Loss.

**Financial assets at amortised cost:** These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Consolidated Statement of profit or loss. Any gain or loss on derecognition is recognised Consolidated Statement of profit or loss.

### (iii) Derecognition of financial assets

The Group derecognizes a financial asset when

- the contractual rights to the cash flows from the financial asset expire; or,
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

### Financial liabilities

#### (i) Recognition and initial measurement of financial Liabilities

Financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

#### (ii) Classification and subsequent measurement and gains and losses on financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

### (iii) Derecognition of financial liabilities

A financial liability (or part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### Impairment of financial assets

At each reporting date, the Group assess whether financial assets, than those at FVTPL are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

The Group recognises loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are fair valued through profit or loss.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an

impairment gain or loss in the consolidated statement of profit and loss.

In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Holding Company's historical experience and informed credit assessment and including forward-looking information.

### Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### f) Derivative financial instruments

#### Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Derivatives are designated upon initial recognition at fair value through profit or loss only if the criteria in Ind AS 109 are satisfied.



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

There is no other hedge instrument in the Group.

### g) 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.

### h) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use 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.

### i) Inventories

- a. Raw materials, accessories and packing material are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, accessories and packing material is determined on a First-in-First-out basis.
- b. Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads (where applicable). Cost of finished goods is determined on weighted average basis using retail method.
- c. 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 weighted average method.
- d. 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.

e. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.

f. The comparison of cost and net realisable value is made on an item-by-Item basis

g. Obsolete, slow moving and defective inventories are identified and written down to net realisable value.

### j) Leases

#### Group as a lessee

The Group's lease asset classes primarily consist of leases for commercial spaces & leasehold building. The Group 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 Group assesses whether:

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

At the date of commencement of the lease, the Group 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 based on the recognition exemption criteria. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of





## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

the right-of-use asset reflects that the Group will exercise a purchase option. The lease liability is measured at amortised cost using the effective interest method. 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, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

Leasehold land which is part of right of use asset is amortised over the period of lease i.e. 99 years.

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 Group has applied the practical expedient with effect from April 01, 2020 and hence rent concession received during the year has been recognised as other income.

### Group as a lessor

Leases in which the Group 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 year in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under

finance leases are recorded as receivables at the Group'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.

### k) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

#### 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 of each of the Company of the Group.

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.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is provided 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 is recognized for all taxable temporary differences, except:

- Taxable temporary difference from the initial recognition of goodwill
- Temporary difference on initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- Temporary difference related to investments in subsidiary to the extent that the timing of the reversal of the temporary differences can be controlled and



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

it is probable that the temporary differences will not reverse in the foreseeable future.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

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

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

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

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

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

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Group 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 Consolidated Financial Statements of the Group.

### **1) Employee benefit schemes**

#### **i) Short-term employee benefits**

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

#### **ii) Post employment benefits**

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

A defined contribution plan is a post-employment benefit plan where the Group's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Group 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 Group 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 Group's contributions to the above funds are recognised in the consolidated statement of profit and loss for the year.

##### **Defined Benefit Plans**

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

#### **iii) Share-Based Payments**

Selected employees of the Group receive part of their remuneration through share-based payments in consideration for the services rendered. The fair value



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

of the options at the grant date is calculated by an independent valuer based on Black Scholes Model.

Related cost are recognized as employee benefit expense, that are correspondingly credited to share-based payment (SBP) reserves as a part of Total Equity, over the period in which the performance and/or service conditions are fulfilled by covered employees. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Consolidated Statement of Profit and Loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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

**m) Foreign currency transactions**

In the Consolidated Financial Statements of the Group, 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 Consolidated 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.

**n) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Group's earnings per share is the net profit for the year. The weighted average number of equity shares outstanding during the year and for all years 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

In a capitalisation or bonus issue or a share split, ordinary shares are issued to existing shareholders for no additional consideration. Therefore, the number of ordinary shares outstanding is increased without an increase in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

**o) Segment Reporting**

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

Based on such internal reporting, the Group is solely engaged in manufacturing, trading, and sale of branded apparels for men, women and kids. Based on the nature of business and internal reporting provided to the management for evaluation of the performance of the segment, the Group has a single reportable segment.

**p) Use of Estimates and Judgments**

The preparation of the Consolidated 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 consolidated 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.



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year 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 consolidated financial statements are elaborated in Note 56.

### q) **Business combinations and goodwill**

Business combinations, if any are accounted by using the acquisition method as per Ind AS 103 'Business Combination'. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. Acquisition related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the net acquisition cost and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the net cost of acquisition, then the gain is recognised in Other Comprehensive Income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through Other Comprehensive Income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

The Group 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. The Company does not recognize a contingent liability but discloses its existence in the consolidated financial statements. A disclosure for a contingent liability is made when there is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. 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. Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

### s) **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.

t) The details of subsidiary considered in the preparation of Consolidated Financial Statements has been disclosed in Note 53.

### u) **Declaration of Dividend**

The Group recognises a liability to pay final dividend to equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a final dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

### v) Share capital

#### Equity shares

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

### w) Impairment of non-financial asset

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

### x) Current versus non-current classification

The Group presents assets and liabilities in the consolidated 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 Group has evaluated and considered its operating cycle as 12 months. Deferred tax assets/ liabilities are classified as non-current assets/ liabilities.



## Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

### 4. Property, Plant and Equipment, Right of use assets and Capital Work in Progress<sup>1</sup>

Particulars	Right of use assets <sup>2</sup>	Property, Plant and Equipment										Capital Work in Progress <sup>3</sup>	
	Buildings	Land-Freehold	Buildings	Plant and equipment	Furniture and fixtures	Computers	Office equipments	Vehicles	Total				
<b>Gross Block</b>													
As at April 01, 2021	3,565.33	89.03	710.14	14.69	179.55	26.66	67.78	14.21	1,102.06			2.47	
Additions	1,622.91	-	-	0.18	6.90	6.45	4.42	-	17.95			6.63	
Disposals	(250.46)	-	-	(0.01)	(4.86)	(0.05)	(1.20)	-	(6.12)			-	
Transfers	(15.39)	-	-	-	-	-	-	-	-			(9.10)	
As at March 31, 2022	4,922.39	89.03	710.14	14.86	181.59	33.06	71.00	14.21	1,113.89			-	
Additions	1,206.05	-	-	0.85	17.87	5.76	7.45	2.57	34.50			37.99	
Disposals	(307.81)	-	-	(1.26)	(19.65)	(0.30)	(6.87)	(1.72)	(29.80)			-	
Transfers	-	-	-	-	-	-	-	-	-			(17.77)	
As at March 31, 2023	5,820.63	89.03	710.14	14.45	179.81	38.52	71.58	15.06	1,118.59			20.22	
<b>Accumulated Depreciation</b>													
As at April 01, 2021	1,530.63	-	117.71	5.68	99.58	19.82	53.74	10.77	307.30			-	
Charge for the year	847.73	-	28.83	1.60	20.61	4.85	6.38	1.03	63.30			-	
Disposals *	(121.20)	-	-	(0.00)	(2.31)	(0.03)	(0.75)	-	(3.09)			-	
Transfers	(2.13)	-	-	-	-	-	-	-	-			-	
As at March 31, 2022	2,255.03	-	146.54	7.28	117.88	24.64	59.37	11.80	367.51			-	
Charge for the year	948.09	-	27.42	1.37	17.07	6.18	4.47	1.25	57.76			-	
Disposals	(173.04)	-	-	(0.42)	(12.39)	(0.29)	(5.65)	(1.55)	(20.30)			-	
As at March 31, 2023	3,030.08	-	173.96	8.23	122.56	30.53	58.19	11.50	404.97			-	
<b>Net Block</b>													
As at March 31, 2022	2,667.36	89.03	563.60	7.58	63.71	8.42	11.63	2.41	746.38			-	
As at March 31, 2023	2,790.55	89.03	536.18	6.22	57.25	7.99	13.39	3.56	713.62			20.22	

(1) On transition to Ind AS (w.e.f. April 1, 2016), the Group had opted to continue with carrying values of items of property, plant and equipment measured as per the previous Indian GAAP and had considered those carrying values as deemed cost of respective items of property, plant and equipment.

(2) The Group implemented Indian Accounting Standard for Leases ("Ind AS 116") with effect from April 1, 2019 using the modified retrospective approach. The right of use assets comprise of buildings (including retail stores) taken on lease.

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



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### (3) Capital Work in Progress (CWIP) ageing schedule

As at March 31, 2023

Particulars	Amount in CWIP for a period of less than 1 year
Projects in progress	20.22

3.1. There were no projects as on March 31, 2023 where activity has been suspended. Also there were no projects as on the March 31, 2023 which had exceeded cost as compared to its original plan or where completion was overdue.

3.2. There are no CWIP as on March 31, 2023 with ageing exceeding 1 year.

### 5. Intangible Assets and Intangible Assets Under Development (IAUD)<sup>1</sup>

Particulars	Goodwill <sup>2</sup>	Other Intangible Assets			Total	Intangible assets under development <sup>4</sup>
		Computer software	Tenancy right <sup>3</sup>	Trade Mark, Brand & Others <sup>2</sup>		
<b>Cost</b>						
<b>As at April 01, 2021</b>	<b>157.11</b>	<b>11.28</b>	<b>77.15</b>	<b>1,588.70</b>	<b>1,677.13</b>	<b>1.38</b>
Additions	-	2.50	2.22	0.30	5.02	0.12
Transfers	-	-	-	-	-	(0.46)
<b>As at March 31, 2022</b>	<b>157.11</b>	<b>13.78</b>	<b>79.37</b>	<b>1,589.00</b>	<b>1,682.15</b>	<b>1.04</b>
Additions	-	-	-	-	-	0.64
Disposals	-	(0.90)	-	-	(0.90)	-
<b>As at March 31, 2023</b>	<b>157.11</b>	<b>12.88</b>	<b>79.37</b>	<b>1,589.00</b>	<b>1,681.25</b>	<b>1.68</b>
<b>Accumulated Amortisation</b>						
<b>As at April 01, 2021</b>	-	<b>9.25</b>	<b>32.19</b>	<b>33.04</b>	<b>74.48</b>	-
Charge for the year	-	1.99	14.77	15.77	32.53	-
<b>As at March 31, 2022</b>	-	<b>11.24</b>	<b>46.96</b>	<b>48.81</b>	<b>107.01</b>	-
Charge for the year	-	1.49	14.84	15.67	32.00	-
Disposals	-	(0.90)	-	-	(0.90)	-
<b>As at March 31, 2023</b>	-	<b>11.83</b>	<b>61.80</b>	<b>64.48</b>	<b>138.11</b>	-
<b>Net Block</b>						
<b>As at March 31, 2022</b>	<b>157.11</b>	<b>2.54</b>	<b>32.41</b>	<b>1,540.19</b>	<b>1,575.14</b>	<b>1.04</b>
<b>As at March 31, 2023</b>	<b>157.11</b>	<b>1.05</b>	<b>17.57</b>	<b>1,524.52</b>	<b>1,543.14</b>	<b>1.68</b>

(1) On transition to Ind AS (w.e.f. April 1, 2016), the Group had elected to continue with carrying values of all intangible assets measured as per the previous Indian GAAP and had considered those carrying values as deemed cost of respective items of intangible assets.

(2) Based on the information provided to and used by the Chief Operating Decision Maker, the Group had identified that its only Cash Generating Unit (CGU) is "Branded fashion apparel and accessories", to which the goodwill and brand (with indefinite life) acquired in earlier years through acquisition of business, has been entirely allocated. The carrying amount of goodwill and brand as at the end of the each reported year is INR 157.11 Million and INR 1,505.83 Million respectively.



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 5. Intangible Assets and Intangible Assets Under Development (IAUD)<sup>1</sup> (Contd..)

Following key assumptions were considered while performing impairment testing annually:

The recoverable amount has been calculated based on its value in use, estimated as the present value of projected future cash flows.

Key Assumptions	March 31, 2023	March 31, 2022
Annual growth rate for next 5 financial year	8.00%*	7.00%#
Terminal growth rate	5.00%	5.00%
Weighted Average Cost of Capital % (WACC) after tax (Discount rate)	13.70%	11.50%

# 7.00% growth rate has been considered after the financial year 2022-23.

\* 8.00% growth rate has been considered after the financial year 2023-24.

The projections cover a period of five years, as the Group believes this to be the most appropriate time period over which to review and consider annual performances and thereafter fixed terminal value has been considered. The estimated future projections are after considering past performance and expected normal future performance excluding disruption caused by the pandemic.

Weighted Average Cost of Capital % (WACC) = Risk free return + ( Market risk premium x Beta for the Group).

The goodwill and brand (with indefinite life) are tested for impairment annually and based on such testing, no provision towards impairment has been considered necessary in each of the year presented. Further based on Management assessment there is no trigger for impairment as on March 31, 2023.

The Group has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value.

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

(4) Represents applications made for various trademark registration.

#### Intangible Assets Under Development (IAUD) ageing schedule

##### As at March 31, 2023

Particulars	Amount in IAUD for year of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.64	0.16	-	0.88	1.68

##### As at March 31, 2022

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.16	-	-	0.88	1.04

There are no projects as on each reported year where activity had been suspended. Considering the nature of intangible assets under development, there are no projects as on the reported year which has exceeded cost as compared to its original plan or where completion is overdue.





## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 6 Financial assets - Non current : Investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investment in bonds and debentures</b>		
<b>Quoted</b>		
<b>At fair value through other comprehensive income</b>		
Bajaj Finance Limited - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 -100 units at par value of INR 10,00,000 each]	-	109.39
Kotak Mahindra Private Limited - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - 420 units at par value of INR 10,00,000 each) [March 31, 2022 - NIL]	364.45	-
Kotak Mahindra Investments Limited - 0% Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 - 103 units at par value of INR 10,00,000 each]	-	93.69
<b>At fair value through profit and loss (FVTPL)</b>		
ICICI Bank Limited - 8.55% Perpetual Bond (March 31, 2023 -NIL) [March 31, 2022 - 150 units at par value of INR 10,00,000 each]	-	159.22
ICICI Bank Limited - 9.15% Perpetual Bond (March 31, 2023 - NIL) [March 31, 2022 - 100 units at par value of INR 10,00,000 each]	-	111.03
HDFC Bank Limited - 8.85% Perpetual Bond (March 31, 2023 - NIL) [March 31, 2022 - 250 units at par value of INR 10,00,000 each]	-	269.57
State Bank of India - 8.50% Perpetual Bond (March 31, 2023 - 95 units at par value of INR 10,00,000 each) [March 31, 2022 - 95 units at par value of INR 10,00,000 each]	97.72	99.86
Axis Finance Limited PP- MLD Series 02/ 2022-23 (March 31, 2023 - 300 units at par value of INR 10,00,000 each) [March 31, 2022 - NIL]	315.84	-
State Bank of India - 9.37% Perpetual Bond (March 31, 2023 - NIL) [March 31, 2022 - 150 units at par value of INR 10,00,000 each]	-	160.57
ICICI Home Finance Company Limited, Market Linked Debenture (March 31, 2023 - 400 units at par value of INR 10,00,000 each) [March 31, 2022 - NIL]	409.20	-
Kotak Mahindra Investment Limited, Market Linked Debenture (March 31, 2023 - 100 units at par value of INR 10,00,000 each) [March 31, 2022 - NIL]	102.52	-
Tata Cleantech Capital Limited, Market Linked Debenture (March 31, 2023 - 400 units at par value of INR 10,00,000 each) [March 31, 2022 - NIL]	404.76	-
<b>Total</b>	<b>1,694.49</b>	<b>1,003.33</b>
<b>Aggregate market value of quoted investments</b>	<b>1,694.49</b>	<b>1,003.33</b>
<b>Aggregate book value of quoted investments</b>	<b>1,694.49</b>	<b>1,003.33</b>

### 7 Financial assets - Non current : Others

(unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Security deposits		
- Considered good	628.76	483.77
- Considered doubtful	1.48	0.30
	<b>630.24</b>	<b>484.07</b>



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 7 Financial assets - Non current : Others (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
Less: Loss Allowance	(1.48)	(0.30)
	<b>628.76</b>	<b>483.77</b>
Bank deposits with remaining maturity greater than 12 months <sup>1</sup>	0.26	0.22
Interest accrued on fixed deposits	0.22	0.08
<b>Total</b>	<b>629.24</b>	<b>484.07</b>

(1) Represents bank deposits lodged with sales tax authorities which earns interest ranging from 4.50% to 7.00% (March 31, 2022 - 4.50% to 5.10%)

### 8 Non current - Deferred tax assets (net)

Particulars	Opening as on April 01, 2022	Recognised in PL	Recognised in OCI	Closing as on March 31, 2023
<b>Deferred Tax Assets</b>				
Provision for expected sales return (net)*	1.24	(1.24)	-	0.00
Provisions allowed on actual basis	2.50	(0.01)	(0.02)	2.47
Temporary differences in carrying value of property, plant and equipment, intangible assets and right of use assets net of lease liabilities between books of accounts and for tax purposes	8.17	(2.67)	-	5.50
Others	1.15	(1.15)	-	-
	<b>13.06</b>	<b>(5.07)</b>	<b>(0.02)</b>	<b>7.97</b>
<b>Deferred Tax Liabilities</b>				
Others	-	0.55	-	0.55
	-	<b>0.55</b>	-	<b>0.55</b>
<b>Net deferred tax assets</b>	<b>13.06</b>	<b>(5.62)</b>	<b>(0.02)</b>	<b>7.42</b>

Particulars	Opening as on April 01, 2021	Recognised in PL	Recognised in OCI	Closing as on March 31, 2022
<b>Deferred Tax Assets</b>				
Provision for expected sales return (net)	1.53	(0.29)	-	1.24
Provisions allowed on actual basis*	0.19	2.31	(0.00)	2.50
Temporary differences in carrying value of property, plant and equipment, intangible assets and right of use assets net of lease liabilities between books of accounts and for tax purposes	6.45	1.72	-	8.17
Brought forward business losses and unabsorbed depreciation	5.84	(5.84)	-	-
Others	1.60	(0.44)	-	1.15
<b>Net deferred tax assets*</b>	<b>15.61</b>	<b>(2.54)</b>	<b>(0.00)</b>	<b>13.06</b>

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



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 9 Non-current - Other assets

(unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances (Refer Note 9.1)	618.42	621.09
Prepaid expenses	1.12	0.63
Balances with statutory/government authorities	47.78	47.78
<b>Total</b>	<b>667.32</b>	<b>669.50</b>

9.1 During a prior year, the Group had entered into an agreement with a reputed real estate developer for joint development of a parcel of land acquired by the Group under long term lease of 99 years from West Bengal Housing Infrastructure Development Corporation Limited. Consequent to such agreement, the Group had transferred possession of such land parcel in lieu of which the Group was entitled to a share of the area/space to be constructed thereon. Accordingly, the Group had derecognised such leasehold land from property, plant and equipment and considered its cost as capital advance pending possession of its share of constructed area/space. Cost of the land transferred was considered more reliably measurable pending commencement of construction. Based on valuation exercise conducted by an external valuer, fair value of the leasehold land was considered equivalent to the cost of land transferred. Subsequently, the Group had exercised an exclusive and irrevocable option, granted by the aforesaid developer, to convert such area/space sharing arrangement into the revenue sharing arrangement in terms of which the Group is entitled to receive certain agreed percentage of proceeds from sale of the constructed area/space to third parties. Share of sale proceeds received from developer will be adjusted against capital advance on transfer of control of the respective constructed space which will coincide with handover of possession to customers. Pending such handover of possession, advances towards sales proceeds received till March 31, 2023 aggregating INR 500.94 Million (net of GST) [March 31, 2022 - INR 449.95 Million (net of GST)] has been considered as "Advance from customer".

### 10 Non-current- Tax assets (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance income tax (net of provision for taxation) <sup>1</sup>	57.55	40.63
<b>Total</b>	<b>57.55</b>	<b>40.63</b>

(1) Non current tax asset is net of provision for taxation amounting to INR 2,991.70 Million as on March 31, 2023 (INR 2,972.52 Million as on March 31, 2022).

### 11 Inventories<sup>1</sup>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At lower of cost and net realisable value</b>		
Raw materials (Refer Note 33A)	204.91	227.23
Accessories and packing material (Refer Note 33B)	44.64	36.48
Work in progress (Refer Note 35)	284.71	281.75
Finished goods (Refer Note 35) [Including in transit INR 1.01 Million (March 31, 2022 - INR 6.13 Million)]	614.72	467.11
Stock-in-trade (Refer Note 35) [Including in transit INR 0.28 Million (March 31, 2022 - INR 11.73 Million)]	587.48	417.43
<b>Total</b>	<b>1,736.46</b>	<b>1,430.00</b>

(1) Includes all inventories lying with third party aggregating INR 412.13 Million (March 31, 2022 - INR 406.45 Million).



# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

## 12 Financial assets - Current : Investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investments in mutual funds</b>		
<b>Unquoted</b>		
<b>At fair value through profit and loss (FVTPL)</b>		
Kotak Liquid Fund - Direct Plan - Growth (March 31, 2023 - 84,090 units at par value of INR 1,000 each) [March 31, 2022 - 1,43,664 units at par value of INR 1,000 each]	382.47	618.20
HDFC Liquid Fund - Direct Plan - Growth Option (March 31, 2023 - 80,167 units at par value of INR 1,000 each) [March 31, 2022 - 1,92,971 units at par value of INR 1,000 each]	354.60	807.53
Axis Corporate Debt Fund - Direct - Growth (March 31, 2023 - 57,53,452 units at par value of INR 10 each) [March 31, 2022 - 57,53,452 units at par value of INR 10 each]	86.14	82.04
Axis Treasury Advantage Fund - Direct - Growth (March 31, 2023 - 41,604 units at par value of INR 1,000 each) [March 31, 2022 - 41,604 units at par value of INR 1,000 each]	113.59	107.76
HDFC Corporate Bond Fund - Direct - Growth (March 31, 2023 - 89,67,268 units at par value of INR 10 each) [March 31, 2022 - 89,67,268 units at par value of INR 10 each]	247.67	237.47
HDFC Money Market Fund - Direct Plan - Growth (March 31, 2023 - 11,500 units at par value of INR 1,000 each) [March 31, 2022 - 11,500 units at par value of INR 1,000 each]	56.60	53.53
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth (March 31, 2023 - 96,51,613 units at par value of INR 10 each) [March 31, 2022 - 96,51,613 units at par value of INR 10 each]	251.21	237.30
ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Growth (March 31, 2023 - 30,28,561 units at par value of INR 10 each) [March 31, 2022 - 30,28,561 units at par value of INR 10 each]	86.30	81.53
ICICI Prudential Money Market Fund - Direct Plan - Growth (March 31, 2023 - 3,48,358 units at par value of INR 100 each) [March 31, 2022 - 3,48,358 units at par value of INR 100 each]	112.98	106.91
IDFC Corporate Bond Fund - Direct Plan - Growth (March 31, 2023 - 1,47,72,541 units at par value of INR 10 each) [March 31, 2022 - 1,47,72,541 units at par value of INR 10 each]	245.26	236.95
Kotak Bond Fund (Short Term) - Direct Plan - Growth (March 31, 2023 - 51,88,975 units at par value of INR 10 each) [March 31, 2022 - 51,88,975 units at par value of INR 10 each]	247.64	237.11
Axis AAA Bond Plus SDL ETF - 2026 Maturity (March 31, 2023 - 1,49,39,790 units at par value of INR 10 each) [March 31, 2022 - 1,49,39,790 units at par value of INR 10 each]	156.92	152.10
Axis CPSE Plus SDL 2025 70:30 Debt Index Fund (March 31, 2023 - 1,48,92,767 units at par value of INR 10 each) [March 31, 2022 - 1,48,92,767 units at par value of INR 10 each]	154.38	150.17
NIPPON INDIA ETF NIFTY SDL - 2026 (March 31, 2023 - 35,00,000 units at par value of INR 10 each) [March 31, 2022 - NIL]	390.99	-
ABSL CRISIL IBX AAA JUN 2023 INDEX FUND (March 31, 2023 - 3,88,46,210 units at par value of INR 10 each) [March 31, 2022 - NIL]	409.11	-
ABSL Nifty SDL Plus PSU Bond Sep 2026 60:40 Index (March 31, 2023 - 1,90,96,499 units at par value of INR 10 each) [March 31, 2022 - NIL]	200.28	-
Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 6040 Index Fund (March 31, 2023 - 1,94,09,156 units at par value of INR 10 each) [March 31, 2022 - NIL]	199.99	-
SBI Gilt June 2036 (March 31, 2023 - 95,39,960 units at par value of INR 10 each) [March 31, 2022 - NIL]	99.84	-



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 12 Financial assets - Current : Investments (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investments in bonds and debentures</b>		
<b>Quoted</b>		
<b>At fair value through other comprehensive income</b>		
Bajaj Finance Limited - 4.66% Secured Redeemable Non-Convertible Debentures (March 31, 2023 -NIL) [March 31, 2022 -100 units at par value of INR 10,00,000 each]	-	99.65
Kotak Mahindra Prime Limited - 8.0818% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 -100 units at par value of INR 10,00,000 each]	-	102.08
Bajaj Finance Limited - 7.70% Secured Redeemable Non-Convertible Debentures (March 31, 2023 -NIL) [March 31, 2022 -100 units at par value of INR 10,00,000 each]	-	102.26
Axis Finance Limited - 5.00% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 -200 units at par value of INR 10,00,000 each]	-	200.29
Bajaj Finance Limited - 7.10% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 -150 units at par value of INR 10,00,000 each ]	-	152.30
HDB Financial Services Limited - 7.57% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 -100 units at par value of INR 10,00,000 each]	-	101.94
Housing Development Finance Corporation Limited - 6.99% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - NIL) [March 31, 2022 - 250 units at par value of INR 10,00,000 each ]	-	253.77
Bajaj Finance Limited - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2023 -100 units at par value of INR 10,00,000 each) [March 31, 2022 -NIL]	114.45	-
Kotak Mahindra Investments Limited - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - 103 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	97.81	-
National Bank For Agreculture and Rural Development - 6.4% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - 100 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	101.92	-
Bajaj Finance - 5.70% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - 200 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	203.31	-
HDB Financial Services Limited - 0.00% Secured Redeemable Non-Convertible Debentures (March 31, 2023 - 350 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	363.98	-
<b>At fair value through profit and loss</b>		
ICICI Bank Limited - 9.15% Perpetual Bond (March 31, 2023 - 300 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	321.72	-
State Bank of India - 9.37% Perpetual Bond (March 31, 2023 - 150 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	154.73	-
HDB Financial Services Limited - 0% Market Linked Debenture (March 31, 2023 - 250 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	302.35	-
Axis Finance Limited ,Market Linked Debenture (March 31, 2023 - 450 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	544.64	-
L&T Finance Limited , Market Linked Debenture (March 31, 2023 - 50 units at par value of INR 10,00,000 each) [March 31, 2022 - Nil]	60.00	-
Tata Cleantech Capital Limited, Market Linked Debenture (March 31, 2023 - 1,000 units at par value of INR 1,00,000 each) [March 31, 2022 - Nil]	115.97	-
<b>Total</b>	<b>6,176.85</b>	<b>4,120.89</b>
<b>Aggregate market value of quoted investments</b>	<b>2,380.88</b>	<b>1,012.29</b>
<b>Aggregate book value of quoted investments</b>	<b>2,380.88</b>	<b>1,012.29</b>
<b>Aggregate book value of unquoted investments</b>	<b>3,795.97</b>	<b>3,108.60</b>



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 13 Financial Assets - Current : Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
- Trade Receivables considered good - Secured <sup>1</sup>	1,949.15	1,610.28
- Trade Receivables considered good - Unsecured	2,827.59	2,388.99
	<b>4,776.74</b>	<b>3,999.27</b>
Less: Loss Allowance	(42.31)	(31.86)
<b>Total</b>	<b>4,734.43</b>	<b>3,967.41</b>
- Receivables from related parties - Secured/ Considered good (Refer Note 46)	67.70	54.20
- Receivables from related parties - Unsecured/ Considered good (Refer Note 46)	84.57	72.90
- Others	4,582.16	3,840.31
<b>Total</b>	<b>4,734.43</b>	<b>3,967.41</b>

(1) Receivables are secured to the extent of security deposits and bank guarantees taken from customers.

#### 13.1 Trade receivables Ageing Schedule

Particulars	Outstanding from due date of payment as on March 31, 2023						
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables*	4,563.61	149.08	17.15	3.85	0.65	0.00	4,734.34
Disputed Trade Receivables	-	-	-	0.09	-	-	0.09
<b>Total</b>	<b>4,563.61</b>	<b>149.08</b>	<b>17.15</b>	<b>3.94</b>	<b>0.65</b>	<b>0.00</b>	<b>4,734.43</b>

Particulars	Outstanding from due date of payment as on March 31, 2022						
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables*	3,865.31	80.73	12.60	8.68	0.00	0.00	3,967.32
Disputed Trade Receivables	-	0.09	-	-	-	-	0.09
<b>Total</b>	<b>3,865.31</b>	<b>80.82</b>	<b>12.60</b>	<b>8.68</b>	<b>0.00</b>	<b>0.00</b>	<b>3,967.41</b>

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

- As per terms of payment under agreements with majority of customers, sales consideration are receivable by the Group within a maximum period of 180 days from date of delivery of goods. In other cases, sales consideration are receivable within a periods ranging from 7 days to 90 days.
- Generally, customers remit sales consideration without specifying particular invoices in respect of which such remittances are being made. Hence, such receipts from the customers are adjusted against their trade receivables on First in First out (FIFO) basis. In few cases, where identification is possible, such receipts are adjusted on basis of actual invoice.
- There are no unbilled trade receivables as on each reporting date.



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
- Balances with banks	96.88	36.01
- Cash on hand	0.57	0.08
<b>Total</b>	<b>97.45</b>	<b>36.09</b>

### 15 Financial Assets - Current : Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Fixed deposits with banks with remaining maturity greater than 3 months but not greater than 12 months (Refer Note 15.1)	2.56	2.61
Earmarked balances with banks - unpaid dividend	0.05	-
<b>Total</b>	<b>2.61</b>	<b>2.61</b>

15.1 Includes deposits of INR 0.21 Million (March 31, 2022 - INR 0.25 Million) lodged with sales tax authorities which earns interest ranging from 4.90% to 5.10% (March 31, 2022 - interest ranging from 6.00% to 6.40%).

### 16 Financial assets - Current : Others

(unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Security deposits		
- Considered good	160.08	158.50
- Considered doubtful	2.08	1.77
	<b>162.16</b>	<b>160.27</b>
Less: Loss Allowance	(2.08)	(1.77)
	<b>160.08</b>	<b>158.50</b>
Interest accrued on		
- Fixed deposits	1.97	1.88
- Bonds and Debentures	4.19	27.86
- Others	0.60	2.28
Receivable from sale of property, plant and equipment	-	4.43
Loan to employees	0.03	0.23
IPO expenses recoverable (Refer Note 46.1)	0.15	119.29
<b>At fair value through profit and loss</b>		
Derivative contracts <sup>1</sup>	0.05	-
<b>Total</b>	<b>167.07</b>	<b>314.47</b>

(1) It represents receivables arising from fair valuation of foreign exchange forward contracts.



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 16 Financial assets - Current : Others (Contd..)

Disclosure of loans given to related parties required under section 186(4) of the Companies Act, 2013

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	-	-
Loans given	-	4.00
Interest accrued <sup>1</sup>	-	0.00
Repayment of interest <sup>1</sup>	-	(0.00)
Repayment of principal amount	-	(4.00)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

Particulars	As at March 31, 2023	As at March 31, 2022
Type of Borrower	-	Related Party (Subsidiary Company)
Amount of loan or advance in the nature of loan outstanding	-	4.00
Rate of interest	-	8.50%
<b>Percentage to the total loans and advances in the nature of loans</b>	<b>-</b>	<b>100.00%</b>

(1) Amount is below the rounding off norms adopted by the Group.

### 17 Other Current assets

(unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Export incentive receivables</b>		
- Considered good	0.55	0.87
- Considered doubtful	1.09	0.86
	<b>1.64</b>	<b>1.73</b>
Less: Loss Allowance	(1.09)	(0.86)
	<b>0.55</b>	<b>0.87</b>
Balances with statutory/government authorities		
- Considered good	67.63	103.69
- Considered doubtful	-	0.22
	<b>67.63</b>	<b>103.91</b>
Less: Loss Allowance	-	(0.22)
	<b>67.63</b>	<b>103.69</b>
Advances recoverable in cash or kind		
- Considered good	6.89	42.11
- Considered doubtful	0.06	0.35
	<b>6.95</b>	<b>42.46</b>
Less: Loss Allowance	(0.06)	(0.35)
	<b>6.89</b>	<b>42.11</b>





## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 17 Other Current assets (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
Others		
- Considered good	-	-
- Considered doubtful	0.03	0.03
	<b>0.03</b>	<b>0.03</b>
Less: Loss Allowance	(0.03)	(0.03)
	-	-
Advance to employees	0.49	0.44
Prepaid expenses	22.93	11.64
Right of return assets <sup>1</sup>	364.46	296.47
<b>Total</b>	<b>462.95</b>	<b>455.22</b>

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

### 18 Equity Share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
<b>Authorized</b>				
30,10,00,000 equity shares of INR 1 each (March 31, 2022: 30,10,00,000 equity shares of INR 1 each) (Refer Note (i) below)	30,10,00,000	301.00	30,10,00,000	301.00
<b>Issued, subscribed and fully paid-up shares</b>				
24,27,79,990 equity shares of INR 1 each (March 31, 2022: 24,27,03,089 equity shares of INR 1 each) (Refer Note (i) below)	24,27,79,990	242.78	24,27,03,089	242.70
<b>Total</b>	<b>24,27,79,990</b>	<b>242.78</b>	<b>24,27,03,089</b>	<b>242.70</b>

- i) During the previous year, pursuant to a resolution passed by the Board of Directors and a resolution passed by the Holding Company's equity shareholders in the Extra-ordinary General Meeting held on July 16, 2021, the Holding Company had split face value of its equity shares from INR 2 per equity share to INR 1 per equity share. Consequently, total number of authorised equity shares had increased from 15,05,00,000 to 30,10,00,000 and total number of issued equity shares had gone up from 12,12,16,127 to 24,24,32,254 (after adjustment of buyback as mentioned in Note 18(ii)).
- ii) During the previous year, the Board of Directors of the Holding Company, at its meeting held on June 25, 2021 and Shareholders of the Holding Company in the Extra-ordinary General Meeting held on June 26, 2021, approved buyback of the Holding Company's 27,17,172 fully paid-up equity shares of face value of INR 2 each from the equity shareholders of the Holding Company, at a price of INR 990 per equity share under the Companies Act, 2013, and Rules thereunder. The Maximum buyback size was less than 25% of aggregate of the Holding Company's paid up equity capital and free reserves based on the audited financial statements of the Holding Company for the year ended March 31, 2021.

Total cash outflow on account of buyback was INR 3,313.31 Million (including tax of INR 621.93 Million and buyback related expense of INR 1.38 Million). Out of the said amount, nominal value of shares bought back INR 5.43 Million has been reduced from share capital and Securities premium account was utilised to the extent of the amount of INR 1,298.87 Million and retained earning has been utilised to the extent of the balance amount of INR 2,009.01 Million. A sum equal to the nominal value of the shares so bought back i.e INR 5.43 Million was transferred from retained earnings to the capital redemption reserve as per requirement of Companies Act, 2013. The shares were extinguished as on July 20, 2021



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 18 Equity Share capital (Contd..)

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares outstanding at the beginning of the year [face value of INR 1 each (March 31, 2022 face value of INR 2 each)]	24,27,03,089	242.70	12,39,33,299	247.87
Less: Equity Shares cancelled pursuant to the scheme of buyback (Refer Note 18 (ii))	-	-	(27,17,172)	(5.43)
Add : Split of shares from INR 2 per share to INR 1 per share	-	-	12,12,16,127	-
Add : Issue of shares pursuant to ESOP exercised during the year (Refer Note 52)	76,901	0.08	2,70,835	0.26
<b>Equity shares outstanding at the end of the year (face value of INR 1 each)</b>	<b>24,27,79,990</b>	<b>242.78</b>	<b>24,27,03,089</b>	<b>242.70</b>

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

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	16,28,41,754	67.07%	16,28,41,754	67.10%
Ravi Modi HUF	3,88,81,422	16.02%	3,88,81,422	16.02%
<b>Total</b>	<b>20,17,23,176</b>	<b>83.09%</b>	<b>20,17,23,176</b>	<b>83.12%</b>

#### v) Disclosure of shareholding of promoters

Name of Shareholder	As at March 31, 2023		As at March 31, 2022		As at March 31, 2021		% Change in holding pursuant to no. of shares as at March 31, 2023 (Refer Note 46.1)	% Change in holding pursuant to no. of shares as at March 31, 2022 (Refer Note 46.1)
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding		
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	16,28,41,754	67.07%	16,28,41,754	67.10%	18,50,82,010	74.67%	-	(12.02%)
Usha Devi Modi	2	0.00%	2	0.00%	-	-	-	100.00%
Shilpi Modi	26,56,104	1.09%	26,56,104	1.09%	27,15,644	1.10%	-	(2.19%)
Ravi Modi	16,88,134	0.70%	16,88,134	0.70%	17,25,978	0.70%	-	(2.19%)
<b>Total</b>	<b>16,71,85,994</b>	<b>68.86%</b>	<b>16,71,85,994</b>	<b>68.89%</b>	<b>18,95,23,632</b>	<b>76.47%</b>	-	<b>(11.80%)</b>



# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 18 Equity Share capital (Contd..)

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

The Holding Company has only one class of equity shares having par value of INR 1 each (March 31, 2022: INR 1 each). Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees. The final dividend 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 Holding Company, the equity shareholders shall be entitled to receive remaining assets of the Holding Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### vii) Shares reserved for issue under options

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Under Employee Stock Option Plan - 2018	5,03,167	188.45	6,39,689	224.01

For movement of shares issued under options and other terms and conditions, refer Note 52.

### viii) Aggregate number of equity shares issued as bonus, share issued for consideration other than cash and shares bought back during the period of 5 (Five) years immediately preceding the reporting date:

Particulars	No. of Shares	
	As at March 31, 2023	As at March 31, 2022
Aggregate number of fully paid bonus shares issued <sup>1</sup>	-	6,25,57,585
Shares issued for consideration other than cash	96,42,250	96,42,250
Shares bought back	40,11,293	40,11,293

(1) The bonus shares were issued on December 5, 2017.

### ix) After the reporting dates dividends amounting to INR 2,185.02 million (INR 9 per equity share) for the current year and INR 1,213.52 million (INR 5 per equity share) for the previous year were proposed by The Board of Directors subject to approval of shareholders at the Annual General Meeting (AGM) of the Holding Company the dividends have not been recognized as liabilities.

During the year the Holding Company has paid dividend of INR 1,213.52 (INR 5 per equity shares) representing the final dividend declared in previous year.

## 19 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Retained earnings</b>		
Opening balance	10,454.09	9,322.39
Profit for the year	4,291.08	3,149.11
Other comprehensive income/(loss) for the year		
- Re-measurement gains on defined benefit obligations (net of tax)	0.93	0.25
- Fair value changes in debt instruments through OCI (net of tax)	35.45	(3.22)
Dividend Paid to share holders of the Holding Company	(1,213.52)	-
Buyback of shares (including tax and buyback related expenses) (Refer Note 18 (ii))	-	(2,009.01)
Transfer to Capital Redemption Reserve on account of buy back of shares (Refer Note 18 (ii))	-	(5.43)
	<b>13,568.03</b>	<b>10,454.09</b>



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 19 Other equity (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Securities Premium</b>		
Opening balance	72.06	1,298.87
Buyback of shares (including tax) [Refer Note 18 (ii)]	-	(1,298.87)
Share options exercised during the year	23.65	72.06
	<b>95.71</b>	<b>72.06</b>
<b>Capital Redemption Reserve</b>		
Opening balance	8.02	2.59
On buy back of shares [Refer Note 18 (ii)]	-	5.43
	<b>8.02</b>	<b>8.02</b>
<b>Capital Reserve</b>		
Opening balance	7.62	7.62
	<b>7.62</b>	<b>7.62</b>
<b>Share based payment reserve (Refer Note 52)</b>		
Opening balance	42.93	34.76
Equity settled share-based payments (Note 52)	42.87	33.92
Share options exercised during the year	(9.16)	(25.75)
	<b>76.64</b>	<b>42.93</b>
<b>Total</b>	<b>13,756.02</b>	<b>10,584.72</b>

#### Nature and purpose of reserves

**Retained Earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Group 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.

**Capital Redemption Reserve:** As per the provisions of section 68 of Companies Act, 2013, the Group has recognised Capital Redemption Reserve on buyback of equity shares from its securities premium and retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

**Capital Reserve:** During amalgamation, the excess amount of the cancelled share capital of the Group over the investment by the amalgamating Company in the Group is treated as Capital Reserve in the Consolidated financial statements.

**Share based payment reserve:** The fair value of the equity-settled share based payment transactions is recognised in Consolidated Statement of Profit and Loss with corresponding credit to Share based payment reserve. The Same is adjusted on the ESOP allotment made by the Group.

### 20 Financial liabilities - Non current : Lease Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Lease liabilities	1,958.31	1,934.48
<b>Total</b>	<b>1,958.31</b>	<b>1,934.48</b>

(1) For changes in liabilities arising from financing activities and maturity analysis, refer Note 45.



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 21 Financial liabilities - Non current : Deposits

Particulars	As at March 31, 2023	As at March 31, 2022
At amortised cost		
Security deposits	1,064.18	912.09
<b>Total</b>	<b>1,064.18</b>	<b>912.09</b>

### 22 Non-current - Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Employee Benefits - Gratuity (Refer Note 43)	35.19	29.91
<b>Total</b>	<b>35.19</b>	<b>29.91</b>

### 23 Non-current - Deferred tax liabilities (net)

Particulars	Opening as on April 01, 2022	Recognised in PL	Recognised in OCI	Closing as on March 31, 2023
<b>Deferred Tax Assets</b>				
Expenses allowable on payment, write off, etc.	14.15	3.81	(0.30)	17.66
Provision for expected sales return (net)	137.11	40.58	-	177.69
Tax impact on profit elimination upon consolidation	2.31	(1.17)	-	1.16
Others	3.89	3.36	-	7.25
	<b>157.46</b>	<b>46.58</b>	<b>(0.30)</b>	<b>203.76</b>
<b>Deferred Tax Liabilities</b>				
Temporary differences in carrying value of property, plant and equipment, intangible assets and right of use assets net of lease liabilities between books of account and for tax purposes	266.03	27.07	-	293.10
Income taxable in future on realisation	20.00	36.50	11.93	68.43
Goodwill	39.54	-	-	39.54
	<b>325.57</b>	<b>63.57</b>	<b>11.93</b>	<b>401.07</b>
<b>Net deferred tax liabilities</b>	<b>168.11</b>	<b>17.00</b>	<b>12.23</b>	<b>197.31</b>

Particulars	Opening as on April 01, 2021	Recognised in PL	Recognised in OCI	Closing as on March 31, 2022
<b>Deferred Tax Assets</b>				
Expenses allowable on payment, write off, etc.	14.83	(0.60)	(0.08)	14.15
Provision for expected sales return (net)	118.34	18.77	-	137.11
Tax impact on profit elimination upon consolidation	3.60	(1.29)	-	2.31
Others	3.70	0.19	-	3.89
	<b>140.47</b>	<b>17.07</b>	<b>(0.08)</b>	<b>157.46</b>



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 23 Non-current - Deferred tax liabilities (net) (Contd..)

Particulars	Opening as on April 01, 2021	Recognised in PL	Recognised in OCI	Closing as on March 31, 2022
<b>Deferred Tax Liabilities</b>				
Temporary differences in carrying value of property, plant and equipment, intangible assets and right of use assets net of lease liabilities between books of account and for tax purposes	240.36	25.67	-	266.03
Income taxable in future on realisation	7.90	13.18	(1.08)	20.00
Goodwill	39.54	-	-	39.54
	<b>287.80</b>	<b>38.85</b>	<b>(1.08)</b>	<b>325.57</b>
<b>Net deferred tax liabilities</b>	<b>147.33</b>	<b>21.78</b>	<b>(1.00)</b>	<b>168.11</b>

23.1 Particulars	As at March 31, 2023	As at March 31, 2022
Accounting profit before tax	5,758.39	4,230.11
At India's statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	1,449.27	1064.63
Non deductible expenses for tax purposes	15.67	13.91
Non taxable (income) for tax purposes	-	(7.17)
Others	2.37	9.63
<b>Total tax expense for the year</b>	<b>1,467.31</b>	<b>1,081.00</b>

23.2 Income tax expenses for the current year and previous year represents charge for respective year, Income tax for earlier year included in the charge amounts to INR Nil.

23.3 The Holding Company is having expected long term capital loss (LTCL) of INR 62.02 Million (March 31, 2022 - INR 52.66 Million), subject to income tax return filing /pending assessment, on which deferred tax assets has not been recognized in the absence of certainty regarding availability of future long term capital gains against which aforesaid LTCL can be set off. The LTCL of INR 52.66 million can be carried forward till assessment year 2028-29 and LTCL of INR 9.36 million can be carried forward to AY 2031-32.

### 24 Non-current - Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Deferred income	439.71	393.43
<b>Total</b>	<b>439.71</b>	<b>393.43</b>

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



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 25 Financial liabilities - Current : Lease Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Lease liabilities	975.50	852.52
<b>Total</b>	<b>975.50</b>	<b>852.52</b>

(1) For changes in liabilities arising from financing activities and maturity analysis, refer Note 45.

### 26 Financial liabilities - Current : Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 26.1)	196.84	158.11
	<b>196.84</b>	<b>158.11</b>
- Dues to related parties (Refer Note 46)	6.66	0.03
- Total outstanding dues of creditors other than micro enterprises and small enterprises	655.32	572.00
	661.98	572.03
<b>Total</b>	<b>858.82</b>	<b>730.14</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	196.84	158.11
(ii) The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	0.17	1.90
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.28	0.17
(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	-	-
<b>Interest payable to micro, small and medium enterprises (Refer Note 27)</b>	<b>0.28</b>	<b>0.17</b>



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 26 Financial liabilities - Current : Trade payables (Contd..)

#### 26.2 Trade Payables Ageing Schedule - Based on the requirements of Amended Schedule III

Particulars	Outstanding as on March 31, 2023 from due date of payment						
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Undisputed</b>							
Total outstanding dues of micro enterprises and small enterprises	0.10	190.43	6.31	-	-	-	196.84
Total outstanding dues of creditors other than micro enterprises and small enterprises	277.49	237.10	139.93	1.20	0.27	1.10	657.09
<b>Disputed</b>							
Dues of creditors other than micro enterprises and small enterprises	-	-	-	-	4.87	0.02	4.89
<b>Total</b>	<b>277.59</b>	<b>427.53</b>	<b>146.24</b>	<b>1.20</b>	<b>5.14</b>	<b>1.12</b>	<b>858.82</b>

Particulars	Outstanding as on March 31, 2022 from due date of payment						
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Undisputed</b>							
Total outstanding dues of micro enterprises and small enterprises	0.05	156.01	2.05	-	-	-	158.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	326.16	211.95	19.66	0.84	0.08	0.91	559.60
<b>Disputed</b>							
Dues of creditors other than micro enterprises and small enterprises	0.86	-	0.57	10.69	0.23	0.08	12.43
<b>Total</b>	<b>327.07</b>	<b>367.96</b>	<b>22.28</b>	<b>11.53</b>	<b>0.31</b>	<b>0.99</b>	<b>730.14</b>

(1) There are no disputed dues of micro enterprises and small enterprises at the end of each year reported.

### 27 Financial liabilities - Current : Others

Particulars	As at March 31, 2023	As at March 31, 2022
<b>At amortised cost</b>		
Employees related liabilities	75.35	103.10
Security deposits	285.05	193.33
Payables to capital creditors	6.29	0.65
Interest payable on micro and small enterprises (Refer Note 26.1)	0.28	0.17
Unpaid dividend	0.05	-
<b>At fair value through profit and loss</b>		
Derivative contracts <sup>1</sup>	-	0.22
<b>Total</b>	<b>367.02</b>	<b>297.47</b>

(1) It represents liability arising from loss on fair valuation of derivative contracts in the nature of foreign exchange forward contracts.





## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 28 Current - Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Advance from customers (Refer Note 9.1)	523.67	467.59
Refund liabilities <sup>1</sup>	1,070.52	846.20
Advance received towards sale of property, plant & equipment (Refer Note 57)	-	13.24
Statutory dues	43.90	93.67
Interest payable on income tax	-	3.00
Deferred income (Refer Note 24.1)	81.54	70.47
<b>Total</b>	<b>1,719.63</b>	<b>1,494.17</b>

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

### 29 Current - Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits - Gratuity (Refer Note 43)	2.47	4.30
<b>Total</b>	<b>2.47</b>	<b>4.30</b>

### 30 Current - Tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax liabilities (net of advance income tax) <sup>1</sup>	43.22	53.53
<b>Total</b>	<b>43.22</b>	<b>53.53</b>

(1) Current tax liabilities is net of advance taxes paid. TDS and TCS receivable amounting to INR 3,646.86 Million as on March 31, 2023 (March 31, 2022 - INR 2,210.68 Million)

### 31 Revenue from operations

Particular	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products	13,529.67	10,392.48
<b>Other operating revenue:</b>		
(i) Scrap sales	2.75	5.73
(ii) Insurance charges recovered	10.21	7.36
(iii) Export incentives	6.67	2.84
<b>Total</b>	<b>13,549.30</b>	<b>10,408.41</b>

#### 31.1 Disaggregated revenue information

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
India	13,251.26	10,074.17
Outside India	278.41	318.31
<b>Total revenue from contracts with customers</b>	<b>13,529.67</b>	<b>10,392.48</b>



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 31 Revenue from operations (Contd..)

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

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract Price	13,671.73	10,442.87
Add: Impact of deferred income on deposits taken from customers (Refer Note 24.1)	82.26	61.86
Less: Refund Liabilities	(224.32)	(112.25)
<b>Total revenue from contracts with customers</b>	<b>13,529.67</b>	<b>10,392.48</b>

#### Contract Balances

Particulars	As at year ended March 31, 2023	As at year ended March 31, 2022
Trade Receivables	4,734.43	3,967.41
Advance from customers*	22.73	17.64
Refund liabilities	1,070.52	846.20

\* The amount of INR 17.64 million included in contract liabilities at March 31, 2022 has been recognised as revenue during the year ended March 31, 2023.

#### Performance obligation from contracts with customers

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

### 32 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on under effective interest rate method on:		
- Fixed deposits	0.26	9.98
- Loans	0.02	0.02
- Bonds and debentures	55.42	48.70
- Others <sup>1</sup>	32.92	21.05
Profit on sale of investments (net)	59.10	65.25
Gain on fair valuation of investments carried at FVTPL	180.15	99.64
Profit on sale of investment in subsidiary Company	-	0.61
Profit on sale of property, plant & equipment (net)	30.55	0.26
Gain on foreign exchange fluctuations (net)	0.67	0.77
Liabilities/provisions no longer required written back	16.05	29.10
Insurance claim received	5.00	54.54
Rent concession on lease arrangements (Refer Note 45.1)	-	143.73
Gain on termination of lease arrangements (Refer Note 45)	15.69	17.49
Other miscellaneous income	6.58	8.12
<b>Total</b>	<b>402.41</b>	<b>499.26</b>

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



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 33 Cost of materials consumed

#### A. Raw materials

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	227.23	146.53
Add: Purchases during the year	1,414.15	1,232.73
	<b>1,641.38</b>	<b>1,379.26</b>
Less: Inventory at the end of the year (Refer Note 11)	204.91	227.23
<b>Total</b>	<b>1,436.47</b>	<b>1,152.03</b>

#### B. Accessories & packing materials

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventory at the beginning of the year	36.48	32.15
Add: Purchases during the year	198.70	180.06
	<b>235.18</b>	<b>212.21</b>
Less: Inventory at the end of the year (Refer Note 11)	44.64	36.48
<b>Total</b>	<b>190.54</b>	<b>175.73</b>

### 34 Purchases of stock-in-trade

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchases of stock-in-trade	2,280.96	1,706.48
<b>Total</b>	<b>2,280.96</b>	<b>1,706.48</b>

### 35 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Inventory at the end of the year (Refer Note 11)</b>		
Finished goods	614.72	467.11
Work in progress	284.71	281.75
Stock-in-trade	587.48	417.43
	<b>1,486.91</b>	<b>1,166.29</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	467.11	409.56
Work in progress	281.75	170.00
Stock-in-trade	417.43	254.12
	<b>1,166.29</b>	<b>833.68</b>
	<b>(320.62)</b>	<b>(332.61)</b>
Increase in right of return assets (Refer Note 17)	(67.99)	(33.37)
<b>Changes in inventories of finished goods, stock-in-trade &amp; work-in-progress</b>	<b>(388.61)</b>	<b>(365.98)</b>



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 36 Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus (including Directors' remuneration) (Refer Note 46)	495.35	520.03
Contribution to provident and other funds	9.27	8.55
Gratuity expense (Refer Note 43)	6.64	5.86
Staff welfare expenses	12.17	6.92
Equity settled share-based payments (Refer Note 52)	42.87	33.92
<b>Total</b>	<b>566.30</b>	<b>575.28</b>

### 37 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on lease liabilities (Refer Note 45)	237.62	219.58
Interest expense on financial liabilities measured at amortised cost <sup>1</sup>	77.02	61.75
Interest expense on income tax	-	2.92
<b>Total</b>	<b>314.64</b>	<b>284.25</b>

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

### 38 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Property, plant and equipment (Refer Note 4)	57.76	63.30
Right of use assets (Refer Note 4)	948.09	847.73
Intangible assets (Refer Note 5)	32.00	32.53
<b>Total</b>	<b>1,037.85</b>	<b>943.56</b>

### 39 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Job charges	903.52	781.95
Electricity charges	12.30	10.34
Lease rent (Refer Note 45.1)	520.01	394.18
Advertisement, publicity and sales promotion expenses	680.14	477.65
Commission	131.04	103.15
Freight and forwarding expenses	88.97	100.69
Rates and taxes	33.13	19.42
Loss on foreign exchange fluctuations (net)	0.62	0.19
Insurance	28.73	30.23
Repairs and maintenance		
- Others	13.52	13.22
Legal & professional fees	43.53	55.69
Travelling and conveyance	31.45	15.81
Payment to auditors (Refer Note 41)	5.26	4.39
Shop running and maintenance expenses	1.07	1.18



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 39 Other expenses (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Directors' Fees and Commission	12.00	5.10
Loss allowances on financial assets	16.29	26.41
Bad debts/advances written off	2.24	1.49
Corporate social responsibility expenditure (Refer Note 42)	62.08	52.05
Miscellaneous expenses	169.27	113.07
<b>Total</b>	<b>2,755.17</b>	<b>2,206.21</b>

### 40 Earnings per share (EPS)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Net profit after tax for the year	4,291.08	3,149.11
<b>Basic earnings per share (Refer Note 18(i))</b>		
Weighted average number of ordinary shares (No. in Million)	242.73	244.10
Nominal value of ordinary share (INR per share) (Refer Note 18)	1.00	1.00
Basic earnings for ordinary shares (in INR per share)	17.68	12.90
<b>Diluted earnings per share (Refer Note 18(i))</b>		
Weighted average number of ordinary shares (No. in Million)	242.73	244.10
Weighted average number of ESOP options (No. in Million) (Refer Note 52)	0.03	-
	<b>242.76</b>	<b>244.10</b>
Nominal value of ordinary share (INR per share) (Refer Note 18)	1.00	1.00
<b>Diluted earnings for ordinary shares (in INR per share)</b>	<b>17.68</b>	<b>12.90</b>

### 41 Payment to auditors

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
As statutory auditors : (audit & review of financial statements)*		
Audit fees	3.20	3.20
Tax audit fees	0.55	0.55
Limited review of quarterly results	0.95	0.35
In other Capacity :		
Other services	-	0.20
Reimbursement of expenses	0.56	0.09
<b>Total</b>	<b>5.26</b>	<b>4.39</b>

\* Excluding payment made related to IPO services (Refer Note 46.1)



# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023  
(All amounts are in INR Million, unless otherwise stated)

## 42 Corporate social responsibility (CSR) expenditure

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
a) Gross amount to be spent by the Group during the year	60.82	52.01
b) Amount spent and approved by the board during the year		
(i) Construction/ acquisition of any asset		-
(ii) On purpose other than (i) above	62.08	52.05
c) Amount unspent during the year	Not Applicable	Not Applicable
d) Nature of CSR activities	Healthcare, Education & Sustainable Livelihood	Environment Sustainability & Animal Welfare, Healthcare, Education

(1) For details of related party transactions, refer Note 46.

### For movement in CSR, refer below:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening Balance	-	0.20
Gross amount to be spent during the year	60.82	52.01
Actual spent during the year	(62.08)	(52.25)
<b>(Excess) /short spent</b>	<b>(1.26)</b>	<b>(0.04)</b>

## 43 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 as per the provisions of applicable statute. Retirement benefit in the form of provident fund and employees' state insurance (ESI) are defined contribution scheme and the contributions are charged to consolidated statement of profit and loss of the period when the employee renders the service. There are no obligations other than the contribution payable to the respective funds.

### (II) Defined benefit plan - Unfunded

In accordance with the Payment of Gratuity Act, 1972, the Group 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 Holding 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, 2023	March 31, 2022
Discount rate	7.20%	7.10%
Expected rate of increase in compensation level of covered employees	7.00%	7.00%
Average duration of defined benefit obligation	10 years	10 years



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 43 Employee benefits (Contd..)

Particulars	March 31, 2023	March 31, 2022
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, 2023	As at March 31, 2022
Present value of defined benefit obligations	37.66	34.21
<b>Net liability arising from defined benefit obligations</b>	<b>37.66</b>	<b>34.21</b>

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

Particulars	March 31, 2023	March 31, 2022
Current service cost	4.28	3.90
Interest cost	2.36	1.96
<b>Total charge to statement of profit or loss</b>	<b>6.64</b>	<b>5.86</b>

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

Remeasurement of the net defined benefit obligation:-

Particulars	March 31, 2023	March 31, 2022
Re-measurement gains arising from changes in financial assumptions	(0.36)	(1.26)
Re-measurement (gain)/losses arising from experience adjustments	(0.89)	0.93
<b>Re measurement of the net defined benefit liability</b>	<b>(1.25)</b>	<b>(0.33)</b>

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

Particulars	March 31, 2023	March 31, 2022
<b>Opening balance</b>	<b>34.21</b>	<b>29.79</b>
Current service cost	4.28	3.90
Interest cost of scheme liabilities	2.36	1.96
Benefits paid	(1.94)	(1.11)
Re-measurement losses / (gains) arising from changes in financial assumptions	(0.36)	(1.26)
Re-measurement losses /(gains) arising from experience adjustments	(0.89)	0.93
<b>Closing balance</b>	<b>37.66</b>	<b>34.21</b>
<b>Recognised under:</b>		
Current provision	2.47	4.30
<b>Non current provision</b>	<b>35.19</b>	<b>29.91</b>

The gratuity scheme of the Group is unfunded hence there was no plan asset as at March 31, 2023 and March 31, 2022.



# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 43 Employee benefits (Contd..)

### 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 year while holding all other assumptions constant.

Increased /(Decreased) impact in defined benefit obligation

Particulars	March 31, 2023	March 31, 2022
<b>Discount rate</b>		
Increase by 0.50%	(1.76)	(1.51)
Decrease by 0.50%	1.90	1.63
<b>Expected rate of change in compensation level of covered employees</b>		
Increase by 0.50%	1.95	1.32
Decrease by 0.50%	(1.12)	(1.25)
<b>Mortality Rate</b>		
Increase by 10%	0.01	0.01
Decrease by 10%	(0.01)	(0.01)
<b>Attrition Rate</b>		
Increase by 0.50%	0.14	0.12
Decrease by 0.50%	(0.14)	(0.12)

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 year, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

### D Risk analysis

Group 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 Group 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.





## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 44 Contingencies and commitments

(To the extent not provided for)

#### (i) Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Demands/claims by various government authorities and other claims not acknowledged as debts:		
- Commercial sales tax of various states	0.99	0.99
- Income Tax demands *	232.56	232.56
- Bank Guarantee given#	284.92	284.92
- Demand for employee state insurance (including interest)	7.49	7.15
<b>Total</b>	<b>525.96</b>	<b>525.62</b>
<b>Payment made under protest against the above</b>		
- Commercial sales tax of various states	0.43	0.43
- Demand for Income tax	46.51	46.51
- Demand for employee state insurance	0.84	0.84
<b>Total</b>	<b>47.78</b>	<b>47.78</b>

\* The Income Tax department had carried out a search and seizure operation at the premises of the Holding Company in November 2018. During the previous year, the department has issued assessment orders dated September 21, 2021 for Assessment Years 2013-14 to 2018-19 under Section 153A of the Income Tax Act, that were subsequently revised vide Orders dated November 30, 2021 and December 01, 2021. Tax demands aggregating INR 232.56 million (including interest upto the date of demand order) over and above the income tax obligations estimated by the Holding Company for those assessment years has been raised by the department on account of disallowances of certain expenses. The Holding Company has filed Appeals against these Orders after paying INR 46.51 million under protest.

Based on records maintained, management is confident that the Holding Company will be able to prove that such expenses were incurred for the purpose of the Holding Company's business and are eligible for deduction which is duly supported by a legal opinion obtained in this regard and has been considered as contingent liability as on March 31, 2023.

# Bank Guarantee amounting to INR 284.92 million given to National Stock Exchange of India Limited (NSE) in relation to Initial Public Offer (IPO).

#### (ii) Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account	3.94	8.95

### 45 Leases

- (a) The right of use assets comprise of buildings taken on lease. The effective interest rate for lease liabilities is 8.09% as on March 31, 2023 (March 31, 2022 - 8.40%).

Particulars	As at March 31, 2023	As at March 31, 2022
(b) Carrying value of right of use assets at the end of the reporting year (Refer Note 4)	2,790.55	2,667.36



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 45 Leases (Contd..)

(c) Analysis of Lease liabilities:

#### Movement of lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening Lease liabilities</b>	<b>2,787.00</b>	<b>2,103.74</b>
Addition during the year	1,159.88	1,588.64
Accretion of interest during the year	237.62	219.58
Cash outflow towards payment of lease liabilities	(1,115.20)	(834.47)
Rent concession on lease arrangements (Refer Note 32 and Note 45.1)	-	(143.73)
Deletion during the year on account of termination of lease agreements	(135.49)	(146.76)
<b>Closing Lease liabilities</b>	<b>2,933.81</b>	<b>2,787.00</b>

45.1 The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19-Related Rent concessions" effective from the period beginning on or after April 01, 2020 as amended till June 30, 2022. As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B of Ind AS 116 is a lease modification. Pursuant to the notification, the Group has applied the practical expedient in financial year ended March 31, 2022 and hence rent concession received during the financial year 2021-22 aggregating INR 143.73 Million has been accounted for as reversal of liability and disclosed in Other Income.

The table below summarises the maturity profile of the Group's lease liabilities based on contractual undiscounted payments:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year	1,181.82	1,026.99
Between 2 to 3 year	1,568.88	1,581.23
More than 3 year	638.25	603.34
<b>Lease liabilities included in the Consolidated Balance sheet</b>		
Current	975.50	852.52
Non-Current	1,958.31	1,934.48
<b>Total</b>	<b>2,933.81</b>	<b>2,787.00</b>

(d) Impact on Statement of profit and loss:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on lease liabilities	237.62	219.58
Depreciation on right of use assets *	948.09	847.73
Rent concession on lease arrangements	-	(143.73)
Gain on termination of lease arrangements	(15.69)	(17.49)

\* includes depreciation on leasehold building.

(e) The Group applies short term lease recognition exemption for the following leases:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Lease rent as per Consolidated Statement of profit and loss	520.01	394.18



# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 46 Related party disclosures

### (A) Name of Related Parties

#### i. Subsidiaries (over which the Company has control):

Mohey Fashions Private Limited - Wholly owned subsidiary (ceased to be subsidiary w.e.f. August 20, 2021)

Manyavar Creations Private Limited - Wholly owned subsidiary

#### ii. Enterprise controlling the Company:

Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited

#### iii. Other related parties and related party relationships with whom transactions have taken place during the year:

Mr. Ravi Modi - Chairman and Managing Director	Key Managerial Person (KMP)
Mrs. Shilpi Modi - Wholetime Director	Key Managerial Person (KMP)
Mrs. Usha Devi Modi - Wholetime Director	Key Managerial Person (KMP) (upto September 06, 2021)
Mr. Ajay Modi- Wholetime Director	Key Managerial Person (KMP) (upto September 06, 2021)
Mr. Manish Mahendra Choksi- Independent Director	Key Managerial Person (KMP) (w.e.f. September 06, 2021)
Mr. Tarun Puri- Independent Director	Key Managerial Person (KMP) (w.e.f. September 06, 2021)
Ms. Abanti Mitra- Independent Director	Key Managerial Person (KMP) (w.e.f. September 06, 2021)
Mr. Sunish Sharma - Non executive Director	Key Managerial Person (KMP)
Mr. Rahul Murarka - Chief Financial Officer	Key Managerial Person (KMP) (w.e.f. May 17, 2021)
Mr. Navin Pareek - Company Secretary	Key Managerial Person (KMP)
Mr. Vedant Modi - Chief Marketing Officer	Relative of KMP
Mr. Ajay Modi	Relative of KMP (w.e.f. September 07, 2021)
Manas Foundation (Trust)	Enterprises owned or significantly influenced by KMP
Shenayah Retail Stores Private Limited	Enterprises owned or significantly influenced by the relative of KMP
Ravi Modi HUF	Enterprises owned or significantly influenced by the relative of KMP
Vandana Enterprise	Enterprises owned or significantly influenced by the relative of KMP
Pranit Fashions	Enterprises owned or significantly influenced by the relative of KMP
Mohey Fashions Private Limited	Enterprises owned or significantly influenced by the relative of KMP (w.e.f. August 21, 2021)

### (B) Details of transactions with related parties

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Sale of products (net of returns) (including taxes)</b>		
Shenayah Retail Stores Private Limited	285.32	262.25
Pranit Fashions	6.20	6.23
Vandana Enterprise	175.90	132.06
<b>Total</b>	<b>467.42</b>	<b>400.54</b>
<b>Rent income (including taxes)</b>		
Mohey Fashions Private Limited	0.07	0.05
<b>Total</b>	<b>0.07</b>	<b>0.05</b>



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 46 Related party disclosures (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Recovery of expenses (including taxes) (electricity and other expense)</b>		
Shenayah Retail Stores Private Limited	0.32	0.13
Vandana Enterprise	1.09	0.77
Pranit Fashions*	0.02	0.01
<b>Total</b>	<b>1.43</b>	<b>0.91</b>
<b>Reimbursement of Expenses (advertisement expense, electricity expense, etc.)</b>		
Pranit Fashions*	-	0.00
Shenayah Retail Stores Private Limited	0.28	0.20
Mohey Fashions Private Limited	0.03	-
Vandana Enterprise	0.13	0.38
Tarun Puri	-	0.08
Abanti Mitra	0.01	0.13
Manish Mahendra Choksi	0.01	-
<b>Total</b>	<b>0.46</b>	<b>0.79</b>
<b>Security Deposit Received</b>		
Shenayah Retail Stores Private Limited	12.50	35.50
Vandana Enterprise	6.50	17.50
Pranit Fashions	-	1.20
<b>Total</b>	<b>19.00</b>	<b>54.20</b>
<b>Security Deposit Refunded</b>		
Vandana Enterprise	4.25	-
Shenayah Retail Stores Private Limited	0.50	-
<b>Total</b>	<b>4.75</b>	<b>-</b>
<b>Corporate social responsibility expenditure</b>		
Manas Foundation	-	30.78
<b>Total</b>	<b>-</b>	<b>30.78</b>
<b>Buy back of shares (excluding taxes)(Refer Note 18 (ii))</b>		
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	-	2,008.62
Ravi Modi HUF	-	431.42
Ravi Modi	-	18.73
Shilpi Modi	-	29.47
<b>Total</b>	<b>-</b>	<b>2,488.24</b>
<b>Salary to relative of KMP</b>		
Vedant Modi	4.15	1.75
Ajay Modi (w.e.f. September 07, 2021)	9.80	4.35
<b>Total</b>	<b>13.95</b>	<b>6.10</b>
<b>Sale of Subsidiary Company</b>		
Ravi Modi	-	0.50
Shilpi Modi	-	0.50
<b>Total</b>	<b>-</b>	<b>1.00</b>
<b>Bank Guarantee Taken</b>		
Shenayah Retail Stores Private Limited	-	2.00
<b>Total</b>	<b>-</b>	<b>2.00</b>



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 46 Related party disclosures (Contd..)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Bank Guarantee Refunded</b>		
Shenayah Retail Stores Private Limited	-	2.00
	-	<b>2.00</b>
<b>Dividend Paid (Gross)</b>		
Ravi Modi	8.44	-
Shilpi Modi	13.28	-
Navin Pareek	0.02	-
Rahul Murarka	0.06	-
Ajay Modi	0.36	-
Ravi Modi HUF	194.41	-
Ravi Modi Family Trust	814.21	-
	<b>1,030.78</b>	-
<b>Commission to Independent Director (including sitting fees)</b>		
Manish Mahendra Choksi	3.00	1.70
Tarun Puri	3.00	1.70
Abanti Mitra	3.00	1.70
Sunish Sharma	3.00	-
<b>Total</b>	<b>12.00</b>	<b>5.10</b>
IPO Expense incurred on behalf of selling shareholders <sup>46.1</sup>	51.63	246.97
<b>Total</b>	<b>51.63</b>	<b>246.97</b>

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

All transactions with related parties are priced on an arm's length basis.

46.1 Certain IPO expenses paid/payable under the terms of the Offer Agreement jointly executed by the Holding Company, the selling shareholders and Book Running Lead Managers (BRLMs) shall be borne by the selling shareholders and are being/will be paid out of the Public Offer Account directly and hence, not recognised in these Consolidated financial statements.

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

Particulars		As at March 31, 2023	As at March 31, 2022
<b>Receivable from:</b>			
Pranit Fashions	Trade receivables	2.86	3.07
Shenayah Retail Stores Private Limited	Trade receivables	106.07	87.39
Vandana Enterprise	Trade receivables	43.34	36.64
<b>Sub Total</b>		<b>152.27</b>	<b>127.10</b>
IPO Expense Recoverable from selling share holder <sup>46.1</sup>	IPO Expenses Recoverable in cash or kind	0.15	119.29
<b>Total</b>		<b>152.42</b>	<b>246.39</b>



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 46 Related party disclosures (Contd..)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Payable to:</b>		
Ravi Modi Director's Remuneration payable	23.46	47.45
Shilpi Modi Director's Remuneration payable	15.64	25.50
Sunish Sharma	2.39	-
Abanti Mitra	2.10	-
Manish Mahendra Choksi	2.14	-
Tarun Puri	0.03	0.03
<b>Total</b>	<b>45.76</b>	<b>72.98</b>
<b>Security Deposit Taken:</b>		
Shenayah Retail Stores Private Limited	47.50	35.50
Vandana Enterprise	19.75	17.50
Pranit Fashions	1.20	1.20
<b>Total</b>	<b>68.45</b>	<b>54.20</b>

### (C) Remuneration of key management personnel

The remuneration of key management personnel and a relative of key management personnel of the Group are set out below in aggregate for each of the categories specified in Ind AS 24 'Related party disclosures'.

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
<b>Salary &amp; Allowances*</b>		
Ravi Modi	82.01	128.55
Shilpi Modi	54.67	89.22
Usha Devi Modi (upto September 06, 2021)	-	0.05
Ajay Modi (upto September 06, 2021)	-	4.42
<b>Total Directors' Remuneration</b>	<b>136.68</b>	<b>222.24</b>
Navin Pareek	3.16	2.29
Rahul Murarka (w.e.f. May 17, 2021)	6.92	5.23
<b>Total KMP Remuneration</b>	<b>146.76</b>	<b>229.76</b>

\* Salary & Allowances excludes Group's contribution (if any) towards retirement benefits and employee stock options scheme since those are ascertained for the Group as a whole.

Balance of Retirement Benefit of KMP's and a relative of KMP is INR 4.44 million as on March 31, 2023 (INR 4.06 million as on March 31, 2022)

All transactions with related parties are priced on an arm's length basis.



# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

## 46 Related party disclosures (Contd..)

The following are the details of the transactions eliminated on consolidation as per Ind AS 24 read with ICDR Regulations during the year ended March 31, 2023 and March 31, 2022.

Particulars	As at and for the year ended	
	March 31, 2023	March 31, 2022
<b>Transaction by the Holding Company with other Group Companies</b>		
<b>Sale of products (net of returns) (including taxes)</b>		
Manyavar Creations Private Limited	172.93	212.25
<b>Rent income (including taxes)</b>		
Mohey Fashions Private Limited	-	0.02
Manyavar Creations Private Limited	0.07	0.07
<b>Recovery of expenses (including taxes) (electricity and other charges)</b>		
Manyavar Creations Private Limited	0.68	0.92
<b>Reimbursement of Expenses (Rent, etc) (including taxes)</b>		
Manyavar Creations Private Limited	18.88	13.58
Mohey Fashions Private Limited	-	0.03
<b>Loan given (repayable on demand)</b>		
Manyavar Creations Private Limited	-	4.00
<b>Refund of loan given</b>		
Manyavar Creations Private Limited	-	4.00
<b>Interest income on loan given</b>		
Manyavar Creations Private Limited*	-	0.00
<b>Transfer of Liability (Gratuity &amp; other liabilities)</b>		
Manyavar Creations Private Limited	0.94	-
<b>Transfer of Security deposit given</b>		
Manyavar Creations Private Limited	12.87	-
<b>Purchase of property, plant &amp; equipment</b>		
Manyavar Creations Private Limited	3.83	-
<b>Advance from Customers</b>		
Manyavar Creations Private Limited	25.66	-
<b>Receivable from:</b>		
Manyavar Creations Private Limited	-	6.99
<b>Transaction by Manyavar Creations Private Limited with Holding Company</b>		
Purchase of traded goods	172.93	212.25
Rent expense	0.07	0.07
Recovery of expenses	18.88	13.58
Reimbursement of expenses	0.68	0.92
Short term loan taken	-	4.00
Transfer of Liability (Gratuity & other liabilities)	0.94	-
Transfer of Security deposit given	12.87	-
Refund of loan taken	-	4.00
Interest on short term loan*	-	0.00
Sale of property, plant & equipment	3.83	-
Advances given	25.66	-



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 46 Related party disclosures (Contd..)

Particulars	As at and for the year ended	
	March 31, 2023	March 31, 2022
Trade payables	-	6.99
<b>Transaction by Mohey Fashions Private Limited with Holding Company</b>		
Rent expense	-	0.02
Recovery of expenses	-	0.03

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

All transactions with related parties are priced on an arm's length basis.

### 47 Financial Instruments

#### Financial risk management objectives and policies

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

#### Financial assets and liabilities as at

Particulars	As at March 31, 2023			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Carrying Value
<b>Financial Assets</b>				
Investments	6,625.42	1,245.92	-	7,871.34
Trade receivables*	-	-	4,734.43	4,734.43
Cash and cash equivalents*	-	-	97.45	97.45
Other bank balances*	-	-	2.61	2.61
Other financial assets*	0.05	-	796.26	796.31
<b>Total</b>	<b>6,625.47</b>	<b>1,245.92</b>	<b>5,630.75</b>	<b>13,502.14</b>
<b>Financial Liabilities</b>				
Non-current security deposits*	-	-	1,064.18	1,064.18
Lease liabilities	-	-	2,933.81	2,933.81
Trade payables*	-	-	858.82	858.82
Other financial liabilities*	-	-	367.02	367.02
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5,223.83</b>	<b>5,223.83</b>





## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 47 Financial Instruments (Contd..)

Particulars	As at March 31, 2022			
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	Carrying Value
<b>Financial Assets</b>				
Investments	3,908.85	1,215.37	-	5,124.22
Trade receivables*	-	-	3,967.41	3,967.41
Cash and cash equivalents*	-	-	36.09	36.09
Other bank balances*	-	-	2.61	2.61
Other financial assets*	-	-	798.54	798.54
<b>Total</b>	<b>3,908.85</b>	<b>1,215.37</b>	<b>4,804.65</b>	<b>9,928.87</b>
<b>Financial Liabilities</b>				
Non-current security deposits*	-	-	912.09	912.09
Lease liabilities	-	-	2,787.00	2,787.00
Trade payables*	-	-	730.14	730.14
Other financial liabilities*	0.22	-	297.25	297.47
<b>Total</b>	<b>0.22</b>	<b>-</b>	<b>4,726.48</b>	<b>4,726.70</b>

\* The carrying amount of the Group's financial assets and financial liabilities are reasonable approximation of their fair value and hence the Group has not disclosed the fair values.

### 48 Fair Value Hierarchy

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

**Level 1:** unquoted/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 year using			As at March 31, 2023
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments in mutual funds	3,795.97	-	-	3,795.97
Investments in bonds and debentures	4,075.37	-	-	4,075.37
Derivative instruments	-	0.05	-	0.05
<b>Total</b>	<b>7,871.34</b>	<b>0.05</b>	<b>-</b>	<b>7,871.39</b>



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 48 Fair Value Hierarchy (Contd..)

Particulars	Fair Value measuring at the end of the reporting year using			As at March 31, 2022
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Investments in mutual funds	3,108.60	-	-	3,108.60
Investments in bonds and debentures	2,015.62	-	-	2,015.62
<b>Total</b>	<b>5,124.22</b>	-	-	<b>5,124.22</b>
<b>Financial Liabilities</b>				
Derivative instruments	-	0.22	-	0.22
<b>Total</b>	-	<b>0.22</b>	-	<b>0.22</b>

- Financial assets and liabilities at fair value are reported at amounts that would be received from sale of an asset and amount of resource to be utilised for settlement of a liability respectively in an orderly transaction between market participants.
- Derivative instruments - Forward Rate Contracts: The fair value is determined using Level 2 inputs. The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. All derivative financial instruments are measured at fair value, generally based on quotations obtained from banks.
- Trade receivables, cash and cash equivalents, other bank balances, other financial assets, non current deposits, trade payables, lease liabilities and other financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments. Fair value of investments in mutual funds are on the basis of net asset value as declared by mutual fund house as on the Balance Sheet date.
- There has been no transfer between level 1, level 2 and level 3 during the above years.

### 49 Financial Risk Management

The Group's activities expose it to variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is commodity price risk. The Group uses forward contracts to mitigate foreign exchange related risk exposures.

#### a) Market Risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### Currency Risk

The Group operates both in domestic and international market and consequently the Group is exposed to foreign exchange risk through its sales in overseas countries. The Group holds forward contracts such as foreign exchange forwards to mitigate the risk of changes in exchange rates on foreign currency exposures.



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 49 Financial Risk Management (Contd..)

#### Exposure to Currency Risk

The following table analyses foreign currency risk from financial instruments:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Exposure Currency (USD)</b>		
Trade receivables (INR in Million) <sup>1</sup>	24.16	80.93
Less: Forward Contracts outstanding	24.11	38.60
<b>Net exposure</b>	<b>0.05</b>	<b>42.33</b>
<b>Exposure Currency (CAD)</b>		
Trade receivables (INR in Million) <sup>2</sup>	0.10	-

(1) For the year ended March 31, 2023 and March 31, 2022, every percentage appreciation in the exchange rate between the Indian rupee and USD, would increase the Group's profit before tax by approx. INR 0.00 Million and INR 0.42 Million and increase in equity by INR 0.00 Million and INR 0.32 Million respectively.

(2) For the year ended March 31, 2023 and March 31, 2022, every percentage depreciation in the exchange rate between the Indian rupee and USD, would decrease the Group's profit before tax by approx. INR (0.00) Million and INR (0.42) Million and decrease in equity by INR (0.00) Million and INR (0.32) Million respectively.

#### Derivative Financial Instruments

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury risks. Treasury derivative transactions are in the form of forward contracts and these are subject to the Group's guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on quotations obtained from banks. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation. The fair values of all derivatives are separately recorded in the balance sheet within current assets and liabilities.

The Group uses derivative instruments as part of its management of exposures to fluctuations in foreign currency exchange rates. The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

Particulars	As at March 31, 2023	As at March 31, 2022
Less than 1 year		
Forward contract - to cover export receivables (Amount in USD Million)	0.29	0.51

#### Commodity Price Risk

The Group is affected by price volatility of its key raw materials and traded goods. Its operating activities requires a continuous supply of key material for manufacturing products. The Group's procurement department continuously monitor the fluctuation in price and take necessary action to minimize its price risk exposure.



# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 49 Financial Risk Management (Contd..)

### Interest rate Risk

The Company is debt-free and the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of safety, liquidity and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

### Price Risk

The Group's businesses are subject to certain risks and uncertainties including financial risks. Group has invested in bonds, debentures and mutual funds. To manage its price risk arising from investments, the Group 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.

### b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 4,734.43 Million and INR 3,967.41 Million as at March 31, 2023 and March 31, 2022 respectively. Trade receivable includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Group through taking security deposits and bank guarantees from customers, credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group 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.

Credit risk on cash and cash equivalents including other bank balances, investment in mutual funds and debt securities is limited as the Company generally invest in deposits with banks, financial institutions and counterparties with high credit ratings assigned by international and domestic credit rating agencies.

For ageing analysis of the trade receivables, refer Note 13.

### Credit risk exposure

The allowance for lifetime expected credit loss on customer balances amounts to INR 42.31 million and INR 31.86 million as at year ended March 31, 2023 and March 31, 2022 respectively.

### c) Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds, fixed deposits, bonds and debentures. The Group 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	Contractual Cash Flows		Carrying Amount	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Less than 1 year</b>				
Trade payables	858.82	730.14	858.82	730.14
Lease Liabilities	1,181.82	1,026.99	975.50	852.52
Other financial liabilities	211.76	203.68	367.02	297.47
	<b>2,252.40</b>	<b>1,960.81</b>	<b>2,201.34</b>	<b>1,880.13</b>



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 49 Financial Risk Management (Contd..)

Particulars	Contractual Cash Flows		Carrying Amount	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Between 2 to 3 year</b>				
Lease Liabilities	1,568.88	1,581.23	1,357.31	1,368.80
Other financial liabilities	172.95	215.25	143.40	174.80
	<b>1,741.83</b>	<b>1,796.48</b>	<b>1,500.71</b>	<b>1,543.60</b>
<b>More than 3 year</b>				
Lease Liabilities	638.25	603.34	601.00	565.68
Other financial liabilities	1,598.83	1,296.63	920.78	737.29
	<b>2,237.08</b>	<b>1,899.97</b>	<b>1,521.78</b>	<b>1,302.97</b>
<b>Total</b>	<b>6,231.31</b>	<b>5,657.26</b>	<b>5,223.83</b>	<b>4,726.70</b>

### 50 Capital Management

The Group'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 Group's capital. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is defined as current and non-current borrowings and lease liabilities less cash and cash equivalents and current investments. Excess cash and bank balance has been invested by the Group in fixed deposits, bonds, debentures and mutual funds.

Particulars	As at March 31, 2023	As at March 31, 2022
Share capital	242.78	242.70
Other equity	13,756.02	10,584.72
<b>Equity (A)</b>	<b>13,998.80</b>	<b>10,827.42</b>
Cash and cash equivalents	97.45	36.09
Current investments	6,176.85	4,120.89
Other bank balances	2.61	2.61
<b>Total fund (B)</b>	<b>6,276.91</b>	<b>4,159.59</b>
Current borrowings	-	-
Lease Liabilities (F)	2,933.81	2,787.00
<b>Total debt (C)</b>	<b>2,933.81</b>	<b>2,787.00</b>
<b>Net debt (D=(C-B))</b>	<b>(3,343.10)</b>	<b>(1,372.59)</b>
Total capital (equity + net debt)	10,655.70	9,454.83
<b>Net debt to equity ratio (E=D/A)</b>	*	*
<b>Net debt (excluding lease liabilities) [G=(D-F)]</b>	<b>(6,276.90)</b>	<b>(4,159.59)</b>
<b>Net debt to equity ratio (excluding lease liabilities)</b>	*	*

\* Net debt is negative and hence not applicable.

50.1 The Group is having cash credit facility and the same carries interest rate ranging from 8.00% to 8.20% p.a as on March 31, 2023 (March 31, 2022 - 8.00% p.a). Cash credit facility is unsecured. The facility is unutilised as on March 31, 2023 and March 31, 2022.



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

### 51 Segment Reporting :

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

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

Particulars	Revenue from Operations	
	For the year ended March 31, 2023	For the year ended March 31, 2022
India	13,270.89	10,090.10
Overseas	278.41	318.31
<b>Total</b>	<b>13,549.30</b>	<b>10,408.41</b>

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

Particulars	Carrying amount of assets*	
	As at March 31, 2023	As at March 31, 2022
India	5,951.19	5,857.16
Overseas	-	-
<b>Total</b>	<b>5,951.19</b>	<b>5,857.16</b>

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

#### (ii) Disaggregated revenue information

For disaggregation of revenue, refer Note 31.1

(iii) The Group is not reliant on revenue from transaction with any single customer and does not receive 10% or more of its revenue from transaction with any single customer.

### 52 Share based payments

The Holding Company has an Employee Stock Option Scheme 2018 ("ESOP") as approved by the shareholders at their extra ordinary general meeting held on September 3, 2018. The ESOP scheme includes both tenure based and performance based stock options. The performance conditions attached to the option is measured by comparing Holding Company's performance in terms of revenue and profit before tax over the performance period with budgeted revenue and budgeted profit before tax respectively as defined in the Scheme, and individual employee performance.

Vesting Conditions	Exercise Period	Tranches	Date of Grant	Numbers of options granted	Exercise Price per share
On continued employment with the Holding Company and achievement of performance parameters over a period of 2 to 4 years from the date of grant.	10 years from the date of grant of stock options	Tranche 1	September 3, 2018	3,32,124	344
		Tranche 2	December 21, 2018	13,663	344
		Tranche 3	January 21, 2020	19,039	536
		Tranche 4	December 18, 2020	32,193	685
		Tranche 5 (post split)	September 4, 2021	4,95,140	400

# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023

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

## 52 Share based payments (Contd..)

### Movement of Options Granted

The movement of the options for the year is as given below:

Particulars	Tranche 1		Tranche 2		Tranche 3		Tranche 4		Tranche 5	
	Stock Options (Numbers)	Weighted Average exercise price (Price per option)	Stock Options (Numbers)	Weighted Average exercise price (Price per option)	Stock Options (Numbers)	Weighted Average exercise price (Price per option)	Stock Options (Numbers)	Weighted Average exercise price (Price per option)	Stock Options (Numbers)	Weighted Average exercise price (Price per option)
<b>Options exercisable as at March 31, 2021</b>	<b>1,92,960</b>	<b>344</b>	<b>12,987</b>	<b>344</b>	<b>10,634</b>	<b>536</b>	<b>32,193</b>	<b>685</b>	-	-
Split of shares from INR 2 per share to INR 1 per share (Refer Note 18 (i))	1,92,960		12,987		10,634		32,193		-	-
Options granted during the year	-	-	-	-	-	-	-	-	4,95,140	400
Options exercised during the year	(2,54,855)	172	(15,980)	172	-	-	-	-	-	-
Options lapsed during the year (Unvested)	(14,628)	172	(702)	172	(21,268)	268	(8,322)	343	(37,244)	400
<b>Options exercisable as at March 31, 2022</b>	<b>1,16,437</b>	<b>172</b>	<b>9,292</b>	<b>172</b>	<b>-</b>	<b>-</b>	<b>56,064</b>	<b>343</b>	<b>4,57,896</b>	<b>400</b>
Options exercised during the year	(60,058)	172	(8,985)	172	-	-	(7,858)	343	-	-
Options lapsed during the year (Unvested)	(6,484)	172	(307)	172	-	-	(22,876)	343	(29,954)	400
<b>Options exercisable as at March 31, 2023</b>	<b>49,895</b>	<b>172</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,330</b>	<b>343</b>	<b>4,27,942</b>	<b>400</b>

The weighted-average share price at the date of exercise for share options exercised in year ended March 31, 2023 was INR 1,342.78.

The weighted-average remaining contractual life of outstanding options as at 31 March 2023 and 31 March 2022 is 8.10 year and 8.78 years.

**52.1** There were 52,523 (post split) number of vested options as on March 31, 2023 (March 31, 2022 - no options were vested). Also no vested options lapsed at the end of each reporting date. For the computation of diluted earnings per share, options outstanding at respective reporting dates have been considered as dilutive (Refer Note 40).

**52.2** There were no options forfeited in any of the reporting year.





# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

## 52 Share based payments (Contd..)

### Fair Valuation:

The fair valuation of options was carried out by an independent valuer using Black Scholes Model. The various inputs and assumptions considered in the pricing model at grant date for the stock options granted under ESOP Scheme 2018 are as under.

Particulars	Tranche 1 & 2	Tranche 3	Tranche 4	Tranche 5*
Risk Free interest rate (%)	7.95	6.41	6.18	6.18
Option Life (Years)	7	7	7	7
Expected Volatility (%)	37	42	43	43
Fair value (in INR per option)	190.00	428.00	660.00	310.50
Share price at options grant date (in INR per share)	344.97	686.35	1,008.80	504.40

\* Post split. Refer Note 18(i)

Effect of the above employee share-based payment plan on the statement of profit and loss and on its financial position:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employee Compensation Cost pertaining to share-based payment plans (in INR Million)	42.87	33.92

## 53 Group Information

Particulars	Country of incorporation	Principal activities	As at March 31, 2023 % of Holding	As at March 31, 2022 % of Holding
<b>Subsidiaries</b>				
i) Manyavar Creations Private Limited	India	Trading of branded fashion apparel and accessories	100%	100%

53.1 As on the Balance Sheet date, there are no subsidiaries that have non-controlling interests.

## 54 Additional Information

Information as at and for the year ended March 31, 2023

Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent:</b>								
Vedant Fashions Ltd	99.65%	13,950.47	98.55%	4,228.91	99.86%	36.33	98.56%	4,265.24
<b>Subsidiaries:</b>								
Manyavar Creations Private Ltd	1.80%	251.78	1.37%	58.67	0.14%	0.05	1.36%	58.72
	<b>101.45%</b>	<b>14,202.25</b>	<b>99.92%</b>	<b>4,287.58</b>	<b>100.00%</b>	<b>36.38</b>	<b>99.92%</b>	<b>4,323.96</b>
<b>Intercompany elimination and consolidation adjustments</b>	(1.45%)	(203.45)	0.08%	3.50	-	-	0.08%	3.50
<b>Total</b>	<b>100.00%</b>	<b>13,998.80</b>	<b>100.00%</b>	<b>4,291.08</b>	<b>100.00%</b>	<b>36.38</b>	<b>100.00%</b>	<b>4,327.46</b>





# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

## 54 Additional Information (Contd..)

Information as at and for the year ended March 31, 2022

Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent:</b>								
Vedant Fashions Ltd	100.13%	10,841.31	97.92%	3,083.54	100.03%	(2.97)	97.92%	3,080.57
<b>Subsidiaries:</b>								
Manyavar Creations Private Ltd	1.78%	193.06	1.94%	61.18	(0.03%)	0.00	1.94%	61.18
Mohey Fashions Private Ltd (upto August 20, 2021)	-	-	(0.00%)	(0.06)	-	-	(0.00%)	(0.06)
	<b>101.91%</b>	<b>11,034.37</b>	<b>99.86%</b>	<b>3,144.66</b>	<b>100.00%</b>	<b>(2.97)</b>	<b>99.86%</b>	<b>3,141.69</b>
<b>Intercompany elimination and consolidation adjustments</b>	(1.91%)	(206.95)	0.14%	4.45	-	-	0.14%	4.45
<b>Total</b>	<b>100.00%</b>	<b>10,827.42</b>	<b>100.00%</b>	<b>3,149.11</b>	<b>100.00%</b>	<b>(2.97)</b>	<b>100.00%</b>	<b>3,146.14</b>

**55** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

## 56 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 interim financial statements are as follows:

### i) Revenue Recognition

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

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

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



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2023

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

The Group updates its assessment of expected returns based on the best estimates and judgements and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances & judgements and the Group's past experience regarding returns may not be representative of customers' actual returns in the future. As at March 31, 2023, the amount recognised as refund liabilities for the expected returns is INR 1,070.52 Million and corresponding right of return asset is INR 364.46 Million (March 31, 2022: expected returns was INR 846.20 Million and corresponding right of return asset is INR 296.47 Million)

### 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 (excluding brand & goodwill) 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 for prospectively.

### iii) Impairment of non-financial assets (including intangible assets)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to the goodwill and brand.

### iv) Estimation of provisions and contingencies

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

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

### v) 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 43)

### vi) Leases

The Group 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 Group has several lease contracts that include extension and termination options. The Group 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 Group 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.



# Notes to Consolidated Financial Statements

as at and for the year ended March 31, 2023  
(All amounts are in INR Million, unless otherwise stated)

## vii) Share-based payment

The Group uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option and volatility. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 52.

## viii) Fair Value Measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

## ix) Recoverability of Deferred Tax Assets

Deferred tax assets are recognised for unused tax losses including capital losses to the extent it is probable that taxable future profit/capital gains will be available against which applicable 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. Deferred tax assets on Long term capital loss have not been recognised in the absence of certainty of availability of adequate future long term capital gains for set off. Further details on taxes are disclosed in Note 23.

## 57 Assets Held For Sale

During the previous year, the Group had received advance amounting to INR 13.24 Million against sale of an identified asset - building under right of use asset. Consequently, the carrying value of such assets amounting to INR 13.26 Million (Gross block: INR 15.39 Million and Accumulated depreciation of INR 2.13 Million) has been disclosed as "Assets held for sale" as on March 31, 2022. The transaction is completed in financial year ended March 31, 2023. Recoverable value from the transaction was Rs. 26.36 million (including amount received till March 31, 2022).

## 58 Subsequent event

There are no material non-adjusting events after the reporting period till the date of issue of these financial statements (i.e. April 28, 2023) which require disclosure in consolidated financial statements.

In terms of our report attached of the even date

For **BSR & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 101248W/W-100022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)  
For and on behalf of the Board of Directors

**Seema Mohnot**  
Partner  
Membership No. 060715

**Ravi Modi**  
Chairman and Managing Director  
DIN : 00361853

**Shilpi Modi**  
Wholtime Director  
DIN : 00361954

Place: Kolkata  
Date: April 28, 2023

**Rahul Murarka**  
Chief Financial Officer

**Navin Pareek**  
Company Secretary  
ICSI Membership No. F10672





**VEDANT FASHIONS**  
— LIMITED —

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**Registered Office**

**Vedant Fashions Limited**

(Formerly known as Vedant Fashions Pvt. Ltd.)  
CIN: L51311WB2002PLC094677  
A501-A502, SDF-1, 4th Floor, Paridhan Garment Park,  
19 Canal South Road, Kolkata-700 015.  
Website: [www.vedantfashions.com](http://www.vedantfashions.com)

