

Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Vedant Fashions Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Vedant Fashions Limited (the "Company") for the quarter ended June 30, 2022 and year to date from April 1, 2022 to June 20, 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



S.R. BATLIBOI & Co. LLP

Chartered Accountants

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 8 to the standalone financial results, which explains that the results for the quarter ended June 30, 2021 were audited by us in connection with the proposed listing of the Company equity shares. Our conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005



per **Bhaswar Sarkar**

Partner

Membership No.: 055596



UDIN: 22055596AONVFW4252

Place: Kolkata

Date: August 08, 2022

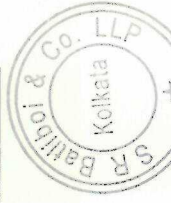


Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)
 CIN: L5131WB2002PLC094677
 Regd. Office: Paridhan Garment Park, 19, Canal South Road, SDF-I, 4th Floor, A501-A502, Kolkata - 700015, West Bengal, India
 Statement of Standalone Financials Results for the quarter ended June 30, 2022

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

	Quarter ended		Year ended
	June 30, 2022 (Unaudited)	March 31, 2022 (Audited)	
Income:			
I Revenue from operations	3,171.74	2,890.08	10,087.45
II Other income (Refer Note 5)	69.20	108.70	485.42
III Total income (I + II)	3,240.94	2,998.78	10,572.87
Expenses:			
IV Cost of materials used			
(a) - Raw materials	337.14	380.24	1,152.03
- Accessories & packing materials	47.77	54.58	175.73
(b) Purchases of stock-in-trade	428.89	532.23	1,706.48
(c) Increase in inventories of finished goods, work-in-progress and stock-in-trade	(5.17)	(224.21)	(368.85)
(d) Employee benefits expense	125.84	161.36	561.28
(e) Finance costs	74.72	82.36	270.70
(f) Depreciation and amortisation expense	245.88	250.30	880.33
(g) Other expenses	640.37	584.89	2,057.49
Total expenses	1,895.44	1,821.75	6,435.19
V Profit before tax (III-IV)	1,345.50	1,177.03	4,137.68
Tax expense:			
- Current tax	372.67	302.98	1,033.64
- Net Deferred tax charge/(credit)	(26.48)	0.02	20.50
Total tax expense	346.19	303.00	1,054.14
VII Profit for the period/year (V-VI)	999.31	874.03	3,083.54
VIII Other Comprehensive Income/(Loss)			
(i) Item that will not be subsequently reclassified to profit or loss			
(a) Re-measurement gain/(loss) on defined benefit obligations	0.08	1.88	0.33
(b) Income tax effect on above	(0.02)	(0.47)	(0.08)
(ii) Item that will be subsequently reclassified to profit or loss			
(a) Changes in fair value of debt instruments	(9.48)	(4.30)	(4.30)
(b) Income tax effect on above	2.39	1.08	1.08
Total other comprehensive loss for the period/year, net of tax	(7.03)	(1.81)	(2.97)
IX Total comprehensive income for the period/year	992.28	872.22	3,080.57
Paid-up equity share capital (face value of INR 1 each) (Refer Note 2, 3 & 4)	242.70	242.70	242.70
Other Equity	-	-	10,598.61
X Earnings per equity share (EPS) (face value of share of INR 1 each)*			
Basic (in INR per share)	4.12	3.58	12.63
Diluted (in INR per share)	4.12	3.58	12.63

* EPS is not annualized for the quarter ended June 30, 2022, March 31, 2022 and June 30, 2021.



- 1 In terms of Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this statement of Unaudited Standalone Financials Results of the Company for the quarter ended June 30, 2022 have been approved by the Audit Committee and by the Board of Directors at their respective meetings held on August 08, 2022, and have been subjected to limited review by the Statutory Auditor of the Company.
- 2 In the financial year 2021-22, the Board of Directors of the Company, at its meeting held on June 25, 2021 and shareholders of the Company at the Extra-ordinary General Meeting held on June 26, 2021, had 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, has been reduced from share capital and Securities premium account has been utilised to the extent 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.
- 3 In the financial year 2021-22, 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 issued equity shares had gone up from 12,12,16,127 (after adjustment of buyback as mentioned in Note 2 above) to 24,24,32,254 with effect from August 28, 2021. The impact of split of shares has been retrospectively considered for the computation of Earnings Per Share as per the requirement of Ind AS 33.
- 4 In the financial year 2021-22, 2,70,835 stock options were exercised by employees of the Company and equity shares of INR 1 each were issued at the rate of INR 172 per share. Post exercise of the options, the equity share capital of the Company increased by INR 0.26 million and securities premium increased by INR 72.06 million.
- 5 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 the financial year 2021-22 and accordingly recognised rent concession received during the quarter ended June 30, 2021 and March 31, 2022 aggregating INR 34.28 million and INR 13.19 million respectively (for the financial year ended March 31, 2022 INR 137.48 million) and resultant reversal of respective liabilities have been reported under "Other Income" for the quarter/year.
- 6 In the financial year 2021-22, the Company has completed its Initial Public Offer (IPO) of 36,364,838 equity shares of face value of INR 1 each at an issue price of INR 866 per share (including a share premium of INR 865 per share) that were listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) on February 16, 2022. Entire IPO comprised of offer for sale of 36,364,838 equity shares by selling shareholders and hence details related to utilisation of IPO proceeds was not applicable to the Company.
- 7 The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the financial year 2021-22, which were subjected to a limited review by our Statutory Auditor.
- 8 The Statement includes the results for the quarter ended June 30, 2021 which were subjected to audit by our Statutory Auditor, in connection with the then proposed listing of the Company's equity shares. (Also, refer Note 6 above).
- 9 The Company has only one reportable segment - "Branded Fashion apparel and accessories".

Place: Kolkata

Date: August 08, 2022

Ravi Modi
Chairman and Managing Director
DIN : 00361853

