VEDANT FASHIONS
— LIMITED —

Embellishing
life's special moments

Annual Report 2021-22

Contents

Key Highlights, FY22*

INR 10,408 Mn
Revenue from operations

84.3%
y-o-y growth

INR 5,213 Mn
EBITDA

85.0%
y-o-y growth

50.1%
EBITDA Margin

INR 3,149 Mn
PAT

136.9%
y-o-y growth

30.3%
PAT Margin

*All numbers as per Consolidated basis

For more information, please scan the QR code

Our journey commenced with an overarching philosophy to embellish life's special moments through our creativity and commitment to deliver excellence. This is how the iconic Manyavar movement took shape. More than an industry-leader, Manyavar today is the pioneer in reinventing Men's Celebration Wear that has crafted a distinguished image of the respected Indian man.

We have not, however, restricted our creative drive to the category leader. We have evolved a multi-brand portfolio of products, emerging as a one-stop destination for every family's celebration wear needs.

Each product at Vedant Fashions is a signature creation, reflecting intense research, innovative ideas, best-in-class technology, craftsmanship and benchmarking at every level. Our processes are integrated and automated, providing transparency for quick decision-making.

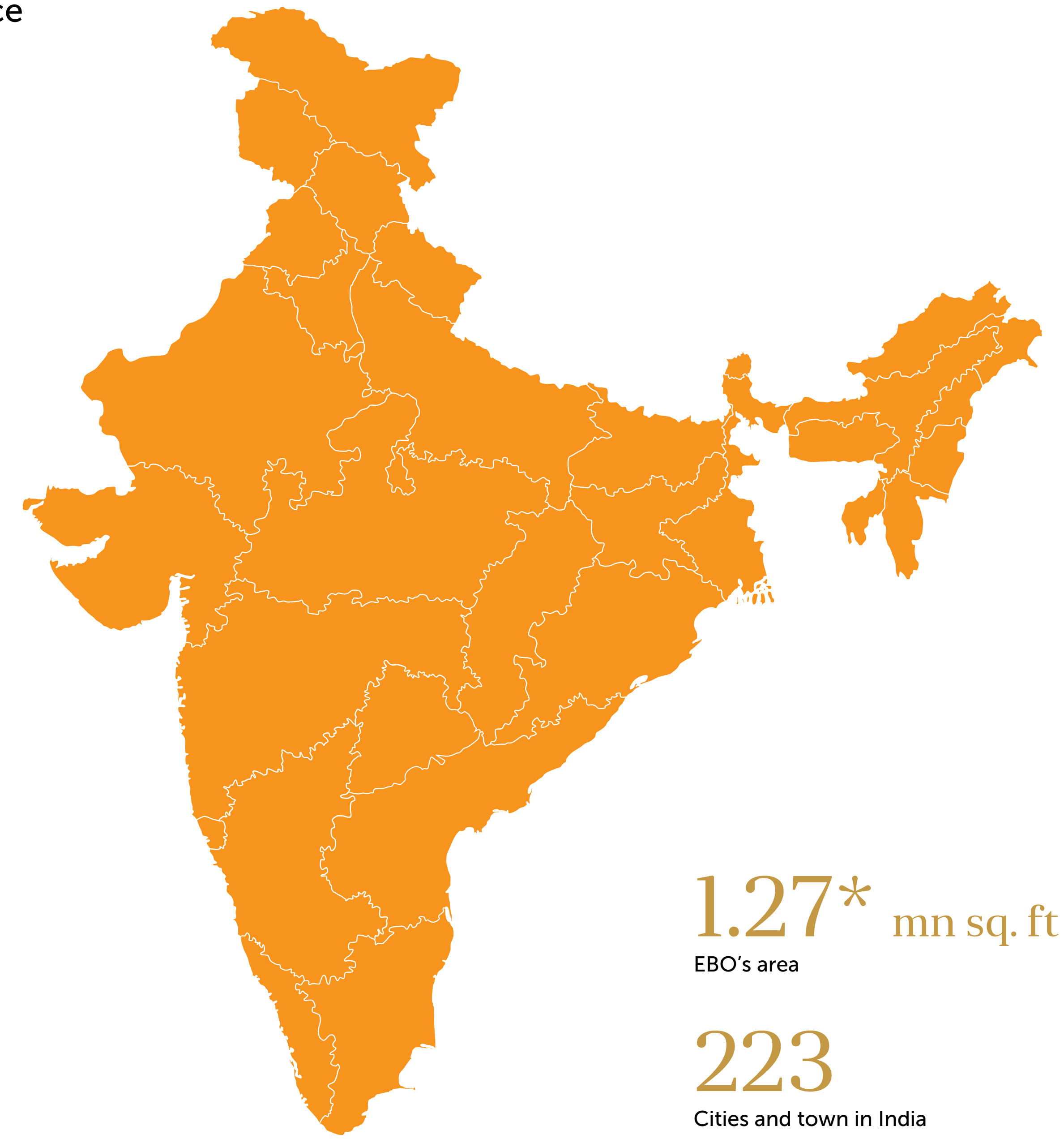
The vibrant canvas of our operations continues to expand – with growing omnichannel footprint in India and overseas, strong corporate governance and industry-leading economics in apparel retail.

At every step of our value-creation journey, we are committed to create unforgettable memories and embellish life's special moments with a creative flamboyance.

Celebrations transcend borders and so do we

Pan-India

Presence

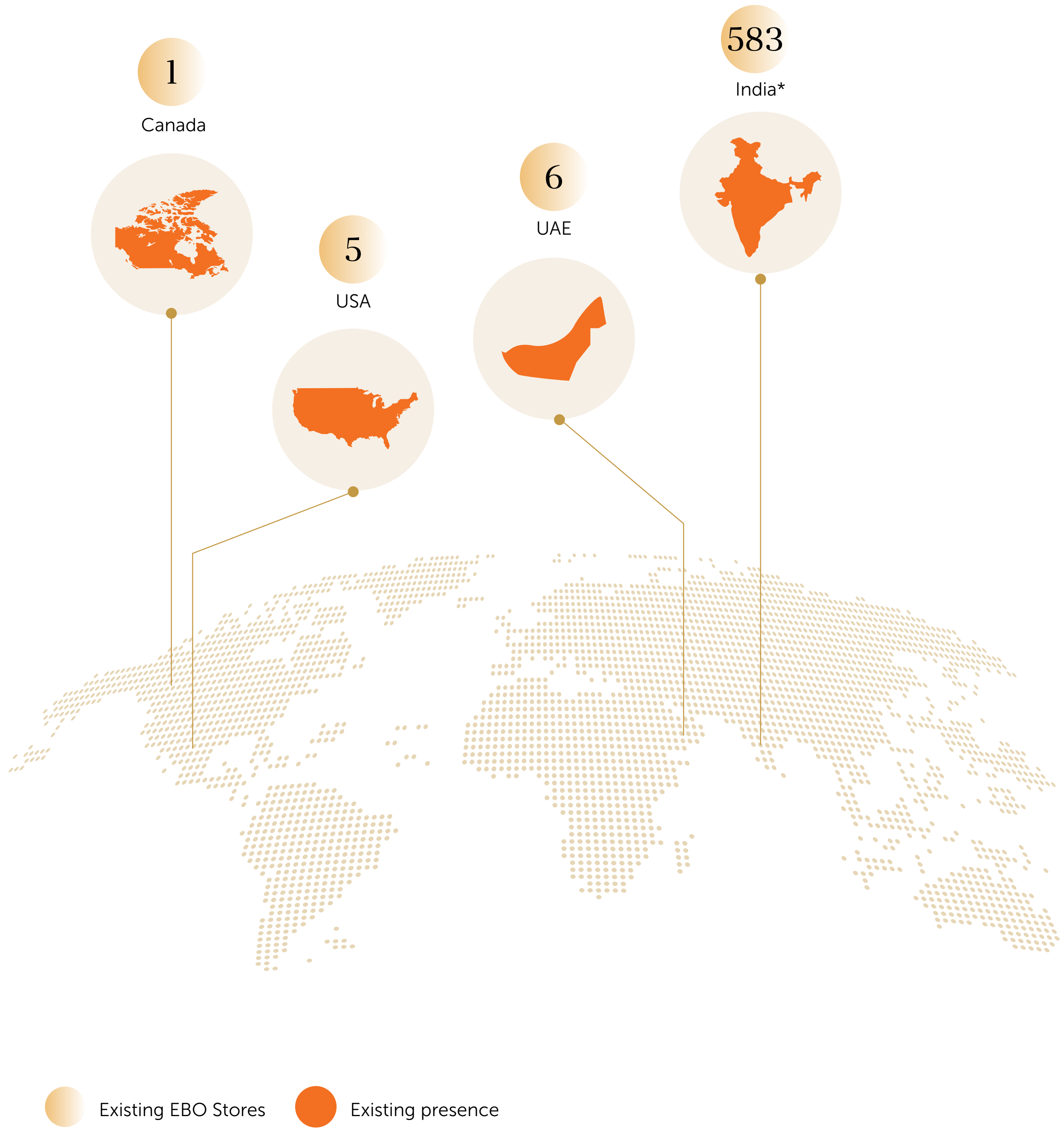


1.27* mn sq. ft

EBO's area

223

Cities and town in India



*Includes shop-in-shops (SIS)

Map not to scale. Only for representation purpose

Map not to scale. Only for representation purpose

Transforming over the years

1999
Brand Manyavar started operations via predecessor entity

2002
Incorporated Vedant Fashions Private Limited

2008
1st EBO in Bhubaneshwar

2011
1st International store in Dubai (UAE)

2012
- Surpassed >INR 1,000 mn EBO revenue

2013
Official Indian Wear Partner of 3 IPL teams

2015
Launched Mohey (Women's Celebration Wear label)

2016
- Crossed INR 5,000 mn in EBO revenue
- 1st Store in USA

2017
- Strategic Acquisition of Mebaz
- Kedaara Capital invested

2018
- Launch of Manthan (Value Celebration Wear label)
- Official Sponsor of 2 IPL teams

2019
- Launched Twamev (Men's premium wear brand
- Crossed INR 10,000 mn EBO revenue & 1 mn sq. ft. of EBO presence

2020
Launch of Manyavar mobile app

2021
Celebration Wear Partner in Femina Miss India 2021

2022
Listed on Stock Exchanges in India

Combining passion with prudence for a unique business model

Our pillars

Vision

Instill a pride for wearing Indian Wear

Mission

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

Core Values

- Transparency
- Efficiency
- Use of Tech & Innovation
- Inclusive Growth of all Stakeholders

All figures pertain to FY 22 and as on March 31, 2022, unless otherwise mentioned

Inputs

Manufactured capital

Integrated manufacturing operations (through in-house and outsourced jobbers/ vendors)

Intellectual capital

213 Trademark possessed (domestic)

73 Trademark possessed (international)

22 Design possessed

5 Copyright possessed

Financial capital

INR 10,827 Mn Net worth

INR 243 Mn Equity Share capital

INR 10,454 Mn Retained earnings

INR 3,510 Mn Operating Cash Flow

Human capital

704 Employees

Social and relationship capital

INR 52 Mn CSR expenditure

61,981 Shareholders

460 + Registered vendors

Value creation process

Product design team

Vendors

Manufacturing

Own Manufacturing

Stages of production:

Cutting

Embroidery

Stitching

Finishing

Branding and Distribution

Retail Network

EBO | MBO | LFS | E-commerce

Outputs

4 Countries present

595* EBOs

Leading e-commerce platforms

INR 10,408 Mn Revenue

50.1% EBITDA Margin

INR 3,149 Mn PAT

30.3% PAT Margin

1.99 Shares over subscribed

Listed on NSE at 8% premium

INR 234,674 Mn Market capitalisation (as on March 31, 2022)

Holistic training and skill development programmes

Diverse Workforce with an balanced male-female ratio

* 583 in India | 12 in Overseas | Includes shop-in-shops (SIS) in India

Chairman and MD's Message

The performance of our brands has been very encouraging in all these years, and they are gaining further market traction.

Dear Shareholders,

It gives me immense pleasure to share with you our first annual report after a very successful IPO and listing on the stock exchanges in February 2022. I am deeply grateful to all our investors and other stakeholders for their invaluable trust in our vision and capabilities.

From a very modest beginning, we have traversed an exciting journey and have emerged as India's largest celebration wear company with Manyavar being a category creator and leader in the Men's branded Indian wedding and celebration wear.

We have multiple other brands in our portfolio such as Mohey, Twamev, Manthan and Mebaz, which are positioned to cater to the aspirations of customers across different demographic segments. The performance of our brands has been very encouraging in all these years, and they are gaining further market traction. We have conducted marketing and branding campaigns with megastar Shri Amitabh Bachchan and youth icon Ms. Alia Bhatt, Mr. Ranveer Singh and Mr. Kartik Aryan to enhance our brand salience.

Chairman and MD's Message

Fostering a deeply emotional connect

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.

We promote Indian culture and its time-honoured values both in India and overseas. Our range of ethnic wear brings happiness and the rare feeling of being anchored to one's roots. The **#TaiyaarHokarAaiye** campaign featured Mr. Amitabh Bachchan and has tried to capture the soul of an Indian wedding and position Manyavar as the preferred brand for wedding occasions. On the other hand, to improve brand recognition of Mohey, we created the campaign **Dulhan Wali Feeling** featuring Ms. Alia Bhatt. This campaign's objective was to foster a deeper connect with the contemporary women of New India, who is independent and yet enjoys close ties with Indian culture and traditions.

The campaign highlights the range of emotions, which a bride goes through at various times in a wedding journey. This is just the beginning and your encouragement and support will inspire us to create and launch more iconic brands and expand our brand outreach further in India and other parts of the world.

Delivering a sterling performance

Before I discuss our performance for the financial year 2021-22 (FY2022), it is pertinent to present in a nutshell our operating environment. You are all aware that for the last two years, the pandemic posed an overwhelming challenge for economies and businesses in India and worldwide. Particularly retail and customer-driven businesses were impacted the most. Our business was also impacted by a subdued demand scenario owing to Covid-related mobility restrictions, supply chain constraints and an overall high inflationary environment.

Despite headwinds, we achieved strong financial revenue and returns during the reporting year. We reported revenue from operations of INR 10,408 million, delivering a very strong growth of 84.3%, compared to FY2021.

The Company reported industry-leading gross margins of around 67% during FY2022. The EBITDA margin was approximately 50% and the EBITDA stood at around INR 5213 million during FY2022 with the growth of around 85%, compared to FY2021.

The reported PBT during FY2022 is INR 4,230 million, which has significantly increased by 132.5% compared to FY2021. The Company reported best-in-class PAT margin of 30.3% and profit after tax stood at INR 3,149 million during FY2022, with a significant growth of 136.9% compared to FY2021. I must also emphasise the fact that we have reported industry-leading ROCE* of 75.3% (pre-tax) during FY2022.

The branded apparel market in India has a tremendous potential to grow. Our strategy is to leverage this opportunity by creating an aspirational brand portfolio that serves as a one-stop destination for every family's celebration wear needs. We have significantly enhanced our retail footprint over the years. As of March 2022, the tally of our EBO area up at 1.27 million square feet across 595# stores globally, which includes 12 EBOs in USA, Canada and UAE.

*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)

#Includes shop-in-shops (SIS) in India

Catering to a growing celebration wear market

Our market is growing with emerging trends like multi-day and multi-event wedding celebrations with celebration wear. There are other trends such as destination weddings, pre-wedding photo shoot and theme-based pre-wedding parties, which add a sparkle to the celebration wear market. In addition, national and regional festivals are accelerating the growth of more categories in the market.

We are addressing this market with a diversified brand portfolio across the value spectrum for the entire family. We have evolved a unique business model combining asset-light brand play, along with providing our customers a seamless purchase experience. Moreover, we have a tech-driven unique supply chain and inventory management with Automated Replenishment System at the pin code level.

With the waning of the Covid impact and lifting of mobility restrictions, we are seeing robust performance in our store network. We expect this trend to continue and strengthen in FY2023. Our omni-channel network comprising EBOs, MBOs, LFS and Online (own website, mobile app and leading lateral e-commerce platforms) is fully geared to leverage the opportunity.

Crafting a sustainable growth strategy

Our growth strategy revolves around a few core focus areas:

01
Focused retail expansion in India and overseas

02
Enhancement of brand appeal through targeted marketing initiatives

03
Explore up-selling and cross-selling initiatives

04
Follow a disciplined approach towards acquisitions

05
Significant potential and space for growth of our existing and emerging brands

We are planning to grow our retail space footprint to 2.2 million square feet in the next few years, and leverage on the e-commerce boost by adopting an omni-channel strategy. We are also strengthening our ESG commitments by empowering artisans and the community through contributions through dedicated organisations that work towards empowerment of under-privileged people.

Our specific initiatives comprise the following: ensuring environmental sustainability and animal welfare, improving preventive healthcare and sanitation and providing informal education to tribal children.

We are building a sustainable and value-accretive business, and I must thank all our teams for their dedication and efforts. We have moved forward taking all challenges in our strides, building a deeper emotional connect with our customers and embellishing their special moments with creativity and finesse. We have an experienced Board and an efficient leadership team to steer our business forward.

The four strategic pillars of our value creation efforts will continue to be transparency, efficiency, consistent use of technology and innovation and above all inclusive growth for all. We are committed to giving back to society in more ways than one, with specific emphasis on the economically marginalised population of rural India. Our focus is on promoting basic literacy and healthcare, creating sustainable livelihoods and getting involved in government welfare schemes.

We are very happy to share that the Board of Directors have recommended an annual dividend of INR 5 per equity share for FY22, subject to the approval of all shareholders. We are committed to deliver exceptional value for all our customers, business partners, investors, shareholders and the community with a long-term focus. We are grateful to our customers, employees, business partners, investors, shareholders, community members and the wider stakeholder community for their encouragement and support in our journey forward.

Warm wishes

Ravi Modi
Chairman and Managing Director

Enhancing
capabilities to create sustained value

Market leadership
A comprehensive portfolio of multiple brands serves a discerning customer base across geographies, in India and the world.

Building synergies
A brand portfolio across multiple price points and genres helps create intelligent synergies while creating unique identity for each brand

Meeting customer preferences
We collect secondary sales data to analyse consumer buying behaviours, developing products aligned to changing fashion trends.

Asset-light
Our robust asset-light business model is fundamental to our aggressive market penetration and sustained financial growth over the years

Experienced leadership
Our leadership and management team remains pivotal to our industry leadership backed by research, process-oriented strategies and a broad marketing and retail network.

Omnichannel network
We connect with our customers through an integrated platform that includes both online and offline channels, delivering an enriching customer experience.

Franchisee-led distribution model
Our network of 300+ franchisees have strengthened our asset-light model, with more than 77% of franchisees operating stores for more than 3 years.

Robust supply chain
Tech-based fully-integrated supply chain with automated replenishment system. A large network of registered vendors across 42 cities in India, with longstanding relationship with expert artisans.

Inventory management
We have algorithm-based inventory management system that enables real- time monitoring store inventory at EBOs to minimise obsolete and dead stock. Even the online channels inventory management is linked to warehouse for streamlined process.

Strengthening
our leadership position

For customers

Pan India and growing global presence

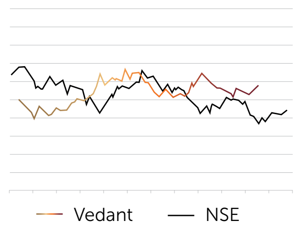
Omnichannel
network (across all formats)

1.27 Mn. Sq. ft
Total retail space (globally)

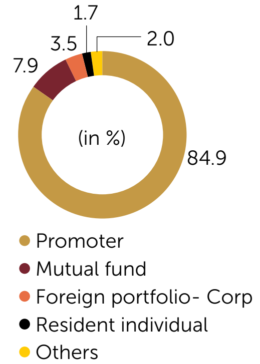
For investors

Creating value for shareholders...

Despite the Nifty index reducing by ~10% in last months, Vedant fashions share price has risen by 10%.



...with a stable shareholding ...



...and sustainable wealth creation

500%
Dividend payout for FY22

For regulators

11 (out of 13)
No. of Board meetings conducted with 100% attendance (average)

6 (six)
Committees formed for ethical governance framework

Focused on ESG

INR 52 Mn
CSR expenditure in FY22

Focused
CSR initiative on projects for tribal children, healthcare and environment

Inclusive
Growth model for all stakeholders with employment for artisans, embroidery workers and other jobbers

"At Vedant Fashions, we have built a robust corporate governance framework that not only ensures full compliance with laws and regulations but also meets our stakeholders expectation. Our endeavour is to ensure highest standards in ethical practices in all our activities and uphold the trust of our stakeholders."

Navin Pareek
Company Secretary & Compliance Officer

Unlocking our potential with accelerated transformation

Our multi-brand integrated business model has enabled us to capitalize on emerging growth drivers. Our offerings bring together a collection of celebration wear for occasions that evoke emotions and build memories for a lifetime.

Vedant Fashions Limited

Macro tailwinds

- Economic rebound with sustained economic growth in near long-term
- Rising disposal income among a growing section of population
- As per United Nation's Report, nearly 40% of country's population will live in urban areas by 2030.
- Approximately a third of country's population lies in the age group of 20-39 years
- Growing expenditure on branded clothing for celebratory occasions

Emerging social trends

- National and regional festivals
- Multi-day and multi-event wedding celebrations
- ~10 million weddings per year (as per CRISIL Report 2021)
- Rising social media adoption for all festivals and celebrations
- Young population with a growing preference towards celebration wear on festive and celebratory occasions
- Festival celebrations at homes and offices with large social gatherings

Strategic enablers

- Aspirational yet Value for Money
- Multi-brand product portfolio
- Industry leading financial performance
- Retail expansion in India and across the globe
- Uniform pricing across online & offline channels in India
- Up-selling and cross-selling across our brand portfolio
- Strengthening our strong brand appeal
- No discounts/ end-of-season sales for Manyavar brand
- Cluster-based expansion strategy
- Omni-channel network with pan-India presence
- Focused on expanding portfolio for kids across our brands
- End-to-end control and management over operational ecosystem
- Celebrity brand ambassadors
- Strong corporate governance
- Ready-to-fit celebration wear with quality, fit and fashionable portfolio
- Low level of obsolete & dead stock
- Strengthen digital technologies across operations
- Curated marketing strategy
- 52-Week design collection model

Reimagining

Indian celebration wear

Our portfolio of products includes a diverse range of Indian attires and accessories that pays an ode to the vibrant culture of the country. Through our brands, we offer a collection that captures the collective imagination of new-age India.


Manyavar


Mohey


twamev


MANTHAN


Mebaz

Manyavar

Manyavar is category leader* in branded Indian wedding & celebration wear market with pan- India presence*. Manyavar is our flagship Men's & Kid's brand in mid-premium Indian wedding & celebration wear price range

Year of launch

1999

Distribution channel

EBOs, MBOs, LFS, e-commerce

Target group

Men Boys

Product portfolio

Men: Kurta, Indo-western, Sherwani, Jacket, Accessories

Kids: Kurta set, Jacket set, Indo-western, Accessories

Key atributes

- Category leader in branded Indian wedding & celebration wear market with a pan-India presence*
- Other brands in the category only 1/7th the size of Manyavar
- No end of season sales or discounts for Manyavar brand

*CRISIL Report 2020

Mohey

Mohey, an emerging brand in women's mid-premium segment, is the largest brand by number of stores with pan-India presence, focusing on women's Indian wedding & celebration wear*

Year of launch

2015

Distribution channel

EBOs and e-commerce

Target group

Women

Product portfolio

Lehengas, Sarees, Gowns and Accessories

Key atributes

- Largest brand by number of stores, with 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 "#Dulhan wali feeling"

twamev

Twamev is a premium offering in men's Indian wedding & celebration wear market & is priced between Manyavar & other luxury boutique brands

Year of launch

2019

Distribution channel

EBOs

Target group

Men

Product portfolio

Kurta set, Sherwani, Indo-western, Suit and Accessories

Key atributes

- Upscale consumer experience
- Cross-sell premium offering to Manyavar customers
- Priced between Manyavar & luxury boutique brands

MANTHAN

Manthan is value brand offering in men's Indian wedding & celebration wear that aims to cater to sizable number of mid-market weddings & other celebrations through its product portfolio

Year of launch

2018*

Distribution channel

MBOs, LFS and e-commerce

Target group

Men

Product portfolio

Kurta

Key atributes

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

*Large scale operations commenced after refreshed launch in 2018

Mebaz

Mebaz is a heritage brand with a strong regional presence in AP & Telangana. It is a one-stop shop for celebration needs of the entire family in mid-premium to premium price segment

Year of launch

2017*

Distribution channel

EBOs

Target group

Men Women Kids

Product portfolio

Men: Kurta, Indo-western, Sherwani, Jacket, Suit, Accessories

Women: Lehenga, Saree, Suit, Kurti

Kids: Lehenga, Gown, Frock, Kurta, Suit, Accessories

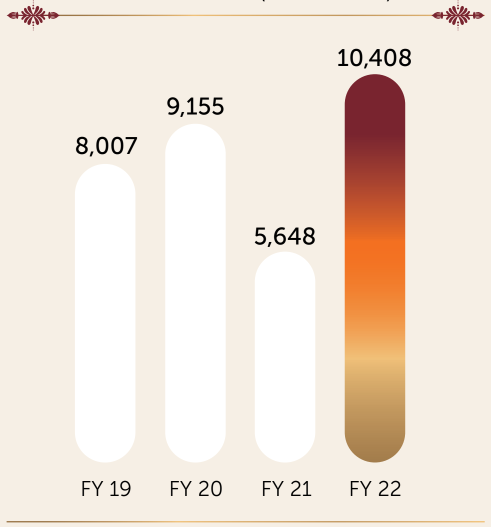
Key atributes

- South India focused regional brand; strong presence in AP & Telangana
- One-stop shop for celebration need of entire family
- Rich heritage brand with strong legacy

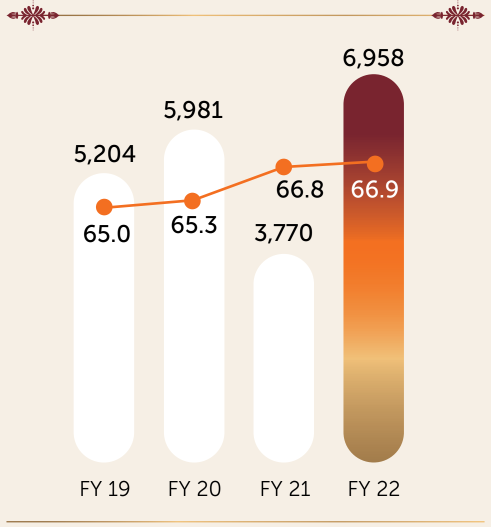
*Brand 'Mebaz' was started in 2002 and was acquired by the Company in financial year 2018

Financial
performance

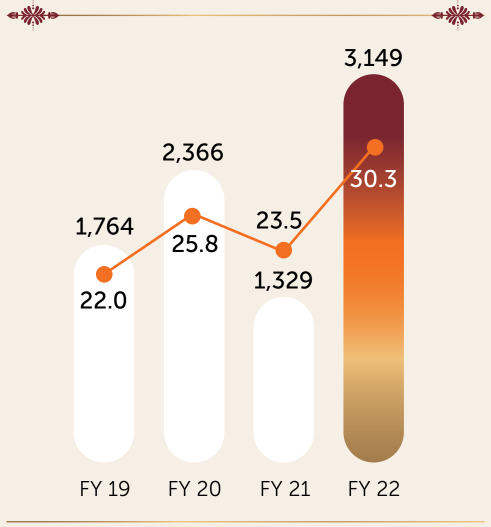
Revenue (INR million)



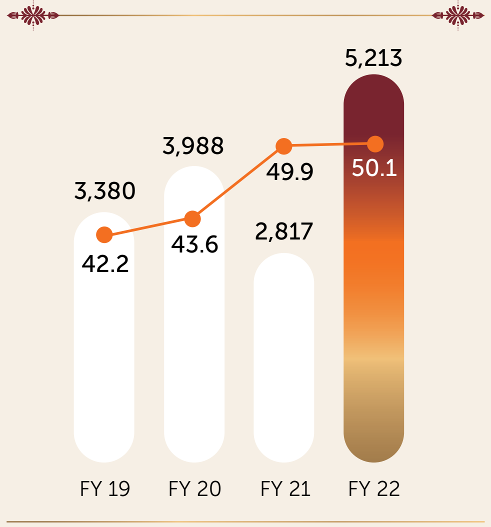
Gross profit (INR million)
Gross profit margins (%)



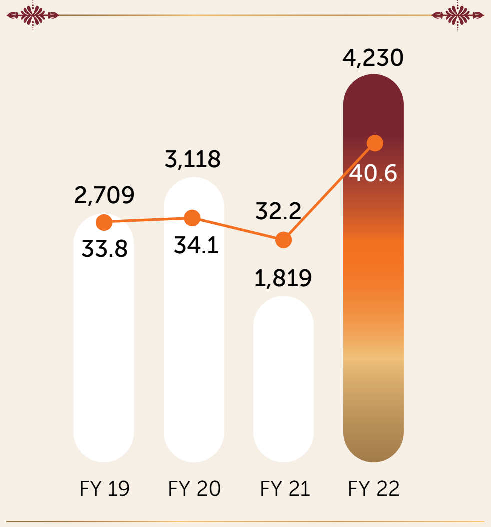
PAT (INR million)
PAT margins (%)



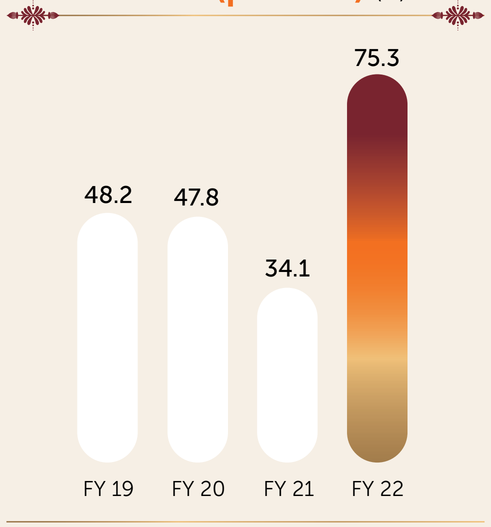
EBITDA (INR million)
EBITDA margin (%)



PBT (INR million)
PBT margin (%)



ROCE* (pre-tax) (%)



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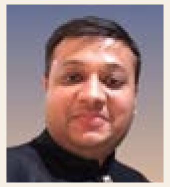
Denominator = Net worth – (Current investment + Non current investment + Other bank balance)

"Despite the impact of Covid-19 on the economy, our prudent financial management combined with a robust asset-light business model has allowed us to have a strong balance sheet and zero debt. With strong brands and a wide range of products, we are building a business with industry leading margins and profitability.

Vedant Fashions has demonstrated a very strong growth trajectory with Best-in-class financial metrics and returns, which have consistently grown over the years; Industry leading high gross margins of 67%, enables generation of strong profitability for the Company; The Company also has industry leading ROCE with track record of generating significant cash, driven by a healthy cash conversion ratio."



Rahul Murarka
Chief Financial Officer

A strong ecosystem of value creation

We maintain our leadership position through a robust business model that covers end-to-end process across our value-chain ensuring right quality, fashion and fit for our growing customer base.

Design and development

At Vedant Fashions, we strive to offer new and varied products to our customers by focusing on innovative designs.

Through our system-driven processes of data analysis, market surveys and feedback from artisans and vendors, we develop a detailed analysis of the prevailing fashion trends and customer preferences. We also conduct a sell-through analysis on all our popular items and aim to consistently introduce similar designs to our product basket.

Institutional product development

Our robust multi-stage screening and selection process operated through a scientific data analytics model helps us monitor the performance of the new designs

Did you know?

Our design team play a crucial role to introduce a portfolio of multiple colors across our brands. Each color is thoughtfully chosen to evoke the right celebratory mood and emotion for our customers. Our experienced artists and designers follow color theory that evolve over the years, creating outfits that put together create appealing apparels.

Manufacturing

We follow an asset-light business model with large portion of our production process outsourced to third party manufacturers. Our manufacturing process involves Cutting, embroidery, stitching, and finishing.

While some production processes are carried out in-house, a large portion of our manufacturing is carried out by jobbers (also representing third party manufacturers), with whom we have longstanding relationships.

We maintain quality of our finished products by ensuring that we manage various stages of production,

such as design conceptualisation and finalisation, fabric sourcing, work allocation, quality control and testing, and review of job order allocation.

*Image represented above is for illustration purpose and indicative only

Supply chain management

We operate an integrated supply chain with high-end quality control. We procure fabrics, accessories and packing materials.

In addition to the above, we also directly procure certain finished products from third party manufacturers. All of our finished products are stored at our central warehouse in Kolkata. Our inventory management procedures are run through our warehouse, which has system-driven processes and excellent analytical capabilities to help us manage our inventory. This involves system-driven inventory distribution and replenishment, as well as managing our product line through data-driven fashion trend forecasting across India.

2.6 lakh square feet

Area of the central warehouse in Kolkata

Core competencies of supply chain

- Accurate forecasting & planning structure in place
- System driven procurement & controlled manufacturing
- Automated replenishment & inventory management
- Strong relationship with suppliers

Suppliers

We procure fabrics and other materials for manufacturing from our large network of vendors. Our established presence and leadership position combined with our long-standing relationship with our vendors enable us to place large purchase orders directly with our suppliers. To manageour inventories and support our product development teams, we have established a large sourcing network spanning over multiple locations.

460+

Registered Vendors

42 cities

within our sourcing network

A strong ecosystem of value creation

Quality control

We are focused on maintaining high-quality standards across our sourcing, manufacturing, and distribution processes, and we have implemented quality control procedures across the value chain, including fabric and garment inspections, quality audits, and product quality tracking.

To ensure that our operations are carried out in accordance with established regulatory processes, we have implemented vendor quality improvement initiatives and training programmes for our suppliers and manufacturers.

We had a dedicated quality assurance team responsible for ensuring compliance with our established quality standards and that all personnel working in all our departments (ranging from sourcing to sales and marketing) are adequately trained. Moreover, to ensure compliance with our quality management systems and statutory and regulatory compliance, our quality assurance team is equipped to train our staff on updates in quality, regulatory and statutory standards.

*Image represented above is for illustration purpose and indicative only

Information technology

We believe that a robust IT infrastructure is critical for achieving high operating efficiencies and increasing productivity.

We are committed to expanding and upgrading our IT capabilities and adopting cutting-edge technology efforts at the front-end and back-end of our operations, including procurement, production, distribution, and supply chain management.

Core competencies

- Fully integrated
- System driven
- Algorithmically managed
- Data-based decision making & forecasting

Enterprise Resource Planning (ERP)

Since the beginning of our operations, we have used an enterprise resource planning system, which we have combined with an automatic replenishment system. The technology, which is installed at each of our franchisee-owned EBOs, connects our front-end and back-end operations and ensures that product resources are synchronised between our franchisee-owned EBOs and our warehouse. We can use the system to track inventory at each of our franchisee-owned EBOs in real-time and know how many sales have been made at any given time.

595*

EBOs connected with ERP

Internal communication tools

We have also adopted business analytical tools and modules for intra-store communication (in-house POS order management 'Sansar' module and 'Wooqer' application), a 'warehouse management system' for ensuring efficient inventory management at our warehouse and jobber and vendor portals in order to ensure effective communication with our jobbers and vendors. These system-driven processes and strong analytical capabilities enable us to make data-based decision-making and forecast cultural and evolving fashion trends across India.

* 583 in India | 12 in Overseas | Includes shop-in-shops (SIS) in India

Creating connections through emotions

Creating connections through emotions

Branding initiatives

We create a deeper connection with our customers through our distinctive advertising and customer engagement initiatives with emotional theme-based campaigns. We utilise the elements of moral and social values of traditional Indian society to enhance the engagement of our marketing campaigns.

'Diwali Wali Feeling'

was centred on celebrating the biggest festival on the Hindu calendar, Diwali, in traditional attire.

'Shadi Grand Hogi'

was aimed at the narrative of the wedding being about vast emotions and happiness that is celebrated best with family.

'Pehno apni Pehchaan'

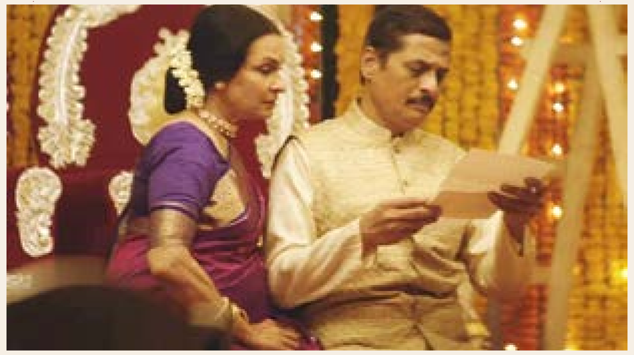
was themed around embracing one's roots and that Indian occasions are incomplete without celebration wear.

'Dulhan Wali Feeling'

was a campaign representing the modern bride rooted in Indian culture and traditions.

'Shaadi ka Kharcha Adha Adha'

is a campaign representing a wedding as a union of not just two people, but a union of two families, and that families can equally share wedding expenses.



'Apno Wali Shaadi'

campaign focused on enjoying celebrations with loved ones without any inhibitions.

'Taiyaar Hokar Aaiye'

campaign conveys why is it important to wear Indian wear while attending a wedding.

Creating connections through emotions

Our marketing initiatives focus on digital and traditional channels as well as social media to connect with a larger audience base. Our sales and marketing strategies are designed to raise brand awareness, attract new customers, advertise new concepts, improve customer traffic throughout our retail channels, and reinforce and strengthen our brand image.

360°

Digital

- Social Media
- Email

Traditional

- Billboard
- Multiplex Cinema
- Television

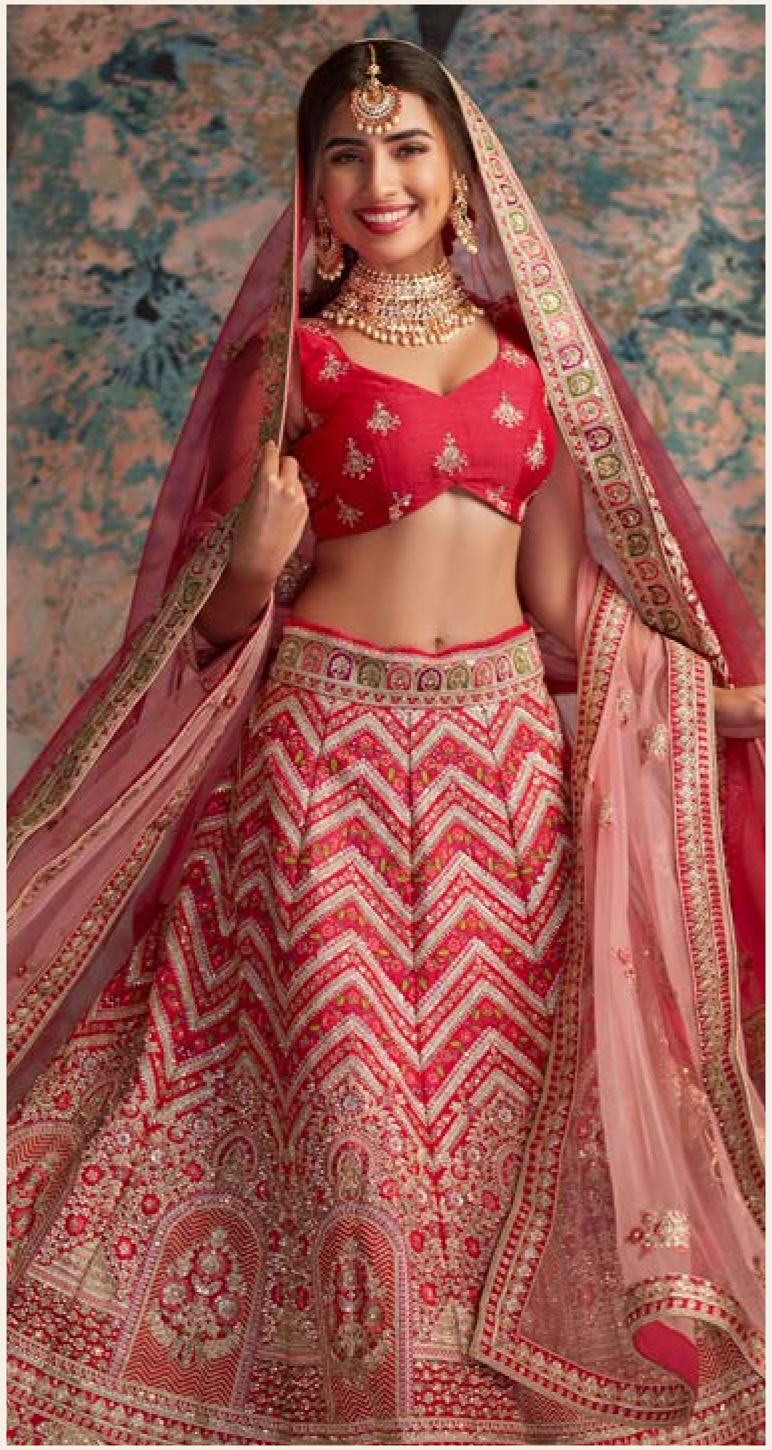
In-Store

- In-store Visual
- Store Facade
- Store Shutter

Brand Building

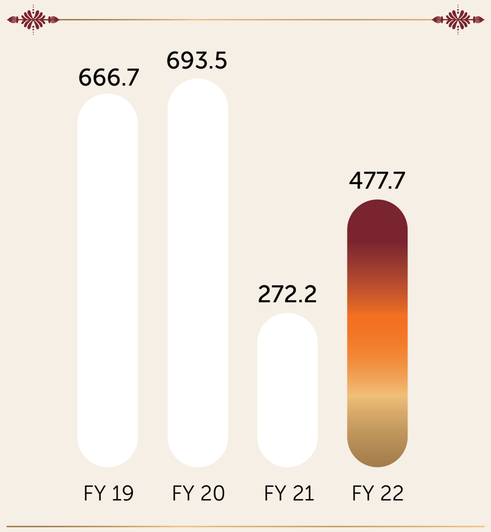
- Brand Ambassador
- Event Sponsorship

Our brand building activities also include sponsorship initiatives at prominent events in the Indian media and entertainment industry. We have also worked with a number of famous brand ambassadors to promote our Company.

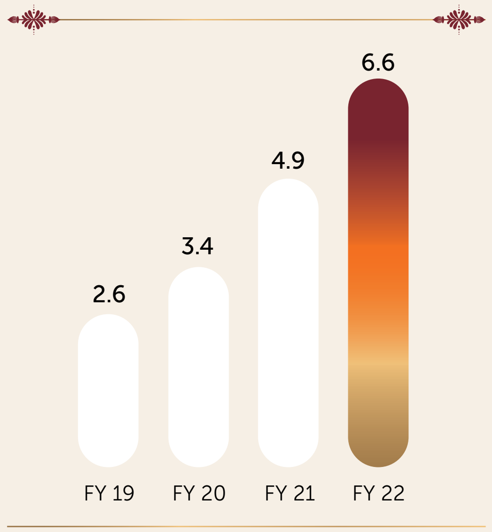


Femina Miss India

Focused spend on marketing & promotions
(INR Mn)



Increasing PAT/ Marketing Multiple
(times)



Manyavar®

ICC MEN'S T20 WORLD CUP 2021

OFFICIAL INDIAN WEAR PARTNER

Creating connections through emotions

Redefining retail through multi-channel network

We sell our products to customers through four retail channels which include exclusive brand outlets (EBO), multi-brand outlets (MBO), large format stores (LFS) and online platforms.

Creating connections through emotions

Exclusive brand outlets (EBOs)

EBO network is an integral part of our business model with a majority of our sales being generated through them. We have an aggregate of 1.3 million square feet of EBO retail space across 223 cities and towns in India and 8 cities internationally. We opened our first EBO in Bhubaneshwar in 2008 and our first overseas EBO was set up in 2011, in the United Arab Emirates. Our franchisee-owned EBOs are designed with a combination of aesthetic appeal and modern touch. We have 61% of retail space in FY22 attributable towards our flagship stores.

1.27 mn sq.ft
Total retail store space (globally)

223
Cities and towns in India

8
Cities overseas

~89%
Sales from EBOs

595*
EBOs

12
International EBOs

24,357 sq. ft
Overseas retail store space

* 583 in India | 12 in Overseas | Includes shop-in-shops (SIS) in India

Creating connections through emotions

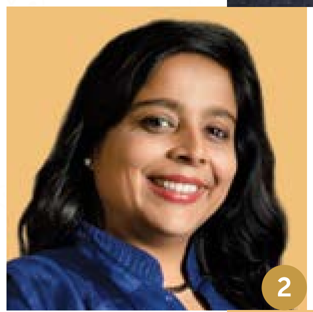
Multi-brand outlets (MBOs) & Large format stores (LFSs)

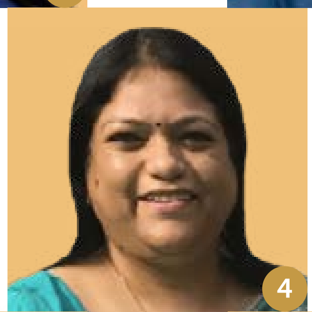
MBOs & LFSs are part of our retail channel as we sell a portion of our products through MBOs and LFSs operated by third party retail organisations. We also participate in exhibitions across India to display our products and design.

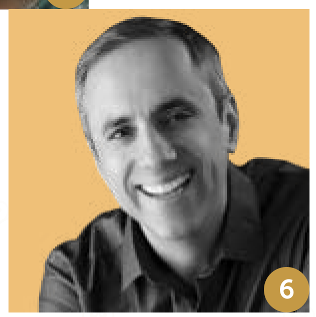
E-commerce

We also sell our products online through our dedicated website, mobile application and leading e-commerce platforms. This allows our customers to view our digital catalogue, select from the diverse portfolio and place an order. We also sell our products through lateral online platforms where we directly manage and sell products listed by us. For sales through our online channel, most of the orders are processed and dispatched directly from our warehouse. This entire process is managed by our dedicated in-house online sales team that caters to all orders placed through our online channel.

Board of Directors







1

Ravi Modi

Chairman and Managing Director

Ravi Modi is the Chairman and Managing Director of our Company. He has studied commerce from St. Xavier's College, Calcutta University. He has been associated with our Company since its inception. He has more than two decades of experience in the garment industry. He oversees the design and marketing functions of our Company and together with our senior management is responsible for implementation of strategy in respect of such functions. He has been awarded Entrepreneur of the Year in Trading Business – Retailer at the Entrepreneur Awards 2016 organised by ET Now and Franchise India. He was a finalist at the Entrepreneur of the Year Award, 2016 by Ernst Young. He has been awarded 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 awarded the Emerging Leader Award at the CMA Management Excellence Awards, 2015. He has been awarded the Retail Leadership Award at the Awards for Retail Excellence at the Asia Retail Congress organised by ET Now, in 2013. He has been awarded the Jewels of Rajasthan award in 2012 presented by Maneesh Media Agency. He has been awarded the Young Retailer of the Year award at the Asia Retail Congress, 2012. He has been commended as among the Retail Icons of India by the Images Group in 2019. He is the co-founder and trustee of Ashoka University. He is the trustee of the Manas Foundation. He has been recognised by Forbes India in August 2017, as among thirteen business leaders who have built big businesses without relying on external investors – Bootstrapped Bosses. He has also been recognised by online platforms such as the International Retail Forum, Yourstory, CEOInsightsIndia for his work.

2

Shilpi Modi

Whole Time Director

Shilpi Modi is the Whole-time Director of our Company. She has studied commerce from Allahabad University. She has been associated with our Company since its inception. She has more than two decades of experience in the garment industry. She handles the digital strategy and product lifecycle of our Company and together with our senior management is responsible for implementation of strategy in respect of such functions.

3

Sunish Sharma

Non Executive Director

Sunish Sharma is the Non-Executive Director of our Company. He holds a bachelors' degree in commerce (hons.) from the University of Delhi and a post graduate diploma in computer aided management from Indian Institute of Management, Calcutta, where he was awarded the Dr. Jogendra Kumar Chowdhury Gold Medal. He has also passed the final examination held by the Institute of Cost and Works Accountants of India (now known as Institute of Cost Accountants of India) and is a qualified cost accountant. He has previously worked with McKinsey & Co. for six years and at the time of leaving he held the position of engagement manager. He has also worked with General Atlantic Partners Private Limited for eight years where his last held position was managing director. He is the Co-CEO and managing partner of Kedaara Capital. He has extensive private equity investment experience in business services and technology, healthcare, financial services and consumer sectors. He is also a co-founder of the Ashoka University. He was one of the authors of the NASSCOM-McKinsey Report on "Strategies to achieve the Indian IT industry's aspiration". He has featured on the list of "Asia's 25 most influential people in private equity" by the Asian Investor magazine published in the year 2013, and also on the list of "Hottest Young Executives" in the Business Today magazine published in the year 2011. He also serves as a director on the board of directors of Spandana Sphoorty Financial Limited.

4

Abanti Mitra

Independent Director

Abanti Mitra is an Independent Director on our Board. She holds a post graduate diploma in rural management from the Institute of Rural Management, Anand. Her experience spans over 21 years across various roles. She is currently a Director in Positron Consulting Services Private Limited, focussing on fund raises (debt, equity and private equity funds), operations and policy reviews and due diligence. She has prior experience as a manager at ICICI Bank Limited and as a management executive at Micro-Credit Ratings International Limited. She is also an independent director on the board of directors of Spandana Spoorthy Financial Limited and Criss Financial Limited.

5

Manish Mahendra Choksi

Independent Director

Manish Mahendra Choksi is an Independent Director on our Board. He holds a bachelor's degree in chemical engineering from Houston University and a Master of Business Administration (MBA) with specialization in Entrepreneurial Management and MIS from University of Houston, USA. He is currently the non-executive director (vice-chairman) on the board of directors of Asian Paints Limited. He has been associated with Asian Paints Limited since 1992 where he has held various positions across functional departments. He is also a member of the board of directors of Unotech Software Private Limited and Germinait Solutions Private Limited; and an independent director on the board of MSL Driveline Systems Limited. He is also a member of the global advisory board of Chiratae Ventures (formerly known as IDG Ventures India), a technology focused venture capital firm.

6

Tarun Puri

Independent Director

Tarun Puri is an Independent Director on our Board. He holds a bachelor's degree (hons.) in mechanical engineering from Birla Institute of Technology and Science, Pilani,, Rajasthan, India, and a post graduate diploma in management from Indian Institute of Management Calcutta, India. Tarun has worked with the Unilever group of companies and Nike, Inc. His last position was Vice President, Global Sales Lead (Women's) Category Sales at Nike, Inc and had been associated with Nike since 2007, including being the Managing Director for Nike India Private Limited. Prior to that, Tarun was in Unilever Thai Trading Limited where his role was Regional Vice President, Hair X Brand, South Asia & South East Asia, based out of Thailand.

Awards
and Accolades

2022

"Dream Employer of the Year"
World HRD Congress

"The Best of Bharat" Awards
E4M Pride of India

"Most Admired Fashion Brand of the year: Men's Indianwear"
IMAGES Fashion Award

2021

"Most Admired Retailer of the year Marketing and Advertising campaign"
Mapic India

"Best Employer Branding Award"
World HRD Congress and Stars Group

Best Employer Branding Award, Employer Branding Award hosted by World HRD
Congress and Stars Group

2020

"Men's Indianwear"
Images Excellence Award

"Retail Marketing Campaign of the Year #TaiyaarHokarAaiye"
ET Now

"Excellence in Business Performance – Turnover between INR 300 Crore and 1,000 Crore"
ET Bengal Corporate Award

India's Retail Champions 2020, Specialty Retail
Global Award for Retail Excellence Retail Marketing Campaign of the Year #TaiyaarHokarAaiye.

Recognized as India's Retail Champion (Winner) Specialty Retail by Bhartiya City Centre
IMAGES Excellence Award Men's Indian wear

2019

"Transformational Contribution to Indian Apparel and Retail Industry"
Ministry of Textiles and the Clothing Manufacturers Association of India

Times Business Award for "Best Men's Ethnic Wear Brand (East)"
Times Group

"Retail Marketing Campaign of the Year"
ET Now

Most Admired Fashion Brand of the Year
Men's Indian Wear by IMAGES Fashion Awards

Ethnic Fashion Retailer of the Year, Indian Retail Awards, 2019
Shop X

2018

Most Admired Retailer of the Year Marketing & Promotions Campaign
Images Retail Award

2017

"Most Admired Fashion Brand of the year: Men's Indian Wear"
Images Fashion Award

2015

"National Retailer of the Year"
4th Annual Indian Retail & Indian eRetail Awards

"Excellence in Supply Chain Management & Fulfillment"
IMAGES Retail Tech Award

"Highest Job Creator - above INR 300 crore to INR 1000 crore"
ET Bengal Corporate Award

2014

"Fastest Growing Company Maximum Turnover INR 300 crores"
ET Bengal Corporate Award

"Pioneer in Ethnic Retail Business"
ABP News

2008-2010

"Iconic Men's Ethnic Brand"
Central Icons

2004-2008

"Best Men's Ethnic Wear Brand"
Central Icons

Corporate information

Board of Directors

Mr. Ravi Modi
Chairman and Managing Director
DIN: 00361853

Mrs. Shilpi Modi
Whole Time Director
DIN: 00361954

Mr. Sunish Sharma
Non Executive Director
DIN: 00274432

Ms. Abanti Mitra
Independent Director
DIN: 02305893

Mr. Manish Mahendra Choksi
Independent Director
DIN: 00026496

Mr. Tarun Puri
Independent Director
DIN: 02117623

Company Secretary & Compliance Officer

Mr. Navin Pareek

Chief Financial Officer

Mr. Rahul Murarka

Auditors

S R Batliboi & Co. LLP

Solicitors

Khaitan & Co. LLP

Bankers

HDFC Bank
Kotak Mahindra Bank
ICICI Bank

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.
(WB)

Phone: +91 033 61255353
Email: secretarial@manyavar.com
Website: www.vedantfashions.com

Registrar and Share Transfer Agent

KFin Technologies Limited
(formerly known as KFin Technologies Pvt. Ltd.)
Selenium, Tower B,
Plot no. 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi,
Telangana – 500 032, India

Contact no.:
040 67161700 / 18003094001
Email ID: einward.ris@kfintech.com
Website: www.kfintech.com

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; **EMAIL:** secretarial@manyavar.com

NOTICE OF THE TWENTIETH ANNUAL GENERAL MEETING OF THE MEMBERS OF VEDANT FASHIONS LIMITED

Notice is hereby given that the **Twentieth (20th) Annual General Meeting (AGM)** of the **Members of Vedant Fashions Limited ("the Company")** will be held on **Thursday, September 8, 2022, at 3:30 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 (both Standalone & Consolidated) Financial Statements of the Company for the financial year ended March 31,2022 and the Reports of the Board of Directors and Auditors thereon**

To receive, consider and adopt the Audited Financial Statements (both Standalone and Consolidated) of the Company for the financial year ended March 31, 2022, 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 provisions of the Companies Act, 2013 and Rules thereunder, the Audited Financial Statements (both Standalone & Consolidated) of the Company for the Financial Year ended March 31, 2022, comprising the Balance Sheet as on March 31, 2022, Statement of Profit and Loss and the Cash Flow Statement 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. **Declaration of Dividend**

To declare a Dividend for the financial year ended March 31, 2022. The Board of Directors has recommended a Dividend of Rs. 5/- (Indian Rupees Five only) per fully paid-up equity share of Re. 1/- each.

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

"**RESOLVED THAT** *pursuant to the provisions of the 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 Rs. 5/- (Indian Rupees Five only) per equity share of Re. 1/- (Indian Rupees 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, 2022, 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."*

3. **Re-appointment of Mrs. Shilpi Modi, as a Director liable to retire by rotation**

To appoint a Director in place of Mrs. Shilpi Modi (DIN: 00361954), who retires by rotation and being eligible, offers herself 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, Mrs. Shilpi Modi (DIN: 00361954), who retires by rotation and being eligible offers herself for reappointment, be and is hereby re-appointed as Whole-time Director of the Company, liable to retirement by rotation."*

4. **Appointment of Auditor**

To appoint B S R & Co. LLP Chartered Accountants as Statutory Auditors for a term of 5 (five) consecutive years and authorise the Board of Directors to fix remuneration

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

"**RESOLVED THAT** *pursuant to Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014, including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company (the "Board") accorded at their respective meetings held on August 08, 2022, B S R & Co. LLP Chartered Accountants (FRN: 101248W/W-100022), be and are hereby appointed as the Statutory Auditors of the Company (in place of the retiring Statutory Auditors, S. R. Batliboi & Co. LLP) from the conclusion of the 20th Annual General Meeting of the Company (this Meeting) to hold such office for a period of 5 (five) consecutive years* *till the conclusion of the 25th Annual General Meeting of the Company, at such remuneration as set out in the Explanatory Statement annexed hereto.*

RESOLVED FURTHER THAT *the Board be and is hereby authorised to vary, alter, enhance or widen the remuneration payable to the Statutory Auditors, for the said tenure, from time to time, pursuant to the recommendation of the Audit Committee.*

RESOLVED FURTHER THAT *the Board be and is hereby also authorised to do all such acts, deeds, matters and things as may be necessary, expedient or incidental for the purpose of giving effect to this Resolution and to settle any question or difficulty in connection herewith and incidental hereto."*

SPECIAL BUSINESS:

5. **Approval for Related Party Transaction pertaining to appointment of Mr. Vedant Modi to the office or place of profit in the Company**

   To appoint Mr. Vedant Modi to the Office or place of profit in the Company

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

   "**RESOLVED THAT** *pursuant to the provisions of section 188 and other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), applicable provisions, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable laws and in accordance with the recommendation of the Nomination & Remuneration Committee, the Audit Committee and the Board of Directors, consent of the members of the Company be and is hereby accorded for appointment and payment of remuneration to Mr. Vedant Modi, who is a relative of Mr. Ravi Modi, Chairman & Managing Director, and Mrs. Shilpi Modi, Whole-time Director of the Company, to hold an office or place of profit in the Company, as Chief Marketing Officer of the Company w.e.f. June 01, 2022 on the terms and conditions, including remuneration as set out in the explanatory statement annexed to this Notice.*

   RESOLVED FURTHER THAT *the Board of Directors (including its Nomination and Remuneration Committee thereof) be and is hereby authorized to modify the terms and conditions of appointment / remuneration or the scale or any other perquisites payable as per the policies of the Company to the grade of his appointment, as they may deem fit and proper from time to time."*

6. **Ratification of the Employee Stock Option Scheme**

   To ratify the VFL Employee Stock Option Plan 2018 and the VFL Employees Stock Option Scheme 2018 ("Scheme Pratham")

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

   "**RESOLVED THAT** *in furtherance of and supplement to the Special Resolution passed by the members in their Extra-Ordinary General Meeting of the Company held on September 03, 2018 and amended on September 04, 2021, pursuant to the provisions of Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 ("the Act"), read with applicable rules, circulars, notifications issued thereunder including any statutory modification(s) or re-enactment(s) thereof for time being in force), applicable guidelines issued by Reserve Bank of India ("RBI"), if any, provisions contained in the Memorandum of Association ("MOA") and the Articles of Association ("AOA") of the Company, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI (SBEB & SE) Regulations"], as amended from time to time and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company [hereinafter referred to as the "Board" which term shall be deemed to include any Board Committee, including the Nomination & Remuneration Committee ("NRC"), which the Board has constituted to exercise its powers, including the powers, conferred by this resolution read with Regulation 5 of SEBI (SBEB & SE) Regulations], the VFL Employee Stock Option Plan 2018 and the VFL Employee Stock Option Scheme 2018 – "Scheme Pratham" ("Scheme Pratham") which forms a part of the VFL Employees Stock Option Plan 2018, as formulated and approved by the members of the Company on September 03, 2018 and as amended on September 04, 2021 prior to the Initial Public Offer ("IPO") of the Company, be and is hereby ratified within the meaning of Regulation 12 of SEBI (SBEB & SE) Regulations, and the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include the NRC which also acts as the Compensation Committee, constituted by the Board to exercise its powers, including the powers, conferred by this resolution and/or such other persons as may be authorized in this regard by the Board and/or NRC), to create, offer, issue, reissue, grant, transfer and allot options, at any time, to or for the benefit of the employee(s) /directors of the Company (as may be permitted under applicable laws) and to issue fresh options, re-issue options that may have lapsed / cancelled / surrendered or any other activity required in connection with grant/ exercise/ vesting of options, already granted under the Scheme Pratham.*

   RESOLVED FURTHER THAT *the Board/NRC be and is hereby authorized to issue and allot equity shares upon exercise of options, from time to time, in accordance with the Plan/ the Scheme Pratham.*

RESOLVED FURTHER THAT *the Board/NRC be and is hereby authorized to take necessary steps for listing of the equity shares to be allotted under the Plan/ the Scheme Pratham on the Stock Exchanges as per the provisions of the SEBI Listing Regulations, SEBI (SBEB & SE) Regulations and other applicable laws & regulations*.

RESOLVED FURTHER THAT *in case of any corporate action(s) such as rights issue, bonus issue, split or consolidation of equity shares, merger/ amalgamation or sale of division/ undertaking or other reorganization etc., requisite adjustments (which may include adjustments to the number of options in Scheme Pratham) shall be appropriately made, in a fair and reasonable manner in accordance with the Plan/ the Scheme Pratham*.

RESOLVED FURTHER THAT *the Board/NRC be and is hereby authorized to make any modifications or revisions or updations to the Plan/ the Scheme Pratham as it may deem fit, from time to time, provided that the same is in conformity with the Act, as amended, the Companies (Share Capital and Debenture) Rules, 2014, as amended, SEBI (SBEB & SE) Regulations, as amended, the Memorandum and Articles of Association of the Company and any other applicable laws, rules and regulations thereunder*.

RESOLVED FURTHER THAT *the Board/NRC be and is hereby also authorized to nominate and appoint one or more persons for carrying out any or all of the activities that the Board is authorized to do for the purpose of giving effect to this resolution and to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary*."

7. **Ratification of extension of benefits of the Employee Stock Option Scheme to the employees of the Group Companies**

To ratify extending the benefits of the VFL Employee Stock Option Plan 2018 and the VFL Employees Stock Option Scheme 2018 ("Scheme Pratham") to the employees of the group companies including Subsidiary, Holding, if any, and associate Companies of Company

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

"**RESOLVED THAT** *in furtherance of and supplement to the Special Resolution passed by the members in their Extra-Ordinary General Meeting of the Company held on September 03, 2018 and amended on September 04, 2021, pursuant to the provisions of Section 62(1)(b) and other applicable provisions of the Companies Act, 2013 ("the Act"), read with applicable rules, circulars, notifications issued thereunder including any statutory modification(s) or re-enactment(s) thereof for time being in force), applicable guidelines issued by Reserve Bank of India ("RBI"), if any, provisions contained in the Memorandum of Association ("MOA") and the Articles of Association ("AOA") of the Company, the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI (SBEB & SE) Regulations"], as amended from time to time and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company [hereinafter referred to as the "Board" which term shall be deemed to include any Board Committee, including the Nomination & Remuneration Committee ("NRC"), which the Board has constituted to exercise its powers, including the powers, conferred by this resolution read with Regulation 5 of SEBI (SBEB & SE) Regulations], consent of the Members be and is hereby accorded to the Board to extend the benefits and coverage of the VFL Employee Stock Option Plan 2018 and the VFL Employee Stock Option Scheme 2018 – "Scheme Pratham" ("Scheme Pratham") which forms a part of the VFL Employees Stock Option Plan 2018 (referred to in the Resolution under Item No. 6 of this Notice) to such persons who are in employment of any present and future group company of the Company including holding, associate and subsidiary company(ies) of the Company, on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI (SBEB & SE) Regulations or other provisions of law as may be prevailing at that time*.

RESOLVED FURTHER THAT *the Board/NRC be and is hereby also authorized to nominate and appoint one or more persons for carrying out any or all of the activities that the Board is authorized to do for the purpose of giving effect to this resolution and to do all such acts, deeds, matters and things, including to settle any question, difficulty or doubt that may arise and to finalise and execute all documents and writings as may be necessary*."

Date: August 8, 2022
Place: Kolkata

By Order of the Board of Directors,
VEDANT FASHIONS LIMITED

Registered Office:
A501-502, SDF-I, 4th Floor,
Paridhan Garment Park, 19, Canal South Road,
Kolkata 700015, West Bengal (INDIA)
CIN- L51311WB2002PTC094677
Phone - 033 6125 5353
Website - www.vedantfashions.com

SD/-
NAVIN PAREEK
Company Secretary
(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. 4, 5, 6 and 7 of the accompanying Notice, are annexed hereto.

2. **Holding of AGM through VC/OAVM:** In view of the ongoing outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and hence, Ministry of Corporate Affairs ("MCA") has vide its circular dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 05, 2022 and the SEBI vide its circulars dated May 12, 2020, January 15, 2021 and May 13, 2022 (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.

   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 20th AGM as an e-AGM and the Members can attend and participate in 20th AGM through VC/OAVM through log in credentials provided to them for the same. The deemed venue for 20th 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 20th 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, September 02, 2022 to Thursday, September 08, 2022 (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, September 09, 2022 to those Members, whose names are registered in the Company's Register of Members:

   a) as Beneficial Owners as at the end of business hours on Thursday, September 01, 2022 as per the lists to be furnished by NSDL and CDSL in respect of the shares held in electronic form, and

   b) 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, September 01, 2022.

   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.

7. **Appointment / Re-appointment 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 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 and the difficulties involved in dispatching of physical copies of the Annual Report in view of the ongoing outbreak of the COVID-19 pandemic, the Annual Report 2021-22 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:

   A. Members holding shares in demat form, who have not registered their email address and mobile numbers including address and bank details (including any changes thereof) may please contact and validate/update their details with the Depository Participant.

   B. Members holding shares in physical form may register/update their email address and mobile number with the Company's RTA- KFin Technologies Limited ("KFin") by sending an e-mail request at the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual Report, AGM Notice and the e-voting instructions or alternatively sending Form ISR – 1 (available on the website of the RTA https://karisma.kfintech.com/downloads/2Form_ISR-1.pdf) to the RTA of the Company.

C. Those members who have not registered their email addresses with the Company / Depository Participants, as the case may be, may temporarily get their email address and mobile number registered with KFin, by clicking the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx for sending the same. The Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the Notice and e-voting instructions along with the User ID and Password.

D. 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, Senior Manager, KFin at the email ID 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 2021-22 including Notice of 20th AGM will be available on the Company's corporate website at www.vedantfashions.com. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of KFin at https://evoting.kfintech.com.

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 20th 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 with a copy marked to evoting@kfintech.com and 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 upto 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 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, 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 20th 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, September 05, 2022 from 9.00 a.m. IST and ends on Wednesday, September 07, 2022, 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.

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.

    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.

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, September 01, 2022. 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, September 01, 2022, 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	**1.**	**Existing Internet-based Demat Account Statement ("IDeAS") facility Users:**
	i.	Visit the e-services website of NSDL https://eservices.nsdl.com 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.
	2	**Those not registered under IDeAS:**
	i.	Visit https://eservices.nsdl.com for registering.
	ii.	Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.
	iii.	Visit the e-voting website of NSDL https://www.evoting.nsdl.com/.
	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.
	viii.	Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Members holding securities in demat mode with CDSL	**1.**	**Existing user who has opted for Electronic Access To Securities Information ("Easi / Easiest") facility:**
	i.	Visit https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com
	ii.	Click on New System Myeasi.
	iii.	Login to Myeasi option under quick login
	iv.	Login with the registered user ID and password.
	v.	Members will be able to view the e-voting Menu.
	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.
	2.	**User not registered for Easi / Easiest**
	i.	Visit https://web.cdslindia.com/myeasi/Registration/EasiRegistration for registering.
	ii.	Proceed to complete registration using the DP ID, Client ID (BO ID), etc.
	iii.	After successful registration, please follow the steps given in point no. 1 above to cast your vote.

Type of Member	Login Method	
	3.	**Alternatively, by directly accessing the e-voting website of CDSL**
	i.	Visit www.cdslindia.com
	ii.	Provide demat account number and PAN
	iii.	System will authenticate user by sending OTP on registered mobile and email as recorded in the demat account.
	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.
	v.	Members will be re-directed to the e-voting page of KFin to cast their vote without any further authentication
Individual Members login through their demat accounts / Website of DP	i.	Members can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility.
	ii.	Once logged-in, Members will be able to view e-voting option.
	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.
	iv.	Click on options available against Vedant Fashions Limited or KFin.
	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.

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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com 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 temporarily get their email address and mobile number submitted with KFin, by accessing the link:

https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx.

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.

iii. Alternatively, Members may send an email request at the email ID einward.ris@kfintech.com along with scanned copy of the request letter, duly signed, providing their email address, mobile number, self-attested PAN card copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of AGM and the e-voting instructions.

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, September 01, 2022, 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. 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 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 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, 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, September 08, 2022.

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.

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. In this regard, Members are requested to dematerialize their shares held in physical form, at the earliest possible.

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 KFin's website at https://ris.kfintech.com/clientservices/isr/sh13.aspx.

26. 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. 4:

The Members of the Company at the 15th Annual General Meeting (AGM) held on September 29, 2017 approved the appointment of S. R. Batliboi & Co. LLP, Chartered Accountants [ICAI Firm Registration Number: 301003E/E300005] ("SRB"), as the Statutory Auditors of the Company to hold office from the conclusion of the said 15th AGM until the conclusion of 20th AGM ("this AGM"). SRB will complete their present term on conclusion of this AGM in terms of the same. The details of amount payable to SRB for the financial year 2021-22 are given in Note No. 40 of the Notes to Financial Statements for the financial year ended March 31, 2022, and is also mentioned below:

Particulars	For the year ended March 31, 2022 Amount (in INR Million)
As statutory auditors (audit & review of financial statements) *:	
Audit fees	3.00
Tax audit fees	0.40
Reimbursement of expenses	0.02
In other Capacity :	
Other services	0.20
Total	**3.62**

*Excluding payment made related to IPO services

The Board of Directors of the Company (the "Board") at its meeting held on August 08, 2022, based on the recommendations of the Audit Committee, have recommended the appointment of B S R & Co. LLP Chartered Accountants (FRN: 101248W/W-100022) ("BSR"), in terms of Section 139 of the Companies Act, 2013 (as amended) (the "Act") read with the Companies (Audit and Auditors) Rules, 2014 (as amended) at a remuneration of Rs. 2.7 million, plus applicable taxes, out of pocket expenses (if any) at actuals and an amount equal to 5% of the value of fees to cover incidental expenses such as printing, telephone and other communications, courier, stationery, photocopy etc.

BSR have consented to the proposed appointment and have confirmed their eligibility for the same. They have further confirmed that their appointment, if made, would be within the limits laid down by or under the authority of the Act. They have also confirmed that they are not disqualified for the proposed appointment under the Act, including under Section 141 of the Act, the Chartered Accountants Act, 1949 and the rules and regulations made thereunder.

The details required to be disclosed under Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) are as under:

A. **Proposed fees payable to the Statutory Auditor(s):** Rs. 2.7 million, plus applicable taxes, out of pocket expenses (if any) at actuals and an amount equal to 5% of the value of fees to cover incidental expenses such as printing, telephone and other communications, courier, stationery, photocopy etc. The fees for services in the nature of limited review, statutory certifications and other professional work will be in addition to the audit fee as above and will be determined by the Board in consultation with the Auditors and as per the recommendations of the Audit Committee.

B. **Terms of appointment:** Appointment as Statutory Auditors of the Company from the conclusion of 20th AGM for a period of 5 (five) consecutive years till the conclusion of the 25th AGM of the Company, to carry out Statutory Audit of the Financial Statements (Standalone / Consolidated), Annual Financial Results, Limited Review of the Unaudited Quarterly Financial Results, Tax Audit (when appointed for such purpose by the Board) etc., of the Company.

C. **In case of a new auditor, any material changes in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change:** There is no material change in the fee payable to BSR from that of SRB. The proposed remuneration is commensurable with the size of the Company and nature of its business. The proposed remuneration is determined based on the recommendation of the Audit Committee which peruses the industry benchmarks in general, profile of the firm, scope of audit and other relevant factors.

D. **Basis of recommendation for appointment:** The recommendations are based on the fulfilment of the eligibility criteria prescribed in the Companies Act, 2013.

E. **Credentials of the Statutory Auditor(s) proposed to be appointed:** BSR was constituted on March 27, 1990, as a partnership firm having firm registration no. as 101248W.

It was converted into limited liability partnership i.e., B S R & Co. LLP on October 14, 2013, thereby having a new firm registration no. 101248W/ W100022. BSR is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India (ICAI). The Firm is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur, and Kochi. The Firm has a staff of over 3000 people and more than 100 Partners and audits companies listed on various stock exchanges in India. BSR holds a valid certificate issued by the Peer Review Board of ICAI.

The Board recommends passing of the resolution set out at Item no. 4 of this notice by way of an Ordinary Resolution.

No Director or Key Managerial Personnel of the Company, or their relatives, is concerned or interested, financially or otherwise, in the Resolution No. 4 as contained in the Notice.

Item No. 5:

Mr. Vedant Modi, son of Mr. Ravi Modi (Chairman & Managing Director) & Mrs. Shilpi Modi (Whole-time Director), a related party, was appointed as the Chief Marketing Officer of the Company w.e.f. June 24, 2021, at a remuneration [cost to Company (CTC)] of Rs. 30,00,000/- (Rupees Thirty lakhs) per annum.

Since then, the annual review of the performance of Mr. Vedant Modi for the period ended on May 31, 2022, has been carried out in terms of the internal policies of the Company, which was reviewed/ approved by the Nomination & Remuneration Committee at its meeting held on June 15, 2022, whereby his remuneration (CTC) has been increased w.e.f. June 01, 2022. Mr. Vedant Modi at present draws remuneration as contained in the 'Annual Appraisal Letter – 2022' dated June 30, 2022, issued to him, i.e., CTC per annum of Rs. 50,00,000/- (Rupees Fifty lakhs), which includes an eligible performance linked incentive pay annual amount of Rs. 10,00,000/- (Rupees Ten lakhs). The Board of Directors at its meeting held on August 08, 2022, based on recommendation of Nomination and Remuneration Committee at its meeting held on June 15, 2022, and Audit Committee at its meeting held on August 08, 2022, has approved the said increase in remuneration of Mr. Vedant Modi.

Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3)(b) of Companies (Meetings of Board and its Powers) Rules, 2014 as amended, provides that related party's appointment to any office or place of profit in the Company carrying monthly remuneration exceeding Rs. 2,50,000/- shall be subject to approval by the Board of Directors of the Company and the Members of the Company. Further, fourth proviso to Section 188(1) of the Act prescribes that nothing in this sub-section shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis. As a good governance practice, the Board seeks the approval of shareholders by way of Ordinary Resolution, even though it believes that the above transaction is at arms' length and in ordinary course of business.

Mr. Vedant Modi, aged 23 years, holds a bachelor's degree in science from University College London where his main field of study was information management for business. He has been holding the position of Chief Marketing Officer of the Company since June 24, 2021. In this role, he has actively participated in the Company's brilliant branding campaigns including digital media branding, co-managed investor's relations, and supervised marketing research. Having played an integral role in brand building activities at the company, he contributed immensely to achieving positive brand preference and brand consideration among consumers. He has also represented the Company in the various conference call held with analysts/ investors to discuss the operational and financial performance of the Company.

The statement of disclosures as stipulated under the Companies (Meetings of Board and its Powers) Rules, 2014 is given below:

(a) Name of the related party: Mr. Vedant Modi.

(b) Name of the director or key managerial personnel who is related, if any: Mr. Ravi Modi, Chairman & Managing Director, and Mrs. Shilpi Modi, Whole-time Director.

(c) Nature of relationship: Mr. Vedant Modi is related to Mr. Ravi Modi and Mrs. Shilpi Modi, as their son.

(d) Nature, material terms, monetary value and particulars of the contract or arrangements:

- Mr. Vedant Modi to hold the office or place of profit as Chief Marketing Officer with effect from June 01, 2022, on a remuneration (CTC) of Rs. 50,00,000/- (Rupees Fifty lakhs) per annum.
- Other benefits, perquisites, amenities, and facilities, as applicable / payable to the other employees occupying similar position in the said grade, as per the applicable policy of the Company.
- The Board (including its Nomination and Remuneration Committee thereof) may approve the annual increment, promotion, change in designation or role and responsibilities in line with the Policy of the Company.

(e) any other information relevant or important for the members to take a decision on the proposed resolution: Covered above.

The Board of Directors at its meeting held on August 08, 2022, considered and recommended passing of the resolution 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. Ravi Modi and Mrs. Shilpi Modi, and their relatives, 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 and 7:

The Board of Directors of your Company understands the need to enhance the employee engagement, to reward the employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company.

In order to align employee interests with shareholders interest, driving performance of the employees, retention of employees, attract new talent and wealth creation for the employee, the members of the Company had in their meeting held on September 03, 2018 approved the VFL Employee Stock Option Plan 2018 ("the Plan") and the VFL Employee Stock Option 2018 – Scheme ("Scheme Pratham"), which has been framed in accordance with the Plan, and the same has been amended by the members on September 04, 2021.

In terms of Regulation 12(1) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI (SBEB & SE) Regulations"], no company shall make any fresh grant of employee stock options which involves allotment or transfer of shares to its employees under any scheme formulated prior to its Initial Public Offering ("IPO") and prior to the listing of its equity shares ("Pre- IPO Scheme") unless (i) such Pre IPO Scheme is in conformity with the SEBI (SBEB & SE) Regulations; and (ii) such Pre IPO Scheme is ratified by its Members subsequent to the IPO.

Further, as per proviso to Regulations 12(1) of SEBI SBEB & SE Regulations, the ratification under clause (ii) may be done any time prior to grant of new options or shares under such Pre - IPO Schemes.

Considering that the Company came out with an IPO of its equity shares and got listed on the BSE Limited and the National Stock Exchange of India Limited with effect from February 16, 2022, the Plan and the Scheme Pratham is required to be ratified by the Members of the Company in terms of the Regulations 12(1) of the SEBI (SBEB & SE) Regulations, for making any fresh grants under the Plan and the Scheme Pratham.

The particulars as required under Section 62 of the Companies Act, 2013 read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and disclosures required under SEBI (SBEB & SE) Regulations (as amended from time to time) are given below:

1. **Brief description of the Scheme(s)**

   The Option Plan is called the VFL Employee Stock Option Plan 2018 ("the Plan") and the Scheme is called VFL Employee Stock Option Scheme 2018 – "Scheme Pratham" ("Scheme Pratham").

   The objective of the Scheme is to align employee interests with shareholders interest, driving performance of the employees, retention of employees, attract new talent and wealth creation for the employee. The Company views employee stock options as instruments that would enable the Employees to share the value they create for the Company in the years to come.

   After vesting of the option, the grantee has a right (but not an obligation) to exercise the vested employee stock options within exercise period and obtain equity shares of the Company, subject to payment of exercise price and all applicable taxes at any time during the Exercise Period.

   The Plan / Scheme Pratham is managed and administered under the direction of the Board by Nomination and Remuneration Committee (herein after referred as "NRC" or "Committee").

2. **Total number of options to be offered and granted under the Scheme:**

   The maximum number of Options Granted to any Grantee under the Scheme shall not exceed 1 (one) percent of the fully diluted total share capital at the time of the Grant.

3. **Identification of classes of employees entitled to participate and be beneficiaries in Scheme:**

   The eligibility to participate in the Plan is subject to such criteria as may be decided by the Board/ Committee at its own discretion, including, but not limited to the date on which the Employee joins the Company, grade of the Employee, period of service with the Company, criticality or any other criteria, as the Committee determines.

4. **Requirement of Vesting and period of Vesting:**

   The minimum vesting period shall be one year from the date of grant.

   Options shall vest essentially based on continuation of employment and apart from that the vesting will be subject to Individual performance and corporate performance parameters as mentioned in the Scheme and as the Committee/Board may specify additionally.

5. **Maximum period within which the options shall be vested:**

   Maximum period within which the options shall be vested is 4 (four) years from the date of grant of such options.

6. **Exercise price or pricing formula:**

   The Exercise Price for the Options granted shall be as per the Scheme or as may be decided by the Board/NRC

7. **Exercise period and process of exercise:**

   Exercise Period means the period of 10 years from the Grant Date, subject to Clause 13 of Plan, unless the Board/ Committee decides otherwise. In accordance with the Plan, the Participant/ Nominee can exercise the Vested Options immediately on or after vesting but within the Exercise Period. Any Vested Options not exercised within this aforesaid period shall automatically lapse at the end of the aforesaid period.

8. **Appraisal process for determining the eligibility of the employees to the Scheme**

   The appraisal process for determining the eligibility of the employee will be specified by the Board/Committee in accordance with the Scheme.

9. **The maximum number of options to be offered and issued per employee and in aggregate:**

   The maximum number of Options Granted to any Grantee under the Scheme shall not exceed 1 (one) percent of the fully diluted total share capital at the time of the Grant.

10. **The conditions under which option vested in employees may lapse:**

    Vested option under the Scheme may lapse if not exercised within the specified exercise period. The Option may also lapse under certain circumstances as determined by the Board/Committee even before expiry of the specified exercise period or as per the Plan/ the Scheme Pratham.

11. **The time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee:**

    As per Clause 13 of the Plan, in case the employment of the Participant is terminated for reasons other than Cause then, all Unvested Options with the Participant on the Termination Date shall lapse. All the Vested Options shall be permitted to be exercised within 6 months from the date of termination or before the expiry of the Exercise Period as per the relevant Notified Scheme(s), whichever is earlier unless the Board/ Committee decides otherwise.

    In case of termination or cessation of employment due to retirement or superannuation, any Unvested Options would continue to vest and Vested Options may be exercised in accordance with the respective vesting schedules.

    In case the termination of employment of a Participant with the Company is with Cause as per Clause 13 of the Plan, all Options (Vested as well as Unvested) shall stand automatically forfeited on the Termination Date.

12. **The Maximum quantum of benefits to be provided per employee under the Scheme**

    Maximum benefits shall refer to the maximum number of options that may be issued per employee.

13. **Whether the Scheme is to be implemented and administered directly by the Company or through a trust:**

    The Scheme is implemented and administered directly by the Company.

14. **Whether the ESOP Scheme involve new issue of shares by the company or secondary acquisition by a trust or both.**

    The Scheme involve only new issue of equity shares by the Company. Presently no secondary acquisition is envisaged.

15. **The amount of loan to be provided for implementation of the Scheme by the Company to a trust, its tenure, utilization, repayment terms, etc.:**

    Not applicable.

16. **Statement to the effect that the Company shall conform to the accounting policies specified in regulation 15 and Rule 12:**

    The Company shall comply with the disclosure requirements and the accounting policies prescribed under Regulation 15 of the SEBI (SBEB & SE) Regulations and Rule 12 of The Companies (Share Capital and Debenture) Rules, 2014 or as may be prescribed by regulatory authorities from time to time.

17. **The method which the Company shall use to value its options:**

    The Company shall adopt fair market value method for valuation of the employee stock options.

18. **Statement with regard to disclosure in director's report:**

    In case the Company opts for expensing of share-based employee benefits using the intrinsic value, then the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it has used the fair value, shall be disclosed in the director's report and the impact of this difference on profits and on earning per share of the Company shall also be disclosed in the director's report.

19. **Period of lock-in:**

    The lock-in shall be as mentioned in the Plan/Scheme Pratham depending upon the applicability on the Company, unless the Board/ Committee decides otherwise.

20. **Terms & conditions for buyback, if any, of specified securities covered under these regulations:**

    The Board/Committee has the powers to specify the procedure and other terms and conditions for buy-back of Options granted, if to be undertaken at any time by the Company, in compliance with applicable laws.

The members may please also note that the details of the options granted or equity shares issued under the scheme of employee stock option plan was disclosed in the Prospectus dated February 09, 2022 (pre-IPO) filed by the Company. The said details (including the cumulative basis data till the date of the Prospectus) are also shared below:

	Details				
Particulars	**Fiscal 2019**	**Fiscal 2020**	**Fiscal 2021**	**From April 1, 2021 till the date of the Prospectus (i.e. Feb. 9, 2022)**	**Cumulative basis**
Total options outstanding as at the beginning of the period	NIL	691,574	564,536	497,548	NIL
Total options granted during the year/period	691,574	38,078	64,386	495,140	12,89,178
Vesting period	Over a period of two to four years from the date of grant				
Exercise price of options in INR (as on the date of grant options)	172	268	342.5	400	NA
Options forfeited/ lapsed/ cancelled	NIL	165,116	131,374	66,079	362,569
Variation of terms of options	All options granted shall vest as per given vesting schedule in Scheme Pratham, which is spanned over a period of four years. Options shall vest based on the continuation of employment and apart from that vesting is subject to individual performance and corporate performance parameters				
Money realized by exercise of options	NA	NIL	NIL	45,153,440	45,153,440
Total number of options outstanding in force	691,574	564,536	497,548	664,089	664,089
Total options vested (excluding the options that have been exercised)	NIL	NIL	152,650	118,185	270,835
Options exercised (since implementation of the ESOP Plan)	NIL	NIL	NIL	262,520	262,520
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	NIL	NIL	NIL	262,520	262,520

Note - Pursuant to a resolution of Company's Shareholders dated July 16, 2021, each equity share of Company of face value of Rs. 2 was sub-divided into 2 equity shares of face value of Re. 1 each. All the options/shares related data provided in the above table are post-split issue.

The copies of the related documents will be open for inspection by the members through electronic mode on all working days, during business hours up till the date of the Annual General Meeting.

The Board recommends the resolutions set out at Item Nos. 6 and 7 of the accompanying notice for approval of the Members by way of Special Resolution.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested, financially or otherwise, in the resolutions as set out in Item nos. 6 and 7, except to the extent of their shareholding in the Company or stock options that may be granted to them under the ESOP Scheme.

ANNEXURE

DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE MEETING

Particulars	Mrs. Shilpi Modi
Category of Director / Designation / Position in the Company	Whole-time Director / Executive.
DIN	00361954
Date of Birth / Age	September 18, 1978 / 43 years
Profile / Background Details, Recognition or awards	Mrs. Shilpi Modi is the Whole-time Director of the Company. She has been associated with the Company since its inception. She has more than two decades of experience in the garment industry. She handles the digital strategy and product lifecycle of the Company and together with the senior management is responsible for implementation of strategy in respect of such functions.
Qualifications	She has studied commerce from Allahabad University.
Experience and Expertise in specific functional areas	General management, sales and marketing management, interpersonal relations management, corporate social responsibility management etc.
Terms and conditions of appointment or reappointment	Mrs. Shilpi Modi retires by rotation and being eligible, offers herself for re-appointment.
Remuneration last drawn by such person, if applicable	Rs. 8,92,24,525/- in the financial year 2021-22 (It was paid on the basis that the total compensation to her and the Chairman & Managing Director shall not exceed five percent of the audited annual profit before tax of the Company for the respective financial year, subject to a minimum compensation to her aggregating to Rs. 2 Crores)
Remuneration sought to be paid	(a) Fixed salary of Rs. 20.00 million per annum; payable on monthly basis. (b) Variable salary will be 0.60% of operating Profit before Tax (or PBT) or Rs. 20.00 million per annum whichever is higher. In addition to above, she will be entitled to Perquisites and other aspects as mentioned in the Agreement dated April 28, 2022, executed between the Company and her.
Date of first appointment on the Board	May 24, 2002
Membership / Chairmanship of Committees of the Board of the Company	Member of Stakeholders Relationship Committee, IPO Committee and Corporate Social Responsibility Committee of the Company.
Directorships in Unlisted Companies (excluding foreign companies)	• Manyavar Creations Private Limited • Sarwamangal Developers Consultants Private Limited • Modi Fiduciary Services Private Limited
Directorships in Other listed Companies (excluding foreign companies)	None
Membership / Chairmanship of Committees of other Boards	None
No. of shares held in the Company	26,56,104 equity shares of Re. 1/- each, representing 1.09% of the paid-up share capital of the Company.
Relationship with other Directors, Manager and other KMP of the Company	She is the spouse of Mr. Ravi Modi, Chairman and Managing Director of the Company.
No. of Meetings of the Board attended during the year	13 out of 13 meetings during the year 2021-22.

Mrs. Shilpi Modi is 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 Twentieth Annual Report and the audited Annual Accounts on the business and operations of the Company for the year ended March 31, 2022 ("year under review"/"FY 21-22").

Financial Highlights

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

(INR in Million)

	Standalone		Consolidated	
	For the Year Ended March 31,2022	For the Year Ended March 31,2021	For the Year Ended March 31,2022	For the Year Ended March 31,2021
Income:				
I. Revenue from operations	10,087.45	5,424.08	10408.41	5,648.16
II. Other income	485.42	575.62	499.26	602.03
III. Total income (I+II)	**10,572.87**	**5,999.70**	**10,907.67**	**6,250.19**
IV. Expenses:				
Cost of materials used				
- Raw Materials	1,152.03	554.85	1,152.03	554.85
- Accessories & packing materials	175.73	100.81	175.73	100.81
Purchases of stock-in-trade	1,706.48	707.61	1,706.48	707.61
(Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade	(368.85)	59.23	(365.98)	100.04
Employee benefit expense	561.28	365.91	575.28	381.07
Finance costs	270.70	250.69	284.25	258.22
Depreciation and amortisation expense	880.33	890.45	943.56	955.29
Other expenses	2,057.49	1,285.29	2,206.21	1,373.13
Total expenses	**6,435.19**	**4,214.84**	**6,677.56**	**4,431.02**
V. Profit before tax (III-IV)	**4,137.68**	**1,784.86**	**4,230.11**	**1,819.17**
VI. Tax expense:				
- Current Tax	1,033.64	433.30	1,056.68	433.30
- Deferred tax charge (net)	20.50	44.13	24.32	56.84
Total Tax Expense	**1,054.14**	**477.43**	**1,081.00**	**490.14**
VII. Profit for the year (V-VI)	**3,083.54**	**1,307.43**	**3,149.11**	**1,329.03**
VIII. Other Comprehensive Income/(Loss)				
(i) Item that will not be subsequently reclassified to profit or loss				
(a) Re-measurement gains on defined benefit obligations	0.33	0.59	0.33	0.88
(b) Income tax effect on above	(0.08)	(0.15)	(0.08)	(0.22)
(ii) Item that will be subsequently reclassified to profit or loss				
(a) Changes in fair value of invesments	(4.30)	-	(4.30)	-
(b) Income tax effect on above	1.08	-	1.08	-
Total other comprehensive income/(loss) for the year, net of tax	**(2.97)**	**0.44**	**(2.97)**	**0.66**
IX. Total comprehensive income for the year	**3,080.57**	**1307.87**	**3,146.14**	**1,329.69**
Paid up equity share capital [face value of INR 1 each (PY: INR 2 each)]	242.70	247.87	242.70	247.87
Other Equity	10,598.61	10,745.69	10,584.72	10,666.23
X. Earnings per equity share (EPS) (face value of share of INR 1 each)				
Basic (in INR per share)	12.63	5.27	12.90	5.36
Diluted (in INR per share)	12.63	5.27	12.90	5.36

State of the Company's Affairs

The Company has recorded strong financial revenue and return during FY 21-22 on a Standalone basis with the Turnover of INR 1,0087.45 Millions during FY 21-22, as against INR 5,424.08 Millions in the previous Financial Year 2020-21 ('FY 20-21'), i.e. an increase of 85.98%. The profit before tax (PBT) of INR 4,137.68 millions in FY 21-22 as against INR 1,784.86 millions in FY 20-21, shows an increase of 131.82%. The Company reported best-in-class profit after tax (PAT) margin of 30.57% and the PAT stood at INR 3,083.54 Millions during FY 21-22 with a significant growth of 135.85% compared to FY 20-21.

On a Consolidated basis, the Company recorded the Turnover of INR 10,408.41 Millions during FY 21-22, as against INR 5,648.16 Millions in FY 20-21, i.e. an increase of 84.28%; the PBT of INR 4,230.11 Millions in FY 21-22, as against INR 1,819.17 in FY 20-21, i.e. an increase of 132.53%; and the PAT of INR 3,149.11 Millions during FY 21-22 (PAT margin: 30.26%) with a significant growth of 136.95% compared to FY 20-21.

The financial performance for the year under review as reported above shows significant improvement over FY 20-21 when the performance was impacted due to the outbreak of COVID-19 pandemic and the nationwide lockdown announced by the Government for a significant period. A major highlight for the year under review was the successful initial public offer (IPO) by the Company. The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on February 16, 2022. Your Directors are pleased to present to you this first Annual Report of Company post the successful IPO. This is surely a milestone in our corporate strategy, and the Directors hereby place on record gratitude to all the shareholders and other stakeholders for their overwhelming response to the Company's IPO and for reiterating their faith in its long-term growth story. Vedant Fashions Limited being India's leading celebration wear Company with Manyavar being the category creator and leader in the branded Indian wedding and celebration wear in markets for men's, your Directors' believes that the listing of the Company would provide the right platform to take its brand(s) to greater heights, enhance visibility and provide liquidity to the shareholders.

The Company operates primarily in the manufacturing and trading of readymade garments being Indian wedding and celebration wear for men, women and kids via its brands viz. 'Manyavar', 'Mohey', 'Mebaz', 'Manthan' and 'Twamev'. The Company has always been responsive towards the fashion needs by introducing timeless collections of products across all segments. The Company believes in 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 the zeal towards the healthy creation of stakeholders' value.

Amounts Transferred to Reserves

The Board of the Company has decided to retain the entire amount of its profit earned in FY 2021-22 in the Retained Earnings account only.

The Company has bought back 27,17,172 equity shares of INR 2/- each of the Company at a premium of INR 988/- per share, aggregating INR 990/- per share, during the year under review. The 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 i.e. INR 5.43 Million, has been reduced from share capital and Securities premium account has been 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 has been transferred from Retained Earnings to the Capital Redemption Reserve as per requirement of Companies Act, 2013.

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 growth of the Company. The Dividend Distribution Policy of the Company is available on the following weblink in the Company's website: *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 5/- (Indian Rupees Five only) per equity share of INR 1/- (Indian Rupee One only) each fully paid-up for the FY 2021-22. 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 this 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.

Change of name of the Company

The Board of Directors at its meeting held on July 13, 2021 followed by approval of the shareholders of the Company in their Extraordinary General Meeting held on July 16, 2021 passed resolution for conversion of the Company from private limited company into public limited company and consequently, change in the name of the Company from

'Vedant Fashions Private Limited' to 'Vedant Fashions Limited'. The said change in name was approved by the Ministry of Corporate Affairs w.e.f. August 25, 2021.

Capital Structure of the Company

Pursuant to the resolutions passed by the Board at its meeting held on June 25, 2021 and the shareholders in their Extra-ordinary General Meeting held on June 26, 2021, the Company has bought back 27,17,172 equity shares of INR 2/- each of the Company at a premium of INR 988/- per share, aggregating INR 990/- per share. The shares were extinguished as on July 20, 2021. The buyback size was less than 25% of aggregate of the Company's paid up equity capital and free reserves based on the audited financial statement of the Company for the year ended March 31, 2021.

Pursuant to the resolutions passed by the Board at its meeting held on July 13, 2021 and the shareholders in their Extra-ordinary General Meeting held on July 16, 2021, the Company has split face value of its equity shares from INR 2 per equity share to INR 1 each per equity share. Accordingly, the authorised share capital of the Company was changed from INR 30,10,00,000/- comprising 15,05,00,000 equity shares of INR 2 each to INR 30,10,00,000/- comprising 30,10,00,000 equity shares of INR 1 each. Also, the 12,12,16,127 equity shares of INR 2 each (after buyback) in the paid-up share capital of the Company were changed to 24,24,32,254 equity shares of face value of INR 1 each.

The Company has allotted 2,62,520 equity shares of INR 1/- each on October 16, 2021 and 8,315 equity shares of INR 1/- each on March 24, 2022, 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 review. The paid-up equity share capital of the Company as at 31st March, 2022 stood at INR 24,27,03,089/- consisting of 24,27,03,089 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 VFPL 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 3, 2018 and the amendment made in the same at their general meeting held on September 4, 2021. 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 the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 have been placed on the website of the Company: 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 management of the Company during the year under review, except as stated below:

Resignation:

1. Mr. Ajay Modi resigned from the position of director of the Company and was released from the service with effect from September 6, 2021.
2. Mrs. Usha Devi Modi resigned from the position of director of the Company and was released from the service with effect from September 6, 2021.
3. Mr. Sanjeev Aga resigned from the position of director of the Company and was released from the service with effect from September 6, 2021.

Appointment:

4. In the ongoing year FY 2021-22, Mr. Rahul Murarka has been appointed as the new Chief Financial Officer of the Company with effect from May 17, 2021. He brings to the Company his extensive knowledge in finance, accounting, audit and legal compliances.
5. Mr. Manish Mahendra Choksi has been appointed as the Non-executive Independent director with effect from September 6, 2021.
6. Mr. Tarun Puri has been appointed as the Non-executive Independent director with effect from September 6, 2021.
7. Ms. Abanti Mitra has been appointed as the Non-executive Independent director with effect from September 6, 2021.

Number of Board Meetings & Attendance

During the financial year 2021-22, 13 (Thirteen) 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 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 is 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 remuneration of Directors and Senior Management Employees, as per the details set out in the Corporate Governance Report. The policy have 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 upto 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, whereupon a copy would be sent.

Human Resources

The Company has a workforce of 704 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 31st March, 2022, the applicable INDAS have been followed and there are 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 at March 31, 2022 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; and

e) 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 sub-section (12) of Section 143

During the year under review, there have been no frauds reported by the 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, 2022. 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, 2022, 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, 2022.

Particulars of Loan, Guarantees and Investments under Section 186

Particulars of loans, guarantees and investments made by the Company pursuant to the Section 186 of the Act are furnished under the notes to financial statement. The Company has been informed that the said loan, guarantee and security are proposed to be utilised by each recipient for its general business/corporate purposes.

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 21-22 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.

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 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 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. The various details under this head are as follows –

(A) Conservation of energy-

(i) the steps taken or impact on conservation of energy: N.A.

(ii) the steps taken by the company for utilising alternate sources of energy : N.A.

(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. Creating **Cloud-based Data Platform** capabilities for accessing high-quality data for accurate analysis from secured and compliant data sources.

b. Creating a technology platform to enable **automated inventory distribution** based on product demand.

c. Adoption of **On-demand Video Shopping** capabilities to connect customers and stores and improve shopping experience.

d. Adoption of **Paperless Checkout** by introducing email receipts to our customers.

e. Adoption of **QR code** to optimize inventory operations and introduce our offline customers to digital platform.

f. Adoption of **3D e-commerce** to improve online customer experience.

g. Adoption of **Digital Asset Management** Solution to organize and distribute digital assets efficiently.

h. Adoption of **Enterprise Project Management** Solution to improve visibility of project progress, provide insight of potential risks, and plan next steps.

i. Implementation of **Data Resiliency** Solution to enable near real-time backup of all the company's vital data.

j. Implementation of Centralized **Infrastructure Management** Solution enabling continuous monitoring of all Servers / Switches / Applications and pushing timely alerts of any anomalies.

k. **Upgradation** of all In-house Application Development platforms to the latest versions to improve performance and overcome security vulnerabilities.

l. Strengthening technical capability of team members by encouraging a **knowledge-sharing** culture through internal workshops.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution :

a. **Better inventory management** with tech-enabled inventory allocation.

b. **Improved system resilience** achieved through proactive assessment of vulnerability and risk and continuous monitoring technology assets.

c. **Increased customer satisfaction** with focus on Customer engagement and seamless digital experiences.

(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 27,16,87,648
Outgo	INR 1,98,05,554

(this includes expenses made on account of IPO which has been recovered from Selling Shareholders)

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*. A Risk Management Committee has been constituted by the Board on September 6, 2021, the terms of reference of which includes the review of risk management. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviors 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.

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*

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

M/s S.R. Batliboi & Co. LLP, Chartered Accountants, (FRN 301003E/E300005) were appointed as the Auditors of the Company, for a term of 5 (five) consecutive years, at the Annual General Meeting held on September 29, 2017. They were appointed as Statutory Auditors of the Company from the Fifteenth Annual General Meeting (AGM) until the conclusion of the Twentieth Annual General Meeting to be held in the year 2022. As per provisions of the Companies Act, 2013, M/s S.R. Batliboi & Co. LLP, Chartered Accountants, shall not be eligible for re-appointment as auditor in the company for five years from the completion of such term.

Pursuant to the recommendation of the Audit Committee, the Board has recommended the appointment of B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company for the term of five years to hold office from the conclusion of the 20th AGM until the conclusion of the 25th AGM. They have given their consent for the proposed appointment as Statutory Auditors of the Company. They have further confirmed that the said appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for the said appointment.

The Auditor's Report on the standalone and consolidated financial statement for the year ended 31st March, 2022 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 2021-22, 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 enviroment 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.

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.

No. of complaints filed during the Financial Year	No. of complaints disposed of during the Financial Year	No. of complaints pending as at the end of the Financial Year
NIL	NIL	NIL

Internal Auditors

In terms of the provisions of the Companies Act, 2013 and Rules made therender, M/s Deloitte Touche & Tohmatsu India LLP, 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.

Cost Records

Maintenance of cost records, as specified by the Central Government under section 148(1) of the Companies Act, 2013 is not applicable to the Company.

Secretarial Auditor

Secretarial Audit has been conducted by M/s 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

The Company has completed its Initial Public Offer (IPO) of 3,63,64,838 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 The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on February 16, 2022. Entire IPO comprised of offer to sale of 3,63,64,838 equity shares by selling shareholders and hence details related to utilisation of IPO proceeds is not applicable to the Company. The listing fees for the financial year ending on March 31, 2023 have been duly paid.

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 the **Board of Directors of Vedant Fashions Limited**

Ravi Modi
Managing Director
DIN 00361853

Shilpi Modi
Whole-time Director
DIN 00361954

Date: August 8, 2022
Place: Kolkata

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	665.23
		b	Mrs. Shilpi Modi, Wholetime Director	461.73
(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	116.80%
		b	Mrs. Shilpi Modi, Wholetime Director	200.96%
		c	Mr. Rahul Murarka, CFO (refer Note below)	N.A.
		d	Mr. Navin Pareek, Company Secretary	63.81%
	Note: The appointment of Mr. Rahul Murarka at the current designation as stated above, was made during the financial year 2021-22 and hence, percentage increase is Not Applicable.			
(iii)	The percentage increase in the median remuneration of employees in the financial year			27%
(iv)	The number of permanent employees on the rolls of the Company			704
(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%. For increase in the remuneration of the managerial personnel, please see (ii)a and (ii)b above. Justification: The remuneration payable to managerial personnel is linked to the profit of the Company. The remuneration paid to them increased as the Company recorded comparatively high profit during the year under review.		
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company.			

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

Kolkata
August 8, 2022

Ravi Modi
Managing Director
DIN: 00361853

Shilpi Modi
Wholetime Director
DIN: 00361954

Annexure II of the Board's Report

FORM NO. AOC-I

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	152.96
Total assets	424.25
Total Liabilities	424.25
Investments	86.42
Turnover	513.10
Profit before taxation	86.76
Provision for taxation	25.58
Profit after taxation	61.18
Proposed Dividend	-
% of shareholding	100.00

Notes:

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

   The Company has sold the 1,00,000 equity shares of INR 10/- each held by it in Mohey Fashions Private Limited ('MFPL') during the year. As a result, the shareholding of the Company in MFPL changed from 100% to Nil and thus MFPL ceased to be a subsidiary of the Company w.e.f. August 20, 2021.

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 31st March, 2022.

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

Ravi Modi
Managing Director
DIN: 00361853

Shilpi Modi
Wholetime Director
DIN: 00361954

Rahul Murarka
Chief Financial Officer

Navin Pareek
Company Secretary

Kolkata
August 8, 2022

Annexure III of the Board's Report

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 Goods

(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 Goods
(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:	INR 212.25 Millions
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(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 Goods
(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:	INR 262.25 Millions
(e) Date(s) of approval by the Board, if any:	25th June, 2021 & 28th February, 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 Goods
(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:	INR 6.23 Millions
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(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 Goods
(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:	INR 132.06 Millions
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(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
(c) Duration of the contracts / arrangements / transactions	Monthly
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	INR 0.07 Million
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(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
(c) Duration of the contracts / arrangements / transactions	Monthly
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	INR 0.07 Million
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(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:	INR 0.92 Million
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(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:	INR 0.13 Million
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(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:	INR 0.77 Million
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(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	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:	INR 0.01 Million
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(f) Amount paid as advances, if any:	Nil

Reimbursement of Expenses

(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	Reimbursement of Expenses
(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:	INR 0.00 Million* (*Amount is below the rounding off norms adopted by the Company)
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(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	Reimbursement of Expenses
(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:	INR 0.20 Million
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(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	Reimbursement of Expenses
(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:	INR 13.58 Million
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(f) Amount paid as advances, if any:	Nil

(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	Reimbursement of Expenses
(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:	INR 0.03 Million
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(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	Reimbursement of Expenses
(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:	INR 0.38 Million
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(f) Amount paid as advances, if any:	Nil

Corporate Social Responsibility Expenditure

(a) Name(s) of the related party and nature of relationship	Manas Foundation Enterprises owned or significantly influenced by the KMP
(b) Nature of contracts / arrangements / transactions	Corporate Social Responsibility Expenditure
(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:	INR 30.78 Million
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(f) Amount paid as advances, if any:	Nil

Loan to Subsidiary

(a) Name(s) of the related party and nature of relationship	Manyavar Creations Private Ltd. Wholly owned subsidiary
(b) Nature of contracts / arrangements / transactions	Loan to Subsidiary (repayable on demand)
(c) Duration of the contracts / arrangements / transactions	Single
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	INR 4.00 Millions
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(f) Amount paid as advances, if any:	Nil

Interest Income on Loan to Subsidiary

(a) Name(s) of the related party and nature of relationship	Manyavar Creations Private Ltd. Wholly owned subsidiary
(b) Nature of contracts / arrangements / transactions	Interest Income on Loan to Subsidiary
(c) Duration of the contracts / arrangements / transactions	Single
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	INR 0.00 Million* (*Amount is below the rounding off norms adopted by the Company)
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(f) Amount paid as advances, if any:	Nil

Repayment of Loan by Subsidiary

(a) Name(s) of the related party and nature of relationship	Manyavar Creations Private Ltd. Wholly owned subsidiary
(b) Nature of contracts / arrangements / transactions	Refund of loan given
(c) Duration of the contracts / arrangements / transactions	Single
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	INR 4.00 Millions
(e) Date(s) of approval by the Board, if any:	25th June, 2021
(f) Amount paid as advances, if any:	Nil

Sale of Investments in Subsidiary Company

(a) Name(s) of the related party and nature of relationship	Ravi Modi Key Managerial Person (KMP)
(b) Nature of contracts / arrangements / transactions	Sale of Investments
(c) Duration of the contracts / arrangements / transactions	Single
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	INR 0.50 Million
(e) Date(s) of approval by the Board, if any:	20th August, 2021
(f) Amount paid as advances, if any:	Nil

(a) Name(s) of the related party and nature of relationship	Shilpi Modi Key Managerial Person (KMP)
(b) Nature of contracts / arrangements / transactions	Sale of Investments
(c) Duration of the contracts / arrangements / transactions	Single
(d) Salient terms of the contracts or arrangements or transactions including the value, if any:	INR 0.50 Million
(e) Date(s) of approval by the Board, if any:	20th August, 2021
(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:	INR 1.75 Millions
(e) Date(s) of approval by the Board, if any:	25th June 2021
(f) Amount paid as advances, if any:	Nil

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

Ravi Modi
Chairman & Managing Director
DIN 00361853

Shilpi Modi
Whole-time Director
DIN: 00361954

Date: August 8, 2022
Place: Kolkata

Annexure IV of the Board's Report

Annual Report on CSR Activities to be included in the Board's Report for Financial Year 2021-22

1. Outline of company's CSR policy:

The Company has made efforts to include those specific activities so as to contribute to the social development of the communities in which it operates by promoting healthcare, education and overall development of the underprivileged including support to orphanages. In doing so, it aims at building a better sustainable way of life for the weaker sections of society. 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.

The details of projects undertaken during the report period are provided in the table below.

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. Ajay Modi	Member	1	1
4.	**Mr. Tarun Puri	Member	1	1

** Mr. Ajay Modi has resigned from the Board w.e.f. September 6 2021.*

*** Mr. Tarun Puri appointed as Non executive Independent Director w.e.f. September 6, 2021.*

3. Provide the web-link where Composition of CSR Policy approved by the board is disclosed on the website of the company.

Company's CSR Policy is available at the following URL –*https://www.vedantfashions.com/assets/pdf/CSR_Policy-V1.pdf*

4. Provide the details 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. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in INR)	Amount required to be set-off for the financial year, if any (in INR)
NOT APPLICABLE			

6. Average net profit of the company as per section 135(5). **INR 2,60,03,72,177.00/-**

7. (a) Two percent of average net profit of the company as per section 135(5):**INR 5,20,07,444/-**

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - **NIL**

   (c) Amount required to be set off for the financial year, if any- **NIL**

   (d) Total CSR obligation for the financial year (7a+7b-7c): **INR 5,20,07,444/-**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in INR)	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.
5,20,52,710/-	NOT APPLICABLE				

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project.		Project duration	Amount allocated for the project (in INR)	Amount spent in the current financial Year (in INR)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NOT APPLICABLE												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Item from the list of activities in schedule VII to the Act.	Name of the Project	Local area (Yes/ No).	Location of the project.		Amount spent in the Financial Year (in INR).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Promoting education	Education for Sustainable Development	Yes	NA	NA	50,00,000	No	**Help Us Help Them**	**CSR00002874**
2	Promoting education	Puichi & Kachai Village	No	Manipur	Ukhrul	46,97,000	No	**Manas Foundation**	**CSR00004763**
3	Promoting education	Bankra School Construction	Yes	NA	NA	33,00,000	No	**Manas Foundation**	**CSR00004763**
4	Promoting education	Ramakrishna Mission Ashrama Sohra	No	Meghalaya	East Khasi Hills	85,00,000	No	**Manas Foundation**	**CSR00004763**
5	Promoting education	Student Internet Support Project	No	Gujarat	Ahmedabad	1,00,000	No	**Manas Foundation**	**CSR00004763**
6	Promoting education	Ekal Vidyalaya	Yes	NA	NA	33,00,000	No	**Friends of Tribal Society**	**CSR00001898**
7	Promoting education	Parivaar Bengal	Yes	NA	NA	50,00,000	No	**Parivar Education Society**	**CSR00000052**
8	Promoting health care	Miscellaneous	Yes	NA	NA	64,87,460	No	**Manas Foundation**	**CSR00004763**
9	Promoting health care	Eastern India Healthcare Foundation	Yes	NA	NA	1,50,000	Yes	**NA**	**NA**
10	Promoting health care	Meridian Medical Research And Hospital Ltd	Yes	NA	NA	2,00,000	Yes	**NA**	**NA**
11	Promoting health care	Narayana Hrudayalaya Limited	Yes	NA	NA	4,00,000	Yes	**NA**	**NA**
12	Promoting health care (Covid-19)	Covid 19 Relief & related support	Yes	NA	NA	75,00,000	No	**Manas Foundation**	**CSR00004763**

(d) Amount spent in Administrative Overheads: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **NIL**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **INR 5,20,52,710.00**

(g) 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)	**5,20,07,444/-**
(ii)	Total amount spent for the Financial Year	**5,20,52,710/-**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**45,266/-**
(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)]	**Nil (the Company has not availed set-off of excess amount spent)**

9. (a) 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)	Amount spent in the reporting Financial Year (in INR)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in INR)
				Name of the Fund	Amount (in INR)	Date of transfer	
1.	2018-19	Not Applicable					
2.	2019-20	Not Applicable					
3.	2020-21	1,97,540	1,97,540	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in INR)	Amount spent on the project in the reporting Financial Year (in INR)	Cumulative amount spent at the end of reporting Financial Year. (in INR)	Status of the project - Completed / Ongoing
1	**FY31.03.2021_1**	The Manyavar Scholars	2020-21	36 months	2,22,72,413	74,18,250	1,44,83,250	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) – **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. 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: August 8, 2022
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, 2022

[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, 4th 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, 2022, 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, 2022 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, 1986read 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) Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Following were the changes in the position of the Key Managerial Personnel/Directors during the year:

a) Appointment of Mr. Rahul Murarka (PAN: AMMPM8257D) as the Chief Financial Officer (CFO) of the Company with effect from May 17, 2021.

b) Mr. Ravi Modi (DIN: 00361853) was re-appointed as the Chairman cum Managing Director of the Company with effect from August 28, 2021.

c) Mrs. Shilpi Modi (DIN: 00361954) was re-appointed as the Whole Time Director of the Company with effect from August 28, 2021.

d) Mr. Ajay Modi (DIN: 02051641) resigned from the position of Whole-Time Director of the Company with effect from September 6, 2021.

e) Mrs. Usha Devi Modi (DIN: 00325654) resigned from the position of Whole-Time Director of the Company effect from September 6, 2021.

f) Mr. Sanjeev Aga (DIN: 00022065) resigned from the position of Director of the Company with effect from September 6, 2021.

g) Appointment of Mr. Manish Mahendra Choksi (DIN: 00026496) as an Additional Non-Executive Independent Director of the Company on September 6, 2021 who was subsequently regularized in the Extra Ordinary General Meeting held on September 7, 2021.

h) Appointment of Mr. Tarun Puri (DIN: 02117623) as an Additional Non-Executive Independent Director of the Company on September 6, 2021 who was subsequently regularized in the Extra Ordinary General Meeting held on September 7, 2021.

i) Appointment of Ms. Abanti Mitra (DIN: 02305893) as an Additional Non-Executive Independent Director of the Company on September 6, 2021 who was subsequently regularized in the Extra Ordinary General Meeting held on September 7, 2021.

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

a) M/s. Deloitte Touche & Tohmatsu India LLP were re-appointed as the Internal Auditors of the Company for the Financial Year 2021-22 in the Board Meeting of the Company held on August 20, 2021.

b) 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 2021-22 in the Board Meeting of the Company held on March 24, 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 (except few meetings which were held at a shorter notice), 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:

i) Approval for buy back of equity shares:

- Pursuant to the approval of the Shareholders at the EGM held on June 26, 2021, the Company had bought back 27,17,172 (Twenty-Seven Lakhs Seventeen Thousand One Hundred Seventy-Two) equity shares of face value of INR 2 (Rupees Two Only) each at a price of INR 990 (Rupees Nine Hundred Ninety Only) each from the existing shareholders in accordance with Companies Act, 2013 and applicable Buyback regulations, on a proportionate basis; thus, resulting in a proportionate reduction in the Paid-up Share Capital of the Company.

ii) Sub-division of equity shares:

- Pursuant to the approval of the Shareholders at the EGM held on July 16, 2021, the Company has sub-divided its equity shares of face value of INR 2 (Rupees Two Only) each into 2 (two) equity shares having a face value of INR 1 (Rupee One Only) each. Accordingly, the Authorized Share Capital of the Company 15,05,00,000 (Fifteen Crores Five Lakhs) equity shares of INR 2 (Rupees Two Only) each were sub-divided into 30,10,00,000 (Thirty Crores Ten Lakhs) equity shares of INR 1 (Rupee One Only) each and the Issued, Subscribed and Paid-up Share Capital of the Company 12,12,16,127 (Twelve Crores Twelve Lakhs Sixteen Thousand One Hundred Twenty-Seven) equity shares of INR 2 (Rupees Two Only) each were sub-divided into 24,24,32,254 (Twenty-Four Crores Twenty-Four Lakhs Thirty-Two Thousand Two Hundred Fifty-Four) equity shares of INR 1 (Rupee One Only) each.

iii) Corporate Social Responsibility (CSR) obligations:

During the period under review, the Company's CSR Obligations were duly met as detailed in the relevant notes to the financial statements.

iv) Conversion of the Company from Private Limited Company to a Public Limited Company:

- The Company was converted from a Private Limited Company to a Public Limited Company consequent to the approval received from the Registrar of Companies, Kolkata on August 25, 2021.

v) Adoption of new set of Articles of Association:

- During the year under review, the members of the Company at the Extra-Ordinary General Meeting held on July 16, 2021 accorded their approval for substitution of existing set of Articles of Association of the Company with a new set of Articles of Association of the Company in total exclusion and substitution of the existing Articles of Association of the Company.

- During the year under review, the members of the Company at the Extra-Ordinary General Meeting held on September 4, 2021 accorded their approval for reinstating the Articles of Association of the Company in line with the amendment of the Investment Agreement executed with the Investors of the Company,

vi) Amendment in Employee Stock Option Plan:

- Pursuant to the approval of the Shareholders at the EGM held on September 4, 2021 "VFL Employee Stock Option Plan 2018" was amended and the resultant VFL Employee Stock Option Scheme 2018 which has been framed in accordance with the VFL Employee Stock Option Plan 2018 was also amended.

vii) Approval to the borrowing powers of the Company:

- Pursuant to the provisions of Section 180(1)(c) read with Section 179(3) of the Companies Act, 2013 the Board of Directors of the Company have been authorised by the members of the Company at its EGM dated September 4, 2021, to borrow by way of loan, overdraft, discounting of bills, operating of letters of credits or by way of any other credit line or facility up to an aggregate amount not exceeding INR 500 Crores (Rupees Five Hundred Crores Only).

viii) Approval to the investment limits for the Company:

- Pursuant to the provisions of Section 186 read with Section 179(3) of the Companies Act, 2013 the Board of Directors of the Company have been authorised by the members of the Company at its EGM dated September 4, 2021, to make investments of its funds in specified instruments such as mutual funds, inter-corporate deposits, debentures, government/ other securities or in arbitrage or any other mode of investments, aggregating to an amount of INR 1,000 Crores (Rupees One Thousand Crores Only).

ix) Approval of Initial Public Offering of Equity Shares through an offer for sale:

- The Company has made an Initial Public Offering (IPO) of its equity shares of face value of INR 1 (Rupee One Only) each consisting of an offer for sale of up to 3,63,64,838 (Three Crores Sixty-Three Lakhs Sixty-Four Thousand Eight Hundred Thirty-Eight) equity shares at a price of INR 866/- (Rupees Eight Hundred Sixty-Six Only) per share including a premium of INR 865/- (Rupees Eight Hundred Sixty-Five Only) per share. The Company was listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on February 16, 2022.

x) Allotment pursuant to Employee Stock Option Plan:

- The Company has made an allotment of 2,70,835 (Two Lakhs Seventy Thousand Eight Hundred Thirty-Five) equity shares against exercising of options by the Eligible Participants pursuant to the Employees Stock Option Plan of the Company on October 16, 2021 and on March 24, 2022.

xi) Disinvestment in the equity shares of the Company's Subsidiary:

- The Company has sold off its investment done in the equity of Mohey Fashions Private Limited (subsidiary) of 1,00,000 (One Lakh) Equity Shares of face value INR 10 (Rupees Ten Only) each at a price of INR 10 (Rupees Ten Only) per share, to the related parties, namely Ravi Modi and Shilpi Modi (both Directors and Shareholders).

For Vivek Mishra & Co
Company Secretaries

Vivek Mishra
Partner
FCS 8540
CP No. 17218
UDIN: F008540D000389965
Peer review: 1720/2022

Place: Kolkata
Date: May 27, 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, 4th 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

Vivek Mishra
Partner
FCS 8540
CP No. 17218
UDIN: F008540D000389965
Peer review: 1720/2022

Place: Kolkata
Date: May 27, 2022

Management Discussion and Analysis

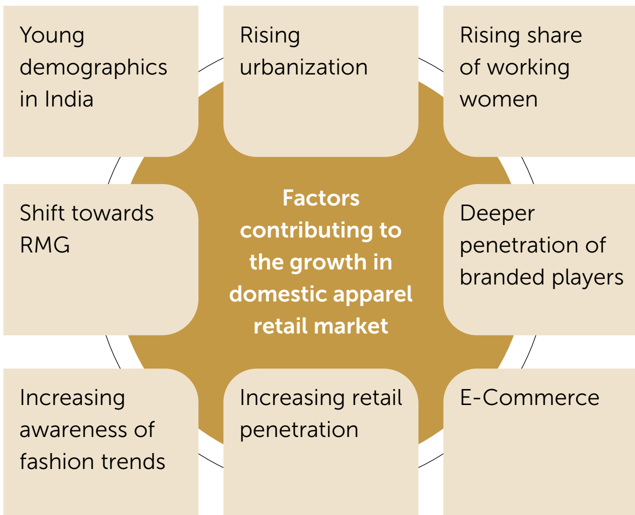
Indian economic review

A favourable business environment, strong industrial output and rapid vaccine coverage have helped the Indian economy to bounce back. According to the National Statistical Office's (NSO) second advance estimates, the Indian economy is expected to record a growth of 8.7% in FY22[1]. The Government's increased capital spending plans and investments in infrastructure and industry are expected to lower the unemployment rate which reached a six-month high of 8.1% in February, 2022.[2]

Industry Structure and Development

Overview of the apparel retail market in India

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.



Source: CRISIL Research

[1] RBI April 2022 Bulletin
[2] https://home.kpmg/in/en/home/insights/2021/04/indian-economy-insights.html

Long-term growth in the domestic market will be driven by rising working population and income levels, higher penetration of organized retail stores and e-commerce, and growing preference for RMG over tailor-made garments.

All the apparel segments to register high growth during Financial Years 2022 to 2025

Men's wear segment projected to be the fastest growing over Financial Years 2022 and 2025

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

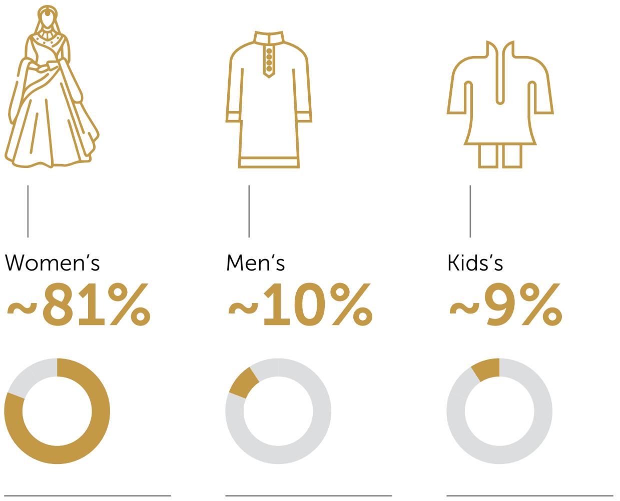
An overview of the ethnic-wear market in India

Ethnic wear accounted for approximately 32% of the apparel retail market as of Financial Year 2020 with women's wear being the largest segment

Retail market	Particulars	FY 15	FY 20	FY 25P	CAGR FY 15-20	CAGR FY 20-25
Apparel	Market size (INR in billion)	4,000	5,647	8,150-8,200	7%	7.5-8%
	Branded penetration	~18%	30%	35-40%	18-19%	12-13%
Ethnic wear	Market size (INR in billion)	1,292	1,800	2,350-2,400	7%	5.5-6%
	Branded penetration	~19%	30-35%	45-50%	18-19%	12-14%
Indian wedding and celebration wear	Market size (INR in billion)	753	1,020	1,325-1,375	6%	5.5-6%
	Branded penetration	~10%	15-20%	28-32%	27-29%	18-20%

Source: CRISIL Research

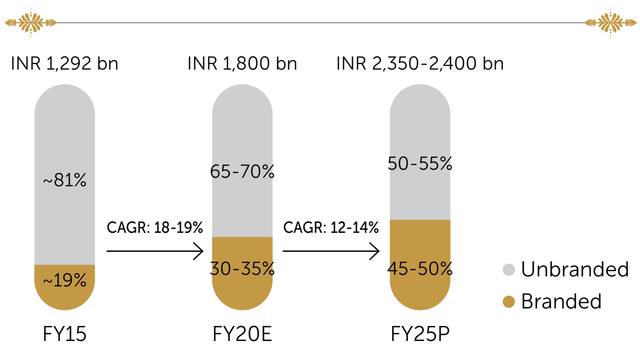
Ethnic wear in India accounted for about 32% of the overall apparel retail market in India as of Financial Year 2020. Women's ethnic wear is the largest segment of the overall market as it has found acceptance in both daily wear and office-wear categories, apart from the Indian wedding and celebration 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.



According to CRISIL Research, the ethnic apparel retail market, is estimated at approximately INR 1,800 billion in Financial Year 2020.

The large wedding market and festivals throughout the year are strong fundamental drivers of the organized ethnic wear market in India for the long term. CRISIL Research expects the ethnic apparel industry to grow at a 14% to 15% CAGR over Financial Years 2022 to 2025, reaching INR 2,350 billion to INR 2,400 billion by Financial Year 2025.

Branded apparel forms 30% to 35% of the overall ethnic apparel retail market and is growing fast



E: Estimate; P: Projection;

Note: Number above the bars represent size of the ethnic apparel retail market in India.

Source: CRISIL Research

A large portion of ethnic wear remains unbranded with the branded segment accounting for 30% to 35% of the overall ethnic-wear retail market. However, the branded segment is growing faster than the unbranded segment due to a superior customer experience, a better merchandise mix, standardized pricing, brand strength and further expansion of players beyond tier-II cities. It is likely to grow at a CAGR of 12% to 14% between Financial Year 2020 and Financial Year 2025.

An overview of the Indian wedding and celebration wear market in India

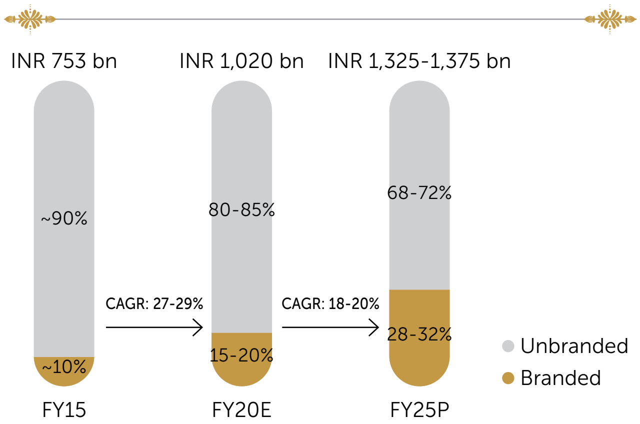
The term "Indian wedding and celebration wear" can be defined as apparel worn on special occasions such as weddings; close-knit family functions such as puja, housewarming, etc.; festivals such as Diwali, Eid, Holi, and Raksha Bandhan; and other events such as Independence Day and Republic Day.

According to CRISIL Research, Indian wedding and celebration wear apparel market is estimated to be approximately INR 1,020 billion in Financial Year 2020. The industry, due to its inherent nature, has witnessed only a temporary postponement of sales during Financial Year 2021. Given the deferred demand and the inherent nature of the industry indicating that demand is not lost, CRISIL Research expects the Indian wedding and celebration wear apparel market to grow at a 15% to 17% CAGR over the Financial Year 2022 to 2025 period, reaching INR 1,325 billion to 1,375 billion by Financial Year 2025, led by the fundamental nature of the industry, higher spending per consumer and the increasing trend of multi-day wedding functions in India. 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. Key brands such as Manyavar and Mohey have propelled their sales through celebrity advertisements to attract youth.

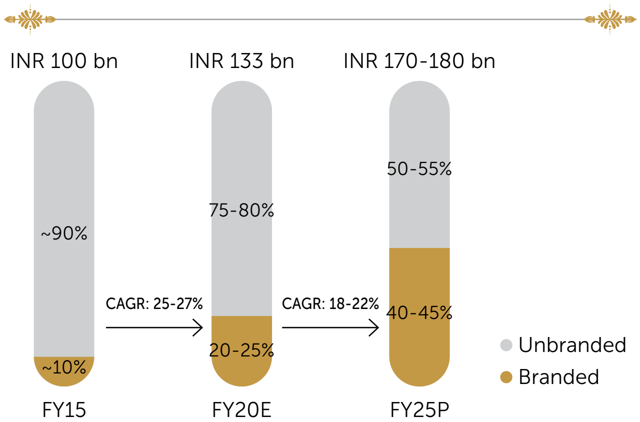
Market largely unbranded with a huge potential for growth

The share of branded apparel retailers within Indian wedding and celebration wear apparel market is currently low, at approximately 15% to 20%, indicating huge potential for branded players. Given low penetration levels, there is huge potential for branded players beyond metros and tier-I cities, along with scope for new brands. For both men's and women's Indian wedding and celebration wear, the branded section grows at differential rates, with the branded market expected to grow at a faster rate due to an increase in availability of various pan-India and regional brands providing consistent quality merchandise with attractive and contemporary designs at uniform pricing along with superior customer experience. Hence, the branded segment is set to grow at a CAGR of 18% to 20% between Financial Year 2020 and Financial Year 2025 and account for 28% to 32% of the Indian wedding and celebration wear market.

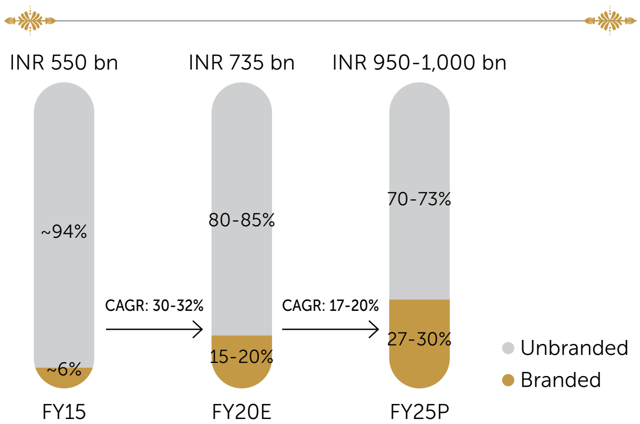
Branded segment accounts for 15-20% of the Indian wedding and celebration wear apparel retail market and is growing fast



Men's Indian wedding and celebration wear apparel retail market size



Women's Indian wedding and celebration wear apparel retail market size



E: Estimate; P: Projection;

Note: Number above the bars represent size of the Indian wedding and celebration wear apparel retail market in India.

Source: CRISIL Research

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 their 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 their brands 'Twamev' and 'Manthan', and in the women's Indian wedding and celebration wear market, through their 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 2022, around 89 % 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) and mobile application.

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
Manyavar	1999*	Men's and boys' flagship brand	Mid-premium	EBOs, MBOs, LFS, e-commerce
Mohey	2015	Women's flagship brand	Mid-premium	EBOs and ecommerce
Mebaz	2017**	Men's, women's, and kids' brand for the South Indian market	Mid-premium to premium	EBOs
MANTHAN	2018#	Men's value brand	Value	MBOs, LFS, ecommerce
twamev	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, 2022, we had a retail footprint of 1.3 million square feet covering 583 EBOs (including shop-in-shops) spanning across 223 cities and towns in India, and 12 EBOs overseas across the United States, Canada, 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*), our mobile application 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 developed a mobile application and an upgraded website to support the customer product selection and sales processes.

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 "Diwali 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 the 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 has also constituted a Risk Management Committee during the year under review, comprising of three Directors out of which two are Independent Directors, the terms of reference of which includes to monitor the major risks and concerns at regular intervals. The Company has assessed the risks and there is an adequate risk management infrastructure in place capable to identify and mitigate the risks.

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	2021-22	2020-21	Difference (%)
Debtors' turnover	2.65	1.43	85.31%
Inventory turnover	8.37	5.06	65.42%
Interest coverage ratio	Not Applicable, since the Company has no Borrowings involving interest coverage.		
Current ratio (in times)	3.06	3.82	(19.90%)
Debt equity ratio (in times)	0.24	0.19	26.32%
Net profit margin (in %)	30.57%	24.10%	26.85%
Return on net worth (in %)	46.80%	21.44%	118.28%

Reasons for variance of more than 25% in above ratios: Due to outbreak of COVID 19 in FY 2020-21 and nationwide lockdown for a significant period, the revenue, purchase, and profitability of the company was significantly affected during FY 2020-21 as compared to FY 2021-22, resulting into improvement in ratio during FY 2021-22.

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 704 employees including 295 contracted employees.

For the financial years ended March 31 of 2021 and 2022, the employee benefits expense amounted to INR 365.91 million and INR 561.28 million, respectively, representing 8.68% and 8.72%, 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 enshrined 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.

a) Composition and Category of Directors

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, 2022 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 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
A. EXECUTIVE DIRECTORS	
Mr. Ravi Modi (DIN: 00361853	Chairman & Managing Director (Chairman related to promoter)
Mrs. Shilpi Modi (DIN: 00361954)	Whole time Director
B. NON-EXECUTIVE & NON-INDEPENDENT DIRECTORS	
Mr. Sunish Sharma (DIN: 00274432)	Non-Executive Director
C. NON-EXECUTIVE & INDEPENDENT DIRECTORS	
Mr. Manish Mahendra Choksi (DIN: 00026496)	Non-Executive & Independent Director
Mr. Tarun Puri (DIN: 02117623)	Non-Executive & Independent Director
Ms. Abanti Mitra (DIN: 02305893)	Independent Director

As at March 31, 2022, 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, 2022 have been made by the Directors.

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.

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

Number of Board Meeting	Dates on which Board Meetings Held
VFPL/BM/21-22/01	June 4, 2021
VFPL/BM/21-22/02	June 25, 2021
VFPL/BM/21-22/03	July 13, 2021
VFPL/BM/21-22/04	August 20, 2021
VFPL/BM/21-22/05	August 28, 2021
VFPL/BM/21-22/06	September 3, 2021
VFPL/BM/21-22/07	September 6, 2021
VFPL/BM/21-22/08	October 16, 2021
VFPL/BM/21-22/09	November 8, 2021
VFPL/BM/21-22/10	January 22,2022
VFPL/BM/21-22/11	February 9, 2022
VFPL/BM/21-22/12	February 28, 2022
VFPL/BM/21-22/13	March 24, 2022

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

The Board met thirteen (13) times during the FY 2021-22. 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 28th July 2021
	June 4, 2021	June 25, 2021	July 13, 2021	August 20, 2021	August 28, 2021	September 3, 2021	September 6, 2021	October 16, 2021	November 8, 2021	January 22,2022	February 9, 2022	February 28, 2022	March 24, 2022	
Mr. Ravi Modi	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Mrs. Shilpi Modi	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Mr. Manish Mahendra Choksi	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	P	P	P	P	P	P	P	N.A.
Mr. Sunish Sharma	P	P	P	P	P	P	P	P	P	P	P	P	P	N.A.
Mr. Tarun Puri	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	P	P	P	P	P	P	P	N.A.
Ms. Abanti Mitra	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	P	P	P	P	P	P	P	N.A.
*Mr. Ajay Modi	P	P	P	P	P	P	P	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	P
**Mr. Sanjeev Aga	P	P	P	P	P	P	P	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	A
***Mrs. Usha Devi Modi	A	P	P	P	P	A	P	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	P

* Mr. Ajay Modi has resigned from the Board w.e.f. September 6, 2021.

** Mr. Sanjeev Aga has resigned from the Board w.e.f September 6, 2021.

*** Mrs. Usha Devi Modi has resigned from the Board w.e.f. September 6, 2021.

Note:

1. During FY 2021-22, 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, 2022 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
Ms. Abanti Mitra	4	• Spandana Sphoorty Financial Limited (Non-Executive - Independent Director)	5	5
Mr. Manish Mahendra Choksi	10	• Asian Paints Limited (Non-Executive – Non Independent Director)	3	-
Mr. Ravi Modi	2	None	None	None
Mrs. Shilpa Modi	3	None	None	None
Mr. Tarun Puri	-	None	None	None
Mr. Sunish Sharma	2	• Spandana Sphoorty Financial Limited (Non-Executive - Nominee Director)	None	None

As at March 31, 2022, 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, 2022 have been made by the Directors.

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 Mr. Sunish Sharma Mr. Manish Mahendra Choksi Mr. Tarun Puri Ms. Abanti Mitra
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 Mr. Manish Mahendra Choksi Ms. Abanti Mitra
Interpersonal relations, human resources management, communication, corporate social responsibility including environment and sustainability	Mr. Ravi Modi Mrs. Shilpi Modi Mr. Sunish Sharma Mr. Manish Mahendra Choksi Mr. Tarun Puri
Technical, professional skills and knowledge including legal, governance and regulatory aspects	Mr. Ravi Modi Mr. Sunish Sharma Mr. Manish Mahendra Choksi Mr. Tarun Puri Ms. Abanti Mitra

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

Name of Directors	No. of Shares and Convertible instruments held
Mr. Manish Mahendra Choksi (DIN:00274432)	Nil
Mr. Tarun Puri (DIN: 02117623)	Nil
Ms Abanti Mitra (DIN: 02305893)	Nil
Mr. Sunish Sharma (DIN: 00274432)	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 is 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 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.

Terms of reference of Audit Committee

The terms of reference of Audit Committee includes:

1. 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;
2. 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;
3. Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   (i) 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;
   (ii) Changes, if any, in accounting policies and practices and reasons for the same;
   (iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
   (iv) Significant adjustments made in the financial statements arising out of audit findings;
   (v) Compliance with listing and other legal requirements relating to financial statements;
   (vi) 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 four times during the FY 2021-22. 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			
		November 8, 2021	January 25, 2022	February 28, 2022	March 24, 2022
Ms. Abanti Mitra, Independent Director	Chairperson of the Committee	Yes	Yes	Yes	Yes
Mr. Ravi Modi, Chairman & Managing Director	Member	Yes	Yes	Yes	Yes
Mr. Manish Mahendra Choksi, Independent Director	Member	Yes	Yes	Yes	Yes

The Company Secretary acts as the Secretary of the Committee.

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 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 24th March, 2022 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 2022.

Composition, Number of members, Chairperson, Meetings and Attendance

The Committee met twice during the FY 2021-22. The attendance of the Directors at the said Meeting was:

Members of the Nomination and Remuneration Committee	Designation	Nomination and Remuneration Committee Meetings Held On	
		October 16, 2021	March 24, 2022
Mr. Tarun Puri, Independent Director	Chairperson of the Committee	Yes	Yes
Mr. Manish Mahendra Choksi, Independent Director	Member	Yes	Yes
Mr. Sunish Sharma, Non-executive Director	Member	Yes	Yes

5. Details of remuneration for the year ended March 31, 2022:

(i) Executive Directors

in INR)

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	12,85,49,050/-	-	-	-	-	12,85,49,050/-
Mrs. Shilpi Modi	8,92,24,525/-	-	-	-	-	8,92,24,525/-
Total	**21,77,73,575/-**	**-**	**-**	**-**	**-**	**21,77,73,575/-**

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, 2022:

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

(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
Separate Meeting of Independent Director	40,000.00
CSR Committee	40,000.00

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*)

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

During the FY 2021-22, the following were the sitting fees paid for attending Board Meeting and other Committee Meetings and the Commission paid to the Non-Executive Directors. This also includes the sitting fees paid to the Independent Directors for attending Separate meeting of the Independent Directors:

Name of the Director	Board Committee Memberships in the Company	Total sitting fees received (INR)	Commission (INR)
Mr. Manish Mahendra Choksi	Audit Committee Nomination and Remuneration Committee Risk Management Committee	7,30,000.00	9,71,370.00
Mr. Sunish Sharma	Nomination and Remuneration Committee	NIL	NIL
Mr. Tarun Puri	Nomination and Remuneration Committee Risk Management Committee Corporate Social Responsibility Committee	5,70,000.00	11,31,370.00
Ms. Abanti Mitra	Audit Committee Stakeholder Relationship Committee	6,30,000.00	10,71,370.00

During the financial year 2021-2022, no stock options were granted to any of the directors of the company. The Company does not pay any performance incentives or severance fees.

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 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 one time during the FY 2021-22. The attendance of the Directors at the said meetings was:

Members of the Stakeholders Relationship Committee	Designation	Stakeholders Relationship Committee Meeting Held On March 24, 2022
Ms. Abanti Mitra, Independent Director	Chairperson of the Committee	Yes
Mr. Ravi Modi, Chairman & Managing Director -Executive	Member	Yes
Mrs. Shilpi Modi Executive Director	Member	Yes

The Company Secretary acts as the Secretary of the Committee.

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

The Company has not received any investor complaints during the FY 2021-22.

Number of complaints received and resolved during the year:

Number of complaints pending at the beginning of the financial year 2021-22	NIL
Number of complaints received during the year 2021-22	NIL
Number of complaints redressed during the year 2021-22	NIL
Number of complaints pending at the end of the financial year 2021-22	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 one time during the FY 2021-22. The attendance of the Directors at the said meetings was:

Members of the Risk Management Committee	Designation	Risk Management Committee Meeting Held On March 24, 2022
Mr. Ravi Modi, Chairman & Managing Director -Executive	Chairperson of the Committee	Yes
Mr. Manish Mahendra Choksi Independent Director	Member	Yes
Mr. Tarun Puri Independent Director	Member	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

The Committee met five times during the FY 2021-22. The attendance of the Directors at the meetings was:

Members of the IPO Committee	Designation	IPO Committee Meetings Held On				
		September 9, 2021	January 22, 2022	February 03, 2022	February 09, 2022	February 11, 2022
Mr. Ravi Modi, Chairman & Managing Director	Chairperson of the Committee	Yes	Yes	Yes	Yes	Yes
Mrs. Shilpi Modi Executive Director	Member	Yes	Yes	Yes	Yes	Yes
Mr. Sunish Sharma, Non-executive Director	Member	No	Yes	Yes	Yes	Yes

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 2021-22	NIL	NIL
Number of complaints filed during the year 2021-22	NIL	NIL
Number of complaints disposed of during the year 2021-22	NIL	NIL
Number of complaints pending at the end of the financial year 2021-22	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 2021-22. The attendance of the Directors at the said Meeting was:

Members of the CSR Committee	Designation	CSR Committee Meeting Held On	
		May 11, 2021	March 24, 2022
Mr. Ravi Modi Chairman & Managing Director - Executive	Chairperson of the Committee	Yes	Yes
Mrs. Shilpi Modi Executive Director	Member	Yes	Yes
Mr. Tarun Puri Independent Director	Member	-	Yes
*Mr. Ajay Modi Whole Time Director	Member	Yes	-

** Mr. Ajay Modi has resigned from the Board w.e.f. September 6, 2021.*

The CSR Policy is available on the Company's website (weblink: *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 2021-22 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 24, 2022 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*)

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*)

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*)

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, 2022. 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-subsidiary-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 details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to M/s S.R. Batliboi & Co., LLP, Chartered Accountants, the statutory auditor 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)	3.50
Services for other matters	0.87
Re-imbursement of out-of-pocket expenses	0.02
Total	**4.39**

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
1.	Manyavar Creations Private Limited	INR 40,00,000/-	8.50% p.a.	Business

j) Recommendations of the Committees of the Board

There were no such instances during the financial year 2021-22, 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.

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.

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 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

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
19th	March 31, 2021	July 28, 2021 4:00 P.M.	"The Vedic Village", Shikharpur, P.O. Bagu, Rajarhat, Landmark-Lauhati, Kolkata 700135	NIL
18th	March 31, 2020	September 30, 2020 12.00 P.M.	19, Canal South Road, Paidhan Garment Park, SDF-1, 4th Floor, A501-A502, Kolkata – 700015	NIL
17th	March 31, 2019	September 28, 2019 12.00 P.M.	19, Canal South Road, Paidhan Garment Park, SDF-1, 4th Floor, A501-A502, Kolkata – 700015	YES; Approval for adoption of restated set of Articles of Association of the Company.

(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**

Mrs. Shilpi Modi is retiring by rotation and being eligible offer herself for re-appointment. Her details are 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 2021-22**

Date & Time	September 8, 2022 (03.30 P.M.) (IST)
Venue	Through Video Conferencing/OAVM (Deemed Venue-Registered Office of the Company)
Book Closure Date for Final Dividend	Friday, September 2, 2022

(b) **Dividend Payment Date :** Within 30 days from the date of Annual General Meeting.

Unclaimed Dividend

There were no Unclaimed Dividend in the past years.

Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund

There were no Unclaimed Dividend in the past years; hence, no shares were transferred to Investor Education and Protection Fund.

(c) **Tentative Calendar for the FY 2022-23 (subject to change)**

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

(d) Registrar and Share Transfer Agent

KFin Technologies Limited (formerly known as KFin Technologies Pvt Limited)
Selenium, Tower B, Plot no. 31 & 32,
Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi,
Telangana – 500 032, India
Contact no.: 040 67161700 / 18003094001
Email ID: einward.ris@kfintech.com
Website: *www.kfintech.com*

(e) 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.

(f) Listing on Stock Exchanges & Stock Code

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

Listing fees for the FY 2022-23 has been paid to the above Stock Exchanges.

(g) Stock market price data and Performance in comparison to BSE Sensex/Nifty 50 for the year 2021-22

(i) BSE Limited

Month 2022	High (INR)	Low (INR)	Quantity Traded (No. of Shares)	BSE SENSEX	
				High	Low
January	N.A.	N.A.	N.A.	61308.91	57200.23
February	934.84	813.25	736185	59558.33	54529.91
March	965.40	833.20	66807	58683.99	52842.75

(ii) National Stock Exchange of India Limited

Month 2022	High (INR)	Low (INR)	Quantity Traded (Shares)	NIFTY 50	
				High	Low
January	N.A.	N.A.	N.A.	18308.10	17101.95
February	933.55	813.35	28345732	17780.00	16247.95
March	966.95	832.80	8007093	17498.25	15863.15

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

(i) 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.

(j) Shareholding pattern and distribution of shares as on March 31, 2022

Category	Shareholders		Shares	
	Numbers	% of shareholders	Numbers	% of shares
Upto - 5000	61806	99.72	2953056	1.22
5001 - 10000	32	0.05	232016	0.10
10001 - 20000	34	0.06	459891	0.19
20001 - 30000	12	0.02	291864	0.12
30001 - 40000	8	0.01	294292	0.12
40001 - 50000	5	0.01	231791	0.09
50001 - 100000	19	0.03	1382537	0.57
100001 and above	65	0.10	236857642	97.59
Total	**61981**	**100.00**	**242703089**	**100.00**

Shareholding Pattern as on March 31, 2022

Sl. No.	Category	Total Number Of Shares	Total Shareholding As A Percentage Of Total Share Capital
1	Promoter/Promoters Group	206067416	84.91
2	Mutual Funds/UTI	20294374	8.36
3	Financial Institutions/Banks	-	-
4	Insurance Companies	-	-
5	Central/State Government(s)	-	-
6	Bodies Corporate	-	-
7	Investor Education and Protection Fund Authority	-	-
8	Indian Public	16341299	6.73
9	Resident Individual (HUF)	-	-
10	NRI / Foreign National /OCB	-	-
11	NBFCs registered with RBI	-	-
12	Domestic Corporate Unclaimed Shares Account	-	-
	Total	**242703089**	**100**

(k) Dematerialization of shares and liquidity

As on March 31, 2022, 100% of the Company's total shares representing 24,27,03,088 shares (except 1 equity share held in physical) were held in dematerialised form. The entire promoter holding are in dematerialised form.

(l) 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.

(m) 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.

(n) 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.

(o) Compliance Officer

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

(p) Credit Rating

During the year under review, the following rating has been assigned to the Company by CRISIL by its letter dated May 18, 2021:

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

(p) Manufacturing/ Warehouse Units

• Part-C, Block-A, Srijan Industrial Logistics Park, NH-6, Bombay Road, Mohiary, Chandni Bagan, Dhulagarh, Howrah-711302, West Bengal	• 2nd, 3rd & 4th Floors, Block-15, Regent Garment & Apparel Park, 64/1/1/26, Jessore Road (East) Barasat, Kolkata–700124, West Bengal

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: August 8, 2022

Ravi Modi
Chairman & Managing Director

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 2021-22, 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 cum Managing Director
DIN: 00361853

Date: August 8, 2022
Place: Kolkata

Certificate on Corporate Governance

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

We have examined the compliance of conditions of corporate governance by **VEDANT FASHIONS LIMITED (*formerly known as Vedant Fashions Private Limited*)**, (hereinafter referred to as "the Company") for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedures and implementation adopted by the Company for ensuring compliance conditions of the 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 SEBI Listing Regulations for the year ended on March 31, 2022.

We state that no investor's grievance/complaint has been received or pending unresolved as on March 31, 2022.

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

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

Vivek Mishra
Partner
FCS 8540 | CP No. 17218
UDIN: F008540D000747993
Peer Review – 1720/2022

Date: August 5, 2022
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, 4th Floor, A501-A502 Kolkata WB 700015 IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VEDANT FASHIONS LIMITED (*formerly known as Vedant Fashions Private Limited*)** bearing CIN: L51311WB2002PLC094677 and having registered office at 19 Canal South Road, Paridhan Garment Park, SDF-1, 4th Floor, A501-A502, Kolkata, WB, 700015 (IN) **(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 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*) 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, 2022 have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority.

Sr. No.	Name of Directors	DIN	Date of appointment in Company*
1	Ravi Modi	00361853	24/05/2002
2	Shilpi Modi	00361954	24/05/2002
3	Sunish Sharma	00274432	24/08/2017
4	Manish Mahendra Choksi	00026496	06/09/2021
5	Tarun Puri	02117623	06/09/2021
6	Abanti Mitra	02305893	06/09/2021

*The date of appointment is as per the MCA Portal.

Ensuring the eligibility of 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

Vivek Mishra
Partner
FCS 8540 | CP No. 17218
UDIN: F008540D000747993
Peer Review – 1720/2022

Date: August 5, 2022
Place: Kolkata

Managing Director & Chief Financial Officer Certification

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

Date: **May 9, 2022**

To,
The Board of Directors
Vedant Fashions Limited
19, Canal South Road,
Paridhan Garment Park,
SDF-1, 4th Floor, A501-502,
Kolkata – 700015, WB

Sub: MD and CFO Compliance Certificate on Financial Statements for the financial year ended March 31, 2022 ("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, 2022 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 Report 2021-22

{Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015}

Section A – General Information About The Company

Details of the Listed entity

1.	Corporate Identity Number (CIN) of the Company	L51311WB2002PLC094677
2.	Name of the Company	VEDANT FASHIONS LIMITED
3.	Registered Address	Paridhan Garment Park, 19 Canal South Road, SDF-1, 4th Floor, A501-A502, Kolkata 700015
4.	Website	www.vedantfashions.com
5.	E-mail ID	secretarial@manyavar.com
6.	Telephone	91 033 61255353
7.	Financial Year reported	2021-2022
8.	Name of the Stock Exchanges where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
9.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Wearing Apparel and Accessories (NIC Code – 1410)
10.	List three key products / services that the Company manufactures / provides (as in balance sheet)	Sherwanis, Indo-Western and Kurta
11.	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations	Nil
	ii. Number of National Locations	**Registered & Corporate Office:** • Paridhan Garment Park, 19 Canal South Road, Kolkata 700015 **Manufacturing/ Warehouse Units:** • Part-C, Block-A, Srijan Industrial Logistics Park, NH-6, Bombay Road, Mohiary, Chandni Bagan, Dhulagarh, Howrah-711302, West Bengal • 2nd, 3rd & 4th Floors, Block-15, Regent Garment & Apparel Park, 64/1/1/26, Jessore Road (East) Barasat, Kolkata–700124, West Bengal Note: The details of only the major locations where manufacturing and warehousing activities are carried out have been included above.
12.	Markets served by the Company	National / International
13.	Reporting Boundary (Disclosures under this report made on standalone or on a consolidated basis)	Standalone

Section B – Financial Details of The Company

1.	Paid up Capital (INR)	INR 242.70 Millions
2.	Total Turnover (INR)	INR 10,087.45 Millions
3.	Total Profit after Taxes (INR)	INR 3,083.54 Millions
4.	i. Whether CSR is applicable as per section 135 of the Companies Act, 2013	Yes
	ii. Turnover (in INR)	INR 10,087.45 Millions
	iii. Net Worth (in INR)	INR 10,841.31 Millions
	iv. Total Spending on Corporate Social Responsibility (CSR) as percentage of average Net profit of the Company for last 3 financial years (INR)	The Company's total spending on CSR for the year ended March 31, 2022 was INR 52.05 millions which is 2.002% of the average net profit of previous three (3) financial years calculated as per Section 198 of the Companies Act, 2013.
5.	List of activities in which expenditure in 4 above has been incurred:	Environment, Sustainability & Animal Welfare, Healthcare, Education.

Section C – Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has 1 (one) wholly-owned Subsidiary viz. Manyavar Creations Private Limited.
2.	Do the Subsidiary Company / Companies participate in the Business Responsibility (BR) initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(ies)?	The Subsidiaries are encouraged to participate in the BR initiatives of the Company.
3.	Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	No

Section D – Business Responsibility ('BR') Information

Details of Directors Responsible for BR / Details of the BR Head

Name	Designation	DIN No.	Telephone Number	Email ID
Mr. Ravi Modi	Chairman & Managing Director	00361853	03361255353	secretarial@manyavar.com

Principle-wise BR Policy as per National Voluntary Guidelines:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P-1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P-2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P-3	Businesses should promote the well-being of all employees.
P-4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P-5	Businesses should respect and promote human rights.
P-6	Businesses should respect, protect and make efforts to restore the environment.
P-7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P-8	Businesses should support inclusive growth and equitable development.
P-9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Principle-wise BR Policy / Policies [Reply in Yes (Y) / No (N)]

Respect and integrity for its people, environment and other businesses have always been the major motives of your Company while fulfilling its responsibilities. Your Company believes in maintaining the highest standards of corporate behavior towards people / entities it works with, the communities it has a "connect" with, and the environment it thrives on.

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy / policies for...	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?	The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.						N.A.	Same as the comment under P1 to P6	
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	N	N	Y	Y	N	N.A.	Y	N
5.	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
6.	Indicate the link for the policy to be viewed online	View restricted to the relevant stakeholders						N.A.	View restricted to the relevant stakeholders	
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders of the Company. The communication is under an on-going process to cover all stakeholders with the best efforts possible.						N.A.	Same as the comment under P1 to P6	
8.	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	N.A.	Y	Y
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	The Company is working on developing and improving its process for evaluating the implementation of the policies. The policies are evaluated internally from time to time and updated whenever required.						N.A.	Same as the comment under P1 to P6	

If answer to the question above against any principle, is 'No', please explain why: (Tick upto 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principle	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles?	-	-	-	-	-	-	-	-	-
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	It is planned to be done within the next six months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next one year	-	-	-	-	-	-	-	-	-
6.	Any other reasons (please specify)	-	The Policy has been approved by the relevant department head and implemented	The Policy has been approved by the relevant department head and implemented	-	-	The Policy has been approved by the relevant department head and implemented	The Company doesn't have any stated policy on influencing public and regulatory policy. However, it is a member of certain business and industrial associations	-	The Policy has been approved by the relevant department head and implemented

Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Company's shares got listed at BSE Limited and National Stock Exchange of India Limited on Wednesday, February 16, 2022. This is the first time that the provisions of BR have become applicable to the Company. Going forward, it is envisaged that the BR performance will be reviewed annually. We believe that such an annual review of BR performance will play a crucial role in enabling enhanced performance and alignment of business with stakeholder needs year on year.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR report is published as part of our annual report disclosures and is available online at *www.vedantfashions.com*.

Section E – Principle-Wise Performance

Principle 1: Businesses Should Conduct and Govern Themselves with Ethics, Transparency and Accountability.

The Company has defined the Code of Conduct for its Directors and employees that cover issues related to ethics, workplace responsibilities and conflict of interest. It also covers dealings with suppliers, customers and other business associates. The Company has also put in place a Whistle Blower Policy in order to enable employees and others to bring to the notice of Board and management, any wrongdoing or unethical practices observed in the Company. The suppliers / contractors / business associates dealing with the Company are also encouraged to maintain ethical standards in all their practices.

The Company also complies with Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI). Concerned employees are covered by this Code of conduct for prevention of insider trading, pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended. These policies are reviewed periodically and updated as required. Any non-compliance with these policies is viewed seriously by the Compliance Officer and Board and actions commensurate with proven violations are initiated as required.

The aforementioned Codes/Policies have been uploaded on the website of the Company viz. *www.vedantfashions.com* under the "Investors" section.

During the financial year 2021-22, the Company has not received any complaints in relation to ethics, bribery or corruption. No fines/penalties/punishments/award/compounding fees/settlement amount being paid in proceeding with regulators/law enforcement agencies/judicial institution by the Company or by any of the directors of the Company. No disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

Principle 2: Businesses Should Provide Goods and Services that are safe and Contribute to Sustainability Throughout their Life Cycle.

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 ensure that the workers in our supply chain are treated with dignity and respect.

The Company is committed to environment sustainably. The Company works towards reduction and optimal utilization of energy, water, raw material, logistics etc. by incorporating new techniques and innovative ideas. As consumption per unit depends on the product mix, there are no specific standards to ascertain reduction achieved at each product level. The Company's products do not have any broad-based impact on energy and water consumption by consumers. The Company has a formal Quality Control (QC) process to ensure appropriate quality of products delivered.

The Company endeavours to focus on protection of environment, stakeholders' interest and cost effectiveness while procuring any raw material or goods. The main raw materials are procured from manufacturers/ producers who are well reputed keeping in mind the need for quality and consistency. Adequate steps are taken for safety during transportation and optimization of logistics, which, in turn, help to mitigate the impact on climate.

Supply chain of the apparel sector is very complex in nature & operates in highly competitive business environment. Therefore, not only the performance of organization is critical but also the performance of the vendors/jobbers. Even though we place utmost importance on regular audits, our approach towards our vendors/jobbers is collaborative which involves regular engagement. The Company procures accessories, raw materials, finished goods and carry out job work of various manufacturing processes from local and small vendors as well. While doing so, continuous interaction (including financial support, knowledge and deputation/visits to share the technical know-how and train the staff) is carried out with regards to development and execution. The Company continued to support and encourage vendors & jobbers for their growth during the COVID-19 pandemic. The Company also offered employment to local artisans & embroidery workers across India.

Hazardous Waste is disposed following guidelines and regulations to ensure zero waste to landfill.

Principle 3: Businesses Should Promote The Well-Being of all Employees

Employees are the key asset of any Company. It is our constant endeavour to provide a safe, productive and positive environment for our employees, thus supporting them, so that they are able to maintain a healthy work-life balance, and develop their professional as well as personal skills.

The details with respect to the employees of the Company have been mentioned hereunder:

- Total number of employees- 704
- Total number of employees hired on temporary / contractual / casual basis - 295
- Number of permanent women employees - 87
- Number of permanent employees with disabilities- Nil
- Percentage of permanent employees is members of this recognized employee association - N.A.
- Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the financial year and pending, as on the end of the financial year - Nil.
- Percentage of under mentioned employees that were given safety & skill up-gradation training in the last year - Permanent Employees - 92.76%; Permanent Women Employees - 75.86%; Casual/ Temporary/ Contractual Employees – 7.80%; Employees with disabilities - N.A.

Your Company takes a rigid stand against the barbaric practices relating to child labour, forced labour, involuntary labour and discriminatory employment. The Policy on Prevention of Sexual Harassment at Workplace (POSH) has been adopted across the organisation to ensure a work environment that is professional and mature, free from animosity, and one that reinforces the Company's value of integrity, that includes respect for the individuals.

Your company has taken sufficient measures for the well-being of employees by providing Health insurance, etc. The Company has also provided retirement benefits to its employees.

Your Company has been able to create an environment which promotes the concept of respecting every employee, at all levels and henceforth, your Company has not received any complaints with regard to child labour/ forced labour/ involuntary labour, sexual harassment or discriminatory employment during the period under review.

Principle 4: Businesses Should Respect The Interests of, and Be Responsive Towards all Stakeholders, Especially Those who are Disadvantaged, Vulnerable and Marginalized.

Internal and external group of stakeholders have been identified. Presently the given stakeholder groups have the immediate impact on the operations and working of the company. This includes Employees, Shareholders & Investors, Customers, Communities and Vendors.

The Company has also identified specific areas like empowering underprivileged/vulnerable stakeholders, which help them to improve their standard of living.

The Company is committed to making differences in the lives of under privileged and economically challenged citizens. In line with the Company's CSR philosophy and policy, it takes various initiatives in the area of Health, Education, Improvement in lives of people in weak section of society and Women Empowerment for betterment of such stakeholders.

Principle 5: Businesses Should Respect and Promote Human Rights.

The Company remains committed to respect and protect human rights. The Company's Code of Business Conduct & Ethics and the human resource practices cover most of the aspects. The Company does not hire child labour, forced labour or involuntary labour. This practice extends across the Company's Group.

The Company has not received any human rights related stakeholder's complaints during the financial year ended on March 31, 2022.

Principle 6: Businesses Should Respect, Protect and Make Efforts to Restore The Environment.

The Company's policy on this principle is extended to its subsidiary which follow and adopt the practices/policies of the Company.

We strive to positively contribute towards a sustainable ecosystem by ensuring the highest level of responsibility and transparency in our business operation. Adhering to all environmental compliances, we constantly innovate and work towards mitigating environmental risks and upgrading our existing measures.

For instance, all warehouses/ offices/ stores' premises are equipped with energy efficient solutions (LED). The Company has also purchased electrical car for saving energy and to increase our sustainability footprint. The Company aims at getting with sustainability year after year.

In line with the Company's commitment towards conservation of energy, all its units continue with their efforts to reduce wastage, optimise consumption and also to improve energy efficiency through innovative measures.

Yes, the Company has a mechanism to identify and assess risks including environmental risks.

The Emissions/Waste generated by the Company, if any, are within the permissible limits given by Central Pollution Control Board (CPCB)/ State Pollution Control Board (SPCB). No show cause/ legal notices have been received from CPCB/ SPCB during the year under review.

Principle 7: Businesses, When Engaged in Influencing Public and Regulatory Policy, Should do so in a Responsible Manner.

Your Company's collaborations with industrial / commercial associations and academia demonstrates its approach towards addressing sustainability challenges faced by the society.

Your Company aims to create an environment that encourages supportive deliberations made in a responsible way. Your Company has its representation in several business and industrial associations such as Confederation of Indian Industry, Bharat Chamber of Commerce, Retailers Association of India, The Clothing Manufacturers Association of India, Eastern India Garment Manufacturers & Exporters Federation etc.

Your Company ensures that these platforms are effectively utilised to address key issues which affect the industry.

Principle 8: Businesses Should Support Inclusive Growth and Equitable Development

The Corporate Social Responsibility (CSR) spend of the Company during the year was INR 52.05 Millions.

The CSR Committee of the Board sets the direction and focus areas for CSR Policies, Strategies, Programmes and initiatives. It also outlines the detail CSR budget and the CSR plan. This is presented and approved by the Board of Directors. The CSR Committee monitors the implementation of the initiatives that are approved by the Board.

The Company has been actively contributing to various Foundations/Trusts that conduct heart surgeries of underprivileged children. It supports children vulnerable to exploitation, victimization and trafficking, including orphans, street children, abandoned children and extremely impoverished children from tribal areas through the following organizations:

Manas Foundation:

Manas Foundation is a non-profit, private charitable organization, under the trusteeship of Mr. Ravi Modi and Mrs. Shilpi Modi (Promoters of the Company) and Mr. Vedant Modi. It strives to help children with heart ailments, conduct surgeries and treat children born with Congenital Heart Disease.

Friends of Tribal Society (FTS):

A voluntary organization committed to the upliftment of tribals and other deprived communities in rural India by providing basic education to their children and offering villagers health care, development and empowerment education. We believe literacy is the key to progress. The Company has also assisted in establishing various Ekal Vidyalayas - One Teacher Schools (OTS) in tribal areas across the country.

Parivaar – West Bengal's largest free Residential Institution for Children:

A humanitarian service organization, based in 24 Parganas in West Bengal, working for complete care and overall development of orphans, girls who are highly vulnerable to exploitation, victimization and trafficking with its own formal school 'Amar Bharat Vidyapeeth' for resident children.

The impact assessment of CSR activities during the year 2021-22 was not mandatorily applicable to the Company. The CSR spending for the year 2021-22 was INR 52.05 Millions, reaching out to numerous beneficiaries through various initiatives including COVID-19 prevention and support measures.

Principle 9: Businesses Should Engage with and Provide Value to Their Customers and Consumers in a Responsible Manner.

A well-established mechanism is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. All complaints are appropriately addressed and all efforts are taken to resolve the same. Any complaint received are cleared on ongoing and priority basis.

The Company adheres to all legal statutes with respect to product labelling and display of product information. The Company also displays product information on the product's label. The information on products and services of the entity can be accessed from https://www.vedantfashions.com/.

No cases were filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

Consumer feedback Surveys are periodically taken to assess the consumer satisfaction levels and consumer trends.

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 accompanying standalone financial statements of Vedant Fashions Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 for the financial year ended March 31, 2022. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
Recognition of revenue (as described in Note 30 of the standalone financial statements)	
The Company recognizes revenues when the control of goods are transferred to the customer and when there are no unfulfilled obligations under the terms of contracts with customers. Revenue reflects aggregate consideration that the Company is entitled to in exchange of products in accordance with the terms of contracts with customers. The terms of sales arrangements, including the timing of transfer of control, based on the terms of relevant contract and nature of revenue arrangements and management's assessment of expected returns based on experience and best judgement, creates complexities that require judgment in determining revenues.	Our audit procedures included the following: • Assessed the Company's accounting policy for revenue recognition and measurement of provision for sales return to ensure they are in accordance with requirements of Ind AS 115 'Revenue from Contracts with Customers'. • Assessed the design and tested the operating effectiveness of internal controls assisted by IT specialists, of the revenue recognition processes and calculation of sale returns. • Performed test for a sample of individual sales transaction by comparing the underlying sales invoices, sales orders and other related documents to assess that revenue is recognized on transfer of control to the customer in accordance with the terms of the contract.

Key audit matters	How our audit addressed the key audit matter
Accordingly, considering the above factors and the risk associated with timing of revenue recognition and estimates/ judgements involved around provision for sales return, the same is determined to be a key audit matter in our audit of the standalone financial statements.	• Tested on a sample basis, that revenue has been recognized in the proper period with reference to the supporting documents including confirmations from customers. Tested, on sample basis, credit notes issued to customers for returns as per approved norms. • Tested the estimate of expected returns with underlying documentation such as management approved norms, operational procedures, sales data and customer reconciliations, as applicable. Obtained an understanding of management's estimate of business impact of COVID 19 pandemic on estimates of sales returns. • Performed analytical procedures on returns and held discussions with management to understand changes in provisioning norms made based on management's assessment of market conditions and Company's operational procedures. • Assessed the adequacy of Company's disclosures in Note 53 on significant accounting judgments, estimates and assumptions.
Ind-AS 116 –Leases Accounting (as described in Note 44 of the standalone financial statements)	
As at March 31, 2022, the Company has INR 2,519.07 million of Right of Use (RoU) assets and INR 2,628.67 million of Lease liabilities recognized under Ind AS 116 pertaining to the premises leased by the Company. Accounting under Ind AS 116, requires significant judgement and estimate in identification of lease arrangement and lease period, determining the RoU assets and lease liabilities using the appropriate discount rate, appropriate recognition of rent concession and modification to terms of the underlying agreements. Accordingly, the same is considered a key audit matter in our audit of the standalone financial statements.	Our audit procedures included the following: • Assessed the Company's accounting policy with respect to recognition of leases to ensure they are in accordance with requirements of Ind AS 116, including accounting for rent concession arrangements. • Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation to accounting of leases and rent concession arrangements under Ind AS 116. • Tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and performed recomputation on a sample basis. Assessed the recognition of rent concession and modification on a sample basis in accordance with Ind AS 116 and respective amendments. • Assessed the underlying assumptions and estimates including the applicable discount rates. • Assessed the adequacy of Company's disclosures made in accordance with the requirements of Ind AS 116.
Goodwill and Brand: Impairment Assessment (as described in Note 5 of the standalone financial statements)	
The Company has an acquired goodwill and brand (intangible asset) as at March 31, 2022 assessed to be with an indefinite life. As required by Ind AS 36 "Impairment of Assets", such brand and goodwill is tested for impairment every year as stated in the accounting policy note no 3 (c) of the standalone financial statements. For this assessment, the Company determines the recoverable value of the goodwill and brand based on value in use method using cash flow projections from financial budgets, which is sensitive to changes in inputs used in valuation and involves judgment due to inherent uncertainty in the assumptions related to discount rate, future growth rate and terminal growth rate. Accordingly, goodwill and brand impairment assessment is a key audit matter considering future estimates and judgment involved in such assessment and considering the significant carrying value of goodwill and brand.	Our audit procedures included the following: • Assessed the Company's accounting policies with respect to impairment testing to ensure they are in accordance with requirements of Ind AS 36. • Obtained an understanding of the process followed by the management to determine the recoverable amounts of brand and goodwill. • Assessed the impairment testing model for brand and goodwill prepared by the management. • Assessed the consistency of data used in the recoverable amount calculation with the financial budgets approved by the board of directors of the Company and basis of projections followed by the Company. • Evaluated the objectivity, competency and independence of the management expert engaged by the Company and evaluated the valuation reports issued by such expert.

Key audit matters	How our audit addressed the key audit matter
	• Assessed management's sensitivity analysis around the key assumptions. • Assessed the adequacy of disclosures provided by the Company in relation to its annual impairment test in Note 53 to the Standalone Ind AS Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone financial statements and our auditor's report 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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 management.

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

Evaluate the overall presentation, structure and content of the 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 for the financial year ended March 31, 2022 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 43 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

         There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iii. a) The management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ["Ultimate Beneficiaries"] or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented to us that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies) including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party/Parties ["Ultimate Beneficiaries"] or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations provided to us, as set out in sub-clause (a) and (b) above contain any material misstatement.

iv. As stated in note 17 to the standalone financial statements, the Board of Directors of the Company, incorporated in India 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.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

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per **Bhaswar Sarkar**
Partner
Membership Number: 055596
UDIN: 22055596AIQWGP6208

Place of Signature: Kolkata
Date: May 09, 2022

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

TO THE MEMBERS OF **VEDANT FASHIONS LIMITED**

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) According to the information and explanations provided to us, property, plant and equipment were physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations provided to us, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) According to the information and explanations provided to us, the Company has not revalued its property, plant and equipment (including Right of use assets) or intangible assets during the year.

(e) According to the information and explanations provided to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventories have been physically verified by the management during the year except for those lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by those parties as at the year end and no discrepancy in excess of 10% in aggregate between such confirmations and books and records maintained by the Company for each class of inventory has been identified.

(b) The Company does not have any sanctioned working capital limit in excess of INR 5 crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Therefore, the requirement to report on clause 3(ii)(b) of the Order is not applicable and hence not commented upon.

(iii) (a) According to the information and explanations provided to us, during the year the Company has granted loans to companies, firms, Limited Liability Partnerships or any other parties as follows:

According to the information and explanations given to us, during the year the Company has not granted any other loans or advances in the nature of loan provided advances in the nature of loans or provided any security or stood guarantee to companies, firms, limited liability partnerships or any other parties.

(b) According to the information and explanations provided to us, the terms and conditions of aforesaid loan granted to its wholly owned subsidiary are not prejudicial to the Company's interest.

Also, during the year the Company has not made investments, provided guarantees, provided security and granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.

(c) According to the information and explanations provided to us , the schedule of repayment of principal amount of aforesaid loan granted to a wholly owned subsidiary and payment of interest thereof has been stipulated and the repayment was regular.

(d) According to the information and explanations provided to us, no amount in respect of the aforesaid loan were not overdue for more than ninety days.

(e) According to the information and explanations provided to us, the aforesaid loan granted during the year was not for settlement of any existing loan given to the wholly owned subsidiary.

(f) According to the information and explanations provided to us, as disclosed in Note 15 to the financial statement, aforesaid loan granted to a wholly owned subsidiary was repayable on demand. Following is the detail of the aggregate amount of loan granted :

(Amount in Millions)

Particulars	Loans
Aggregate amount of loan granted during the year	
- Subsidiary-Manyavar Creations Private Limited	4
Balance outstanding as at balance sheet date	
- Subsidiary-Manyavar Creations Private Limited	Nil

(iv) According to the information and explanations provided to us, there were no loans, investments, guarantees and securities to which provisions of sections 185 were applicable and hence not commented upon. According to the information and explanations provided to us, provision of section 186 of the Companies Act 2013 in respect of investments made and loans given have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Therefore, the requirement to report on clause 3(v) of the Order is not applicable and hence not commented upon.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company. Therefore, the requirement to report on clause 3 (vi) of the Order is not applicable and hence not commented upon.

(vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other applicable statutory dues have generally been regularly deposited with appropriate authorities during the year though there have been slight delays in a few cases. The Company did not have any undisputed dues towards sales tax, service tax, duty of excise and value added tax that were outstanding during the year. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of applicable statutory dues were outstanding at the year end for a period of more than six months from the date they became payable.

(b) According to the records maintained by the Company, the dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other applicable statutory dues that have not been deposited on account of any dispute as disclosed below with relevant details:

Sl No.	Name of the statute	Nature of the dues	Amount (INR in Mns)	Period to which the amount relates	Forum where the dispute is pending	Amount paid under protest (INR in Mns)
1	Tamil Nadu VAT Act, 2006	Levy of VAT on certain goods	0.84	2009-10 to 2011-12	High Court, Tamil Nadu	0.28
2	ESI Act, West Bengal	Levy of ESI Act Provisions on the job workers who provide job charges services to the Company	7.15	2006-07	Employee State Insurance Corporation, Kolkata	0.84
3	Income Tax Act, 1961	Various disallowances in relation to purchase expenses and job charges made while assessment carried out after search and seizure operations (including interest as per demand order)	232.56	AY 2013-14 to AY 2017-18	Commissioner of Income Tax (Appeals)	46.51

(viii) According to the information and explanations provided to us, the Company has not surrendered or disclosed any income in tax assessments during the year under the Income Tax Act, 1961 arising from any transaction, previously not recorded in the books of account. Therefore, the requirement to report on clause 3(viii) of the Order is not applicable and hence not commented upon.

(ix) (a) According to the information and explanations provided to us, the Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Therefore, the requirement to report on clause ix(a) of the Order is not applicable and hence not commented upon.

(b) According to information, explanations and representations provided to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations provided to us, the Company did not have any term loans or other borrowings outstanding during the year. Therefore, the requirement to report on clause (ix)(c) of the Order is not applicable and hence not commented upon.

(d) According to the information and explanations provided to us and based on the overall examination of the financial statements, no funds raised by the Company on short-term basis have been used for long-term purposes.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. Also, the Company does not have any associate or joint venture. Hence, the requirement to report on clause (ix)(e) of the Order is not applicable to the Company.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. Therefore, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company and hence not commented upon.

(x) (a) During the year, the Company had completed its Initial Public Offering of equity share (IPO) that were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from February 16, 2022 . The issue comprised of offer by existing shareholders to sell equity shares held by them (offer for sale). Therefore, requirement to reporton application of moneys raised by the Company by way of initial public offer for the purpose for which those were raised are not applicable and hence not commented upon.

(b) According to the information and explanations provided to us, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year. Therefore, the requirement to report on clause 3(x)(b) of the Order is not applicable and hence not commented upon.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations provided to us, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor or secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) In our opinion, the Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirements to report on clause 3(xii)(a) (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the notes to the financial statements for the year, as required by applicable accounting standard.

(xiv) (a) In our opinion and according to the information and explanations provided to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) In our opinion and according to the information and explanations provided to us, the internal audit reports pertaining to the year under audit that have been issued till the date of this audit report, have been considered by us while determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations provided to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Therefore, requirement to report on clause 3(xv) of the Order is not applicable to the Company and hence not commented upon.

(xvi) (a) In our opinion and according to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Therefore, the requirement to report on clause (xvi)(a) of the Order is not applicable and hence not commented upon.

(b) According to the information and explanations provided to us during the year, the Company has not conducted any Non-Banking Financial or Housing Finance activities as defined under the provisions of Reserve Bank of India Act, 1934.

(c) According to the information and explanations provided to us, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Therefore, the requirement to report on clause 3(xvi) of the Order is not applicable and hence not commented upon.

(d) Accordingly to information and explanation provided to us, there are no Core Investment Companies, as defined in the Core Investment Companies (Reserve Bank) Directions in the Group. Therefore, the requirement to report on clause 3(xvi) of the Order is not applicable and hence not commented upon.

(xvii) According to the information and explanations provided to us, the Company has not incurred cash losses in the current year and in the immediately preceding financial year. Therefore, the requirement to report on clause 3(xvii) of the Order is not applicable and hence not commented upon.

(xviii) There has been no resignation of statutory auditor of the Company during the year. Therefore, requirement to report on Clause 3(xviii) of the Order is not applicable and hence not commented upon.

(xix) In our opinion and according to the information and explanations provided to us and on the basis of the financial ratios disclosed in note 52 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, and our knowledge of the plans of the Board of Directors and management nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of our audit report that the Company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the date of balance sheet. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that the Company will not be able to meet all liabilities as and when they fall due within a period of one year from the date of balance sheet.

(xx) (a) In our opinion and according to the information and explanations provided to us, there are no unspent amounts in respect of projects other than those ongoing that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in accordance with second proviso to sub section 5 of section 135 of the Act. Therefore, the requirement to report on clause 3(xx)(a) of the Order is not applicable and hence not commented upon.

(b) In our opinion and according to the information and explanations provided to us, there are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in accordance of provision of sub section 6 of section 135 of the Act. Therefore, the requirement to report on clause 3(xx)(b) of the Order is not applicable and hence not commented upon.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/ E300005

per **Bhaswar Sarkar**
Partner
Membership Number: 055596
UDIN: 22055596AIQWGP6208

Place of Signature: Kolkata
Date: May 09, 2022

Annexure 2 to the Independent Auditor's Report of Even Date on The Standalone Financial Statements of Vedant Fashions Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Vedant Fashions Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ("ICAI"). 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these standalone financial statements was 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 these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 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 these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes 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 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 financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

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per **Bhaswar Sarkar**
Partner
Membership Number: 055596
UDIN: 22055596AIQWGP6208

Place of Signature: Kolkata
Date: May 09, 2022

Balance Sheet as at March 31, 2022

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

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	731.94	771.71
(b) Right of use assets	4	2,519.06	1,971.32
(c) Capital work in progress	4	-	2.47
(d) Goodwill	5	157.11	157.11
(e) Other intangible assets	5	1,542.73	1,557.68
(f) Intangible assets under development	5	1.04	1.38
(g) Financial assets			
(i) Investments	6	1,203.43	1,000.88
(ii) Others	7	457.27	403.34
(h) Other assets	8	669.50	620.29
(i) Non- current tax assets (net)	9	37.78	38.83
Total non-current assets		**7,319.86**	**6,525.01**
Current assets			
(a) Inventories	10	1,414.95	996.01
(b) Financial assets			
(i) Investments	11	4,034.47	4,527.68
(ii) Trade receivables	12	3,947.99	3,663.79
(iii) Cash and cash equivalents	13	30.66	64.45
(iv) Bank Balances other than (iii) above	14	2.61	4.96
(v) Others	15	307.76	147.35
(c) Other assets	16	418.04	297.05
Total current assets		**10,156.48**	**9,701.29**
Assets held for sale	54	13.26	-
Total assets		**17,489.60**	**16,226.30**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	242.70	247.87
(b) Other equity	18	10,598.61	10,745.69
Total Equity		**10,841.31**	**10,993.56**
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
(i) Lease liabilities	19	1,828.41	1,347.84
(ii) Deposits	20	909.63	812.44
(b) Provisions	21	29.06	25.29
(c) Deferred tax liabilities (net)	22	170.42	150.93
(d) Other non-current liabilities	23	393.12	354.63
Total Non-current liabilities		**3,330.64**	**2,691.13**
Current Liabilities			
(a) Financial liabilities			
(i) Lease liabilities	24	800.26	688.76
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	25	158.10	121.29
- total outstanding dues of creditors other than micro enterprises and small enterprises	25	525.75	359.63
(iii) Others	26	295.77	105.62
(b) Other current liabilities	27	1,479.99	1,221.62
(c) Provisions	28	4.25	3.75
(d) Current tax liabilities (net)	29	53.53	40.94
Total current liabilities		**3,317.65**	**2,541.61**
Total liabilities		**6,648.29**	**5,232.74**
Total equity and liabilities		**17,489.60**	**16,226.30**
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 S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 055596

Place: Kolkata
Date: May 09, 2022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)
For and on behalf of the Board of Directors

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholetime Director
DIN : 00361954

Rahul Murarka
Chief Financial Officer

Navin Pareek
Company Secretary
ICSI Membership No. F10672

Statement of Profit and Loss for the year ended March 31, 2022

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

	Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
	Income:			
I	Revenue from operations	30	10,087.45	5,424.08
II	Other income	31	485.42	575.62
III	**Total income (I + II)**		**10,572.87**	**5,999.70**
IV	**Expenses:**			
	Cost of materials used			
	- Raw materials	32A	1,152.03	554.85
	- Accessories & packing materials	32B	175.73	100.81
	Purchases of stock-in-trade	33	1,706.48	707.61
	(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	34	(368.85)	59.23
	Employee benefits expense	35	561.28	365.91
	Finance costs	36	270.70	250.69
	Depreciation and amortisation expense	37	880.33	890.45
	Other expenses	38	2,057.49	1,285.29
	Total expenses		**6,435.19**	**4,214.84**
V	**Profit before tax (III-IV)**		**4,137.68**	**1,784.86**
VI	**Tax expense:**			
	- Current tax		1,033.64	433.30
	- Deferred tax charge (net)		20.50	44.13
	Total Tax expense		**1,054.14**	**477.43**
VII	**Profit for the year (V-VI)**		**3,083.54**	**1,307.43**
VIII	**Other comprehensive income/(loss) for the year**			
	Item that will not be subsequently reclassified to profit or loss			
	(a) Re-measurement gains on defined benefit obligations		0.33	0.59
	(b) Income tax effect on above		(0.08)	(0.15)
	Item that will be subsequently reclassified to profit or loss			
	(a) Changes in fair value of investments		(4.30)	-
	(b) Income tax effect on above		1.08	-
	Total other comprehensive income/(loss), net of tax		**(2.97)**	**0.44**
IX	**Total comprehensive income for the year**		**3,080.57**	**1,307.87**
X	Earnings per equity share (EPS) (face value of share of INR 1 each)			
	Basic (in INR per share)	39	12.63	5.27
	Diluted (in INR per share)	39	12.63	5.27
	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 S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)
For and on behalf of the Board of Directors

per Bhaswar Sarkar
Partner
Membership No. 055596

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholetime Director
DIN : 00361954

Place: Kolkata
Date: May 09, 2022

Rahul Murarka
Chief Financial Officer

Navin Pareek
Company Secretary
ICSI Membership No. F10672

Cash Flow Statement for the year ended March 31, 2022

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash Flow from Operating Activities		
Profit before tax	4,137.68	1,784.86
Adjustments for :		
Depreciation & amortisation expenses	880.33	890.45
(Profit)/Loss on sale/ discard of property, plant and equipment (net)	0.14	(0.44)
Interest income	(76.58)	(134.77)
Profit on sale of investments	(63.99)	(47.10)
Profit on fair valuation of investments carried at fair value through Profit & Loss	(99.11)	(31.40)
Provision for doubtful debts & advances	19.15	25.45
Bad debts/advances written off	1.47	3.73
Liabilities/provisions no longer required written back	(28.36)	(15.06)
Unrealised net (gain)/loss on foreign currency transactions and translations	0.22	(0.24)
Rent concession on lease arrangements (Refer Note 31)	(137.48)	(325.31)
Gain on termination of lease arrangements (Refer Note 31)	(17.49)	(13.52)
Finance cost on lease liabilities	206.76	197.44
Finance cost on others	63.94	53.26
Operating profit before working capital changes	**4,886.68**	**2,387.35**
Movement in working capital:		
Increase in other financial assets	(197.86)	(53.91)
(Increase)/decrease in non financial assets	(152.88)	63.51
(Increase)/decrease in trade receivables	(299.04)	221.46
(Increase)/decrease in inventories	(418.95)	150.29
Increase in provisions	4.61	3.27
Increase in trade payables	222.97	10.86
Increase in other financial and non financial liabilities	431.64	88.36
Cash generated from operations	**4,477.17**	**2,871.19**
Income tax paid (net of refund and including income tax paid under protest)	(1,066.52)	(344.19)
Net cash flow from operating activities	**3,410.65**	**2,527.00**
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipments, capital work in progress & intangible assets (including capital advances)	(20.08)	(115.63)
Proceeds from sale of property, plant and equipments & intangible assets (including advance received) (Refer Note 8.1)	128.58	223.24
Interest received	90.76	110.70
Proceeds from sale of investment in subsidiary Company	1.00	-
Purchase of investments	(12,665.41)	(7,857.31)
Sale/redemption of investments	12,757.75	6,460.50
Loan given to subsidiary Company	(4.00)	(14.90)
Refund of loan from subsidiary Company	4.00	14.90
Bank Balances not considered as cash and cash equivalents:		
- Deposits placed	-	(727.54)
- Deposits matured	327.50	1,005.82
Net cash flow from/(used) in investing activities	**620.10**	**(900.22)**
C. Cash flow from Financing Activities		
Payment of principal amount of lease liabilities	(587.46)	(364.38)
Interest paid on lease liabilities	(206.76)	(197.44)
Interest paid other than interest on lease liabilities	(3.59)	(1.29)
Proceeds from fresh equity shares issuance against vested ESOPs	46.58	-
Buy Back of equity shares (including Tax) [Refer Note 17(iii)]	(3,313.31)	(1,084.40)
Net cash used in financing activities	**(4,064.54)**	**(1,647.51)**
Net decrease in Cash and Cash Equivalents (A+B+C)	(33.79)	(20.73)
Cash and Cash Equivalents at the beginning of the year	64.45	85.18
Cash and Cash Equivalents at the end of the year	**30.66**	**64.45**

Cash Flow Statement for the year ended March 31, 2022

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

Particulars	March 31, 2022	March 31, 2021
Components of Cash & Cash Equivalents (Refer Note 13)		
Balance with Banks	30.66	64.33
Cash on hand	-	0.12
Cash and Cash Equivalents as at the end of the year	**30.66**	**64.45**

Non-cash investing activities

Particulars	March 31, 2022	March 31, 2021
Acquisition of Right of use assets (Refer Note 4)	1,463.76	516.13

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

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

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)
For and on behalf of the Board of Directors

per Bhaswar Sarkar
Partner
Membership No. 055596

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholetime Director
DIN : 00361954

Place: Kolkata
Date: May 09, 2022

Rahul Murarka
Chief Financial Officer

Navin Pareek
Company Secretary
ICSI Membership No. F10672

Statement of Changes in Equity for the year ended March 31, 2022

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

A Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the period/year	123,933,299	247.87	125,227,420	250.46
Less: Equity Shares cancelled pursuant to the scheme of buyback (Refer Note 17 (ii) & 17 (iii))	(2,717,172)	(5.43)	(1,294,121)	(2.59)
Add: Split of shares from INR. 2 per share to INR 1 per share (Refer Note 17 (i))	121,216,127	-	-	-
Add : ESOP allotment during the year (Refer Note 51)	270,835	0.26	-	-
Equity shares outstanding	**242,703,089**	**242.70**	**123,933,299**	**247.87**

B Other Equity

As at March 31, 2022

Particulars	Attributable to the equity shareholders					
	Reserves and Surplus					Total other equity
	Securities premium	Capital Reserves	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
As at March 31, 2021	1,298.87	7.62	2.59	34.76	9,401.85	10,745.69
Profit for the period	-	-	-	-	3,083.54	3,083.54
Other comprehensive loss	-	-	-	-	(2.97)	(2.97)
Total comprehensive income	-	-	-	-	3,080.57	3,080.57
Buyback of shares (including tax) [Refer Note 17 (iii)]	(1,298.87)	-	-	-	(2,009.01)	(3,307.88)
Transfer to Capital Redemption Reserve on account of buy back of shares (Refer Note 17 (iii))	-	-	5.43	-	(5.43)	-
ESOP allotment during the year	72.06	-	-	(25.75)	-	46.31
Share-based payments (Refer Note 51)	-	-	-	33.92	-	33.92
As at March 31, 2022	**72.06**	**7.62**	**8.02**	**42.93**	**10,467.98**	**10,598.61**

As at March 31, 2021

Particulars	Attributable to the equity shareholders					
	Reserves and Surplus					Total other equity
	Securities premium	Capital Reserves	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
As at March 31, 2020	2,383.28	7.62	-	26.08	8,093.98	10,510.96
Profit for the year	-	-	-	-	1,307.43	1,307.43
Other comprehensive income	-	-	-	-	0.44	0.44
Total comprehensive income	-	-	-	-	1,307.87	1,307.87
Buyback of shares (including tax) [Refer Note 17 (ii)]	(1,081.82)	-	-	-	-	(1,081.82)
Transfer to Capital Redemption Reserve on account of buy back of shares (Refer Note 17 (ii))	(2.59)	-	2.59	-	-	-
Share-based payments (Refer Note 51)	-	-	-	8.68	-	8.68
As at March 31, 2021	**1,298.87**	**7.62**	**2.59**	**34.76**	**9,401.85**	**10,745.69**

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

For S. R. Batliboi & Co. LLP

Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 055596

Place: Kolkata
Date: May 09, 2022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)

For and on behalf of the Board of Directors

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholetime Director
DIN : 00361954

Rahul Murarka
Chief Financial Officer

Navin Pareek
Company Secretary
ICSI Membership No. F10672

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. 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.

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 FINANCIAL STATEMENTS

a) Basis of preparation

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

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

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

These standalone Financial Statement 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 financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (Note 52)
- Quantitative disclosures of fair value measurement hierarchy (Note 47)
- Investment in unquoted equity shares (Note 6)
- Property, plant and equipment (Note 4)
- Financial instruments (including those carried at amortised cost) (Note 46)

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

c) Functional and presentation currency

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

d) Recent Accounting Developments

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

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

New and amended standards

Ind AS 116: COVID-19 related rent concessions

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) i) Revenue recognition from contract with customer

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and that reflects the consideration to which the Company expect to be entitled to in exchange of products. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 53.

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

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

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

Contract balances

Trade receivables

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

Contract liabilities

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

Assets and liabilities arising from rights of return

Refund liabilities

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

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

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.

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.

iv) Dividend income

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

b) Property, Plant and Equipment

(i) Property, plant and equipment

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

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the 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 commences when the assets are ready for their intended use.

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

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

- 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. These estimated useful life is different from the useful life prescribed in Schedule II to the Companies Act, 2013.The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

c) Intangible assets 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.

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 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, either individually or at the cash- generating unit level and when circumstances indicate that the carrying value may be impaired.

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 it's 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.

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.

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 balance sheet.

e) Financial instruments

Initial recognition and measurement

i. Financial assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

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

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 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.

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

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

ii. Financial liabilities

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

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

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

Classification and subsequent measurement

i. Financial assets

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

(i) those to be measured at fair value through profit or loss;

(ii) those to be measured at fair value through other comprehensive income;

(iii) those measured at amortised cost

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

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

ii. Financial liabilities

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

iii. Investment in subsidiary

Investment in subsidiaries are carried at cost.

Derecognition of financial instruments

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

Impairment of financial assets

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's management determines change in the business model as a result of external or internal changes which are significant to the Company's operations.

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.

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

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

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

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 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. 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. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

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

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

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. "Covld-19-Related Rent concessions" effective from the period beginning on or after April 01, 2020. As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B of Ind AS 116 is a lease modification. Pursuant to the notification, the Company has applied the practical expedient with effect from April 01, 2020 and hence rent concession received during the year has been recognised as other income

Company as a lessor

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

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

k) Taxation

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or 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

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when 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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the 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

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

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

l) Employee benefit schemes

i) Post employment benefits

Defined Contribution Plans

The Company has defined contribution plans for post-employment benefits such as Provident Fund, National Pension Scheme, Employee's State Insurance and Employee's Pension Scheme, 1995. The Company contributes to a government administered Provident Fund, state plan namely Employee's Pension Scheme, 1995, Employee's State Insurance Scheme and National Pension Scheme on behalf of its employees and has no further obligation beyond making its contribution. The Company's contributions to the above funds are recognised in the statement of profit and loss 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 period. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service costs.

ii) Other Long term benefits

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

iii) 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 period represents the movement in cumulative expense recognized as at the beginning and end of that period 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.

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

m) Foreign currency transactions

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

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

n) Earnings per share

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

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

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are elaborated in Note 53.

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 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.

Business Combinations arising from transfer of interests in entities that are under common control are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustments are made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonize accounting policies. The identity of the reserves is preserved and appears in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor.

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. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefit. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

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.

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

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

4 Property, Plant and Equipment, Right of use assets and Capital Work in Progress[1]

Particulars	Right of use assets[2]	Property, Plant and Equipment								Capital Work in Progress[3]
	Buildings	Land- Freehold	Buildings	Plant and equipment	Furniture and fixtures	Computers	Office equipments	Vehicles	Total	
Gross Block										
As at March 31, 2020	3,105.38	89.03	611.14	13.25	143.95	23.62	57.63	18.33	956.95	-
Additions	524.75	-	98.99	2.03	5.85	3.56	0.26	-	110.69	2.47
Disposals	(182.85)	-	-	(0.59)	(1.34)	(0.89)	(1.08)	(4.14)	(8.04)	-
As at March 31, 2021	**3,447.28**	**89.03**	**710.13**	**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)	-
Transfers	(15.39)	-	-	-	-	-	-	-	-	(9.10)
As at March 31, 2022	**4,677.02**	**89.03**	**710.13**	**14.87**	**154.48**	**32.73**	**60.52**	**14.19**	**1,075.95**	**-**
Accumulated Depreciation										
As at March 31, 2020	735.05	-	90.75	4.33	67.60	15.57	40.28	12.83	231.36	-
Charge for the year	809.80	-	26.96	1.82	20.62	4.76	7.65	1.62	63.43	-
Disposals	(68.89)	-	-	(0.47)	(0.99)	(0.80)	(0.97)	(3.67)	(6.90)	-
As at March 31, 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**	**-**
Net Block										
As at March 31, 2021	**1,971.32**	**89.03**	**592.42**	**9.01**	**61.23**	**6.76**	**9.85**	**3.41**	**771.71**	**2.47**
As at March 31, 2022	**2,519.06**	**89.03**	**563.59**	**7.59**	**51.69**	**8.40**	**9.26**	**2.38**	**731.94**	**-**

(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 without adjusting the comparative period. The right of use assets comprise of buildings (including retail store) taken on lease.

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

4 Property, Plant and Equipment, Right of use assets and Capital Work in Progress[1] (Contd.)

(3) Capital Work in Progress (CWIP) ageing schedule - Based on the requirements of Amended Schedule III

As at March 31, 2021

Particulars	Amount in CWIP for a period of less than 1 year
Projects in progress	2.47

3.1. There were no projects as on March 31, 2021 where activity has been suspended. Also there were no projects as on the March 31, 2021 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, 2021 with ageing exceeding 1 year.

5 Intangible Assets and Intangible Assets Under Development (IAUD)[1]

Particulars	Goodwill[2]	Other Intangible Assets				Intangible assets under development[4]
		Computer software	Tenancy right[3]	Trade Mark, Brand & Others[2]	Total	
Cost						
As at March 31, 2020	157.11	11.09	5.16	1,587.14	1,603.39	2.54
Additions	-	1.52	-	1.57	3.09	0.40
Disposals	-	(2.76)	-	-	(2.76)	-
Transfer	-	-	-	-	-	(1.56)
As at March 31, 2021	**157.11**	**9.85**	**5.16**	**1,588.71**	**1,603.72**	**1.38**
Additions	-	2.50	-	0.30	2.80	0.12
Transfers	-	-	-	-	-	(0.46)
As at March 31, 2022	**157.11**	**12.35**	**5.16**	**1,589.01**	**1,606.52**	**1.04**
Accumulated Amortisation						
As at March 31, 2020	-	9.24	5.16	17.18	31.58	-
Charge for the year	-	1.35	-	15.87	17.22	-
Disposals	-	(2.76)	-	-	(2.76)	-
As at March 31, 2021	**-**	**7.83**	**5.16**	**33.05**	**46.04**	**-**
Charge for the period	-	1.98	-	15.77	17.75	-
As at March 31, 2022	**-**	**9.81**	**5.16**	**48.82**	**63.79**	**-**
Net Block						
As at March 31, 2021	**157.11**	**2.02**	**-**	**1,555.66**	**1,557.68**	**1.38**
As at March 31, 2022	**157.11**	**2.54**	**-**	**1,540.19**	**1,542.73**	**1.04**

(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 it's 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.

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, 2022	March 31, 2021
Annual growth rate for next 5 financial year	7.00%#	10.00%*
Terminal growth rate	5.00%	5.00%
Weighted Average Cost of Capital % (WACC) before tax (Discount rate)	11.50%	13.74%

* 10% growth rate has been considered after the financial year 2022-23 based on normal sales of financial year 2019-20.

7% growth rate has been considered after the financial year 2022-23.

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

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

5 Intangible Assets and Intangible Assets Under Development (IAUD)[1] (Contd.)

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.

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 in various countries.

Intangible Assets Under Development (IAUD) ageing schedule - Based on the requirements of Amended Schedule III

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
Total	0.16	-	-	0.88	1.04

As at March 31, 2021

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	0.20	-	0.52	0.66	1.38
Total	0.20	-	0.52	0.66	1.38

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.

6 Financial assets - non current : Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in equity shares		
Unquoted (at cost)		
Investments in subsidiaries companies		
Mohey Fashions Private Limited - Nil (March 31, 2021 - 1,00,000 equity shares of INR 10 each) (Refer note 6.1 below)	-	1.00
Manyavar Creations Private Limited - 40,10,000 equity shares (March 31, 2021 - 40,10,000) of INR 10 each	200.10	200.10
Investment in bonds and debentures		
Quoted		
At amortised cost		
"National Highways Authority of India Nil Units (March 31, 2021 - 2,10,000 units at par value of INR 1,000 each)"	-	235.93
"Tata Capital Financial Services Limited Nil units (March 31, 2021 - 200 units at par value of INR 10,00,000 each)"	-	240.80

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

6 Financial assets - non current : Investments (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
At fair value through other comprehensive income		
Bajaj Finance Limited - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2022 -100 units at par value of INR 10,00,000 each) [March 31, 2021 - Nil]	109.39	-
Kotak Mahindra Investments Limited - 0% Non-Convertible Debentures (March 31, 2022 - 103 units at par value of INR 10,00,000 each) [March 31, 2021 - Nil]	93.69	-
At fair value through profit and loss (FVTPL)		
ICICI Bank Limited - 8.55% Perpetual Bond (150 units at par value of INR 10,00,000 each) [March 31, 2021 - 150 units at par value of INR 10,00,000 each]	159.22	158.00
ICICI Bank Limited - 9.15% Perpetual Bond (March 31, 2022 - 100 units at par value of INR 10,00,000 each) [March 31, 2021 -Nil]	111.03	-
HDFC Bank Limited - 8.85% Perpetual Bond (250 units at par value of INR 10,00,000 each) [March 31, 2021 - 150 units at par value of INR 10,00,000 each]	269.57	165.05
State Bank of India - 8.50% Perpetual Bond (March 31, 2022 - 95 units at par value of INR 10,00,000 each) [March 31, 2021 - Nil]	99.86	-
State Bank of India - 9.37% Perpetual Bond (March 31, 2022 - 150 units at par value of INR 10,00,000 each) [March 31, 2021 - Nil]	160.57	-
Total	**1,203.43**	**1,000.88**
Aggregate market value of quoted investments	**1,003.33**	**822.19**
Aggregate book value of quoted investments	**1,003.33**	**799.78**

6.1 The Company has sold its investment in Mohey Fashion Private Limited (MFPL), a wholly owned subsidiary, on August 20, 2021 to Ravi Modi & Shilpi Modi for a consideration equivalent to its book value of INR 1.00 million. Consequently, with effect from August 20, 2021, MFPL ceased to be a subsidiary of the Company (Refer Note 45).

7 Financial assets - non current : Others

(unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Security deposits		
- Considered good	456.97	402.67
- Considered doubtful (significant increase in credit risk)	0.30	0.30
	457.27	**402.97**
Less: Credit impaired	(0.30)	(0.30)
	456.97	**402.67**
Bank deposits with remaining maturity greater than 12 months[1]	0.22	0.37
Interest accrued on fixed deposits	0.08	0.22
Loan to employees	-	0.08
Total	**457.27**	**403.34**

(1) Represents bank deposits lodged with sales tax authorities which earns interest ranging from 4.50% to 5.10% (March 31, 2021 - 4.50% to 6.40%).

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

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

8 Other assets - non-current

(unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances (Refer Note 8.1)	621.09	618.42
Prepaid expenses	0.63	0.42
Balances with statutory/government authorities	47.78	1.45
Total	**669.50**	**620.29**

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, 2022 aggregating INR 449.95 Million (net of GST) [March 31, 2021 - INR 321.37 Million (net of GST)] has been considered as "Advance from customer.

9 Tax assets (net) - Non- current

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision for taxation)[1]	37.78	38.83
Total	**37.78**	**38.83**

(1) Non current tax asset is net of provision for taxation amounting to INR 2,949.48 Million as on March 31, 2022 (INR 2,949.48 Million as on March 31, 2021).

10 Inventories[1]

Particulars	As at March 31, 2022	As at March 31, 2021
At lower of cost and net realisable value		
Raw materials (Refer Note 32A)	227.23	146.53
Accessories and packing material (Refer Note 32B)	36.48	32.15
Work in progress (Refer Note 34)	281.75	170.00
Finished goods (Refer Note 34) [Including in transit INR 6.13 Million (March 31, 2021 - INR 34.72 Million)]	459.77	400.52
Stock-in-trade (Refer Note 34) [Including in transit INR 11.73 Million (March 31, 2021 - INR 24.70 Million)]	409.72	246.81
Total	**1,414.95**	**996.01**

(1) Includes inventories lying with third party aggregating INR 404.60 Million (March 31, 2021 - INR 238.61 Million).

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

11 Financial assets - Current : Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in mutual funds		
Unquoted		
At fair value through profit and loss (FVTPL)		
Kotak Liquid Fund - Direct Plan - Growth (1,43,664 units at par value of INR 1,000 each) [March 31, 2021 - 3,90,833 units at par value of INR 1,000 each]	618.20	1,625.49
HDFC Liquid Fund - Direct Plan - Growth Option (1,72,319 units at par value of INR 1,000 each) [March 31, 2021 - 3,11,479 units at par value of INR 1,000 each]	721.11	1,260.10
Axis Corporate Debt Fund - Direct - Growth (57,53,452 units at par value of INR 10 each) [March 31, 2021 - 57,53,452 units at par value of INR 10 each]	82.04	78.05
Axis Treasury Advantage Fund - Direct - Growth (41,604 units at par value of INR 1,000 each) [March 31, 2021 - 41,604 units at par value of INR 1,000 each]	107.76	103.29
HDFC Corporate Bond Fund - Direct - Growth (89,67,268 units at par value of INR 10 each) [March 31, 2021 - 89,67,268 units at par value of INR 10 each]	237.47	225.83
HDFC Money Market Fund - Direct Plan - Growth (11,500 units at par value of INR 1,000 each) [March 31, 2021 - 11,500 units at par value of INR 1,000 each]	53.53	51.45
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth (96,51,613 units at par value of INR 10 each) [March 31, 2021 - 96,51,613 units at par value of INR 10 each]	237.30	226.88
ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Growth (30,28,561 units at par value of INR 10 each) [March 31, 2021 - 30,28,561 units at par value of INR 10 each]	81.53	77.58
ICICI Prudential Money Market Fund - Direct Plan - Growth (3,48,358 units at par value of INR 100 each) [March 31, 2021 - 3,48,358 units at par value of INR 100 each]	106.91	102.86
IDFC Corporate Bond Fund - Direct Plan - Growth (1,47,72,541 units at par value of INR 10 each) [March 31, 2021 - 1,47,72,541 units at par value of INR 10 each]	236.95	225.54
Kotak Bond Fund (Short Term) - Direct Plan - Growth (51,88,975 units at par value of INR 10 each) [March 31, 2021 - 51,88,975 units at par value of INR 10 each]	237.11	225.61
Axis AAA Bond Plus SDL ETF - 2026 Maturity (1,49,39,790 units at par value of INR 10 each) [March 31, 2021 - Nil]	152.10	-
Axis CPSE Plus SDL 2025 70:30 Debt Index Fund (1,48,92,767 units at par value of INR 10 each) [March 31, 2021 - Nil]	150.17	-
Investments in debentures		
Quoted		
At fair value through other comprehensive income		
Bajaj Finance Limited - 4.66% Secured Redeemable Non-Convertible Debentures (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, 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, 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, 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, 2022 -150 units at par value of INR 10,00,000 each)	152.30	-

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

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

11 Financial assets - Current : Investments (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
HDB Financial Services Limited - 7.57% Secured Redeemable Non-Convertible Debentures(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, 2022 - 250 units at par value of INR 10,00,000 each)	253.77	-
Fixed deposits with financial institutions		
Unquoted		
At amortised cost		
LIC Housing Finance Ltd (Refer Note 14.2)	-	325.00
Total	**4,034.47**	**4,527.68**
Aggregate market value of quoted investments	**1,012.29**	**-**
Aggregate book value of quoted investments	**1,012.29**	**-**
Aggregate book value of unquoted investments	**3,022.18**	**4,527.68**

12 Financial Assets - Current : Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
- Trade Receivables considered good - Secured[1]	1,610.28	1,305.64
- Trade Receivables considered good - Unsecured	2,337.71	2,358.15
- Trade Receivables - credit impaired - Unsecured	22.82	28.81
	3,970.81	**3,692.60**
Less: Credit impaired	(22.82)	(28.81)
Total trade receivables	**3,947.99**	**3,663.79**
- Receivables from related parties - Secured/Considered goods (Refer Note 45)	54.20	-
- Receivables from related parties - Unsecured/Considered (Refer Note 45)	79.89	216.48
- Others	3,813.90	3,447.31
Total trade receivables	**3,947.99**	**3,663.79**

(1) Receivables are secured to the extent of security deposits and bank guarantees taken from customers.

12.1 Trade receivables Ageing Schedule- Based on the requirements of Amended Schedule III

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							
- considered good *	3,856.88	75.15	7.28	8.68	0.00	0.00	3,947.99
- credit impaired	-	16.47	4.53	1.12	0.41	0.29	22.82
	3,856.88	**91.62**	**11.81**	**9.80**	**0.41**	**0.29**	**3,970.81**
Less: Credit impaired	-	(16.47)	(4.53)	(1.12)	(0.41)	(0.29)	(22.82)
Total*	**3,856.88**	**75.15**	**7.28**	**8.68**	**0.00**	**0.00**	**3,947.99**

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

12 Financial Assets - Current : Trade receivables (Contd.)

Particulars	Outstanding from due date of payment as on March 31, 2021						
	Not Due	Upto 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
- considered good	3,529.71	77.99	54.90	0.89	0.01	0.29	3,663.79
- credit impaired	0.21	10.78	15.39	2.43	-	-	28.81
	3,529.92	**88.77**	**70.29**	**3.32**	**0.01**	**0.29**	**3,692.60**
Less: Credit impaired	(0.21)	(10.78)	(15.39)	(2.43)	-	-	(28.81)
Total	**3,529.71**	**77.99**	**54.90**	**0.89**	**0.01**	**0.29**	**3,663.79**

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

1. As per terms of payment under agreements with majority of customers, sales consideration are receivable by the Company within a maximum period of 180 days from date of delivery of goods. In other cases, sales consideration are receivable within a periods ranging from 30 days to 90 days.
2. 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 against applicable invoice.
3. There are no unbilled trade receivables as on each reporting date
4. There are no disputed trade receivables as on March 31, 2022 and March 31, 2021

13 Financial assets - Current : Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
- Balances with banks	30.66	64.33
- Cash on hand	-	0.12
Total	30.66	**64.45**

14 Financial Assets - Current : Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Fixed deposits with banks with remaining maturity greater than 3 months but not greater than 12 months (Refer Note 14.1 and 14.2)	2.61	4.96
Total	2.61	**4.96**

14.1 Includes deposits of INR 0.25 Million (March 31, 2021 - INR 0.10 Million) lodged with sales tax authorities which earns interest ranging from 6% to 6.40% (March 31, 2021 - interest at the rate of 5.10%).

14.2 In order to allign classifications for all periods presented with those of the latest period, the Company has reclassified fixed deposits with financial institutions amounting to INR 325 Million from Other Bank Balances to Current Investments as on March 31, 2021. Management believes that the revised classification reflects the nature of the asset more appropriately. The Investments and Other Bank Balances for the previous year has been reclassified for comparative purposes. The aforesaid revision has no impact on the financial position and profits earned by the Company for the reported periods.

15 Financial assets - Current : Others

(unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Security deposits		
- Considered good	158.50	118.97
- Considered doubtful (significant increase in credit risk)	1.77	1.77
	160.27	**120.74**

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

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

15 Financial assets - Current : Others (Contd.)

(unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Less: Credit impaired	(1.77)	(1.77)
	158.50	118.97
Interest accrued on		
- Fixed and other deposits	1.88	12.63
- Bonds and Debentures	27.86	15.44
Loan to employees	0.23	0.31
IPO expenses recoverable (Refer Note 45.1)	119.29	-
At fair value through profit and loss		
Derivative contracts [1] & [2]	-	0.00
Total	307.76	147.35

(1) It represents liability arising from loss on fair valuation of derivative contracts in the nature of foreign exchange forward contracts

(2) Amount is below the rounding off norms adopted by the Company.

Disclosure of loans given to related parties required under section 186(4) of the Companies Act, 2013

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	-	-
Loans given	4.00	14.90
Interest accrued[2]	0.00	0.78
Repayment of interest[2]	(0.00)	(0.78)
Repayment of principal amount	(4.00)	(14.90)
Closing Balance	-	-

Particulars	As at March 31, 2022	As at March 31, 2021
Type of Borrower	Related Party (Subsidiary Company)	Related Party (Subsidiary Company)
Amount of loan or advance in the nature of loan outstanding	4.00	14.90
Rate of interest	8.50%	8.50%
Percentage to the total loans and advances in the nature of loans	100.00%	100.00%

(2) Amount is below the rounding off norms adopted by the Company.

16 Other assets - current

(unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Export incentive receivables		
- Considered good	0.87	0.51
- Considered doubtful (significant increase in credit risk)	0.86	0.63
	1.73	1.14
Less: Impairment allowance	(0.86)	(0.63)
	0.87	0.51

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

16 Other assets - current (Contd.)

(unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with statutory/government authorities		
- Considered good	74.11	0.96
- Considered doubtful (significant increase in credit risk)	0.22	0.22
	74.33	1.18
Less: Impairment allowance	(0.22)	(0.22)
	74.11	0.96
Advances recoverable in cash or kind		
- Considered good	39.03	2.27
- Considered doubtful (significant increase in credit risk)	0.22	0.62
	39.25	2.89
Less: Credit impaired	(0.22)	(0.62)
	39.03	2.27
Others		
- Considered doubtful (significant increase in credit risk)	0.03	0.03
	0.03	0.03
Less: Credit impaired	(0.03)	(0.03)
	-	-
Advance to employees	0.40	0.84
Prepaid expenses	11.19	34.97
Right of return assets[1]	292.44	257.50
Total	418.04	297.05

(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).

17 Equity Share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Authorized				
30,10,00,000 equity shares of INR 1 each (March 31, 2021: 15,05,00,000 equity shares of INR 2 each) (Refer Note (i) below)	30,10,00,000	301.00	15,05,00,000	301.00
Issued, subscribed and fully paid-up shares				
24,27,03,089 equity shares of INR 1 each (March 31, 2021: 12,39,33,299 equity shares of INR 2 each) (Refer Note (i), (ii) and (iii) below)	24,27,03,089	242.70	12,39,33,299	247.87
Total	24,27,03,089	242.70	12,39,33,299	247.87

i) 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 has 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 have increased from 15,05,00,000 to 30,10,00,000 and total number of issued equity shares have gone up from 12,12,16,127 to 24,24,32,254 (after adjustment of buyback as mentioned in Note 17(iii)). 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.

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

17 Equity Share capital (Contd.)

ii) The Board of Directors of the Company, at its meeting held on April 11, 2020, had approved buyback of the Company's 12,94,121 fully paid-up equity shares of face value of INR 2 each from the equity shareholders of the Company, at a price of INR 680 per equity share, for an aggregate amount of INR 880.00 Million under the Companies Act, 2013 and Rules thereunder. The actual buyback size was less than 10% of aggregate of the Company's paid up equity capital and free reserves based on the audited financial statements of the Company as at March 31, 2019, which is in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Section 68(2) of Companies Act, 2013.

Total cash outflow on account of buyback was INR 1,084.41 Million (including tax). Out of the said amount, nominal value of shares bought back INR 2.59 Million, was reduced from share capital and Securities premium account was utilised to the extent of the balance amount of INR 1,081.82 Million. A sum equal to the nominal value of the shares so bought back i.e INR 2.59 Million has been transferred from securities premium to the capital redemption reserve as per requirement of Companies Act, 2013.

iii) 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, has been reduced from share capital and Securities premium account has been 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 has been 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.

iv) 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, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year (face value of INR 2 each)	12,39,33,299	247.87	12,52,27,420	250.46
Less: Equity Shares cancelled pursuant to the scheme of buyback (Refer Note 17 (ii) & 17 (iii))	(27,17,172)	(5.43)	(12,94,121)	(2.59)
Add : Split of shares from INR 2 per share to INR 1 per share (Refer Note 17 (i))	12,12,16,127	-	-	-
Add : Issue of shares pursuant to ESOP exercised during the year (Refer Note 51)	2,70,835	0.26	-	-
Equity shares outstanding at the end of the year [face value of INR 1 each (March 31, 2021 - face value of INR 2 each)]	**24,27,03,089**	**242.70**	**12,39,33,299**	**247.87**

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

17 Equity Share capital (Contd.)

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

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held (face value of INR 1 each)	% of Holding	No. of Shares held (face value of INR 2 each)	% of Holding
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	16,28,41,754	67.10%	9,25,41,005	74.67%
Ravi Modi HUF	3,88,81,422	16.02%	1,98,76,493	16.04%
Rhine Holdings Limited	-	-	89,25,380	7.20%
Total	**20,17,23,176**	**83.12%**	**12,13,42,878**	**97.91%**

vi) Disclosure of shareholding of promoters

Name of Shareholder	As at March 31, 2022		As at March 31, 2021		% Change in holding pursuant to no. of shares (Refer Note 45.1)
	No. of Shares held (face value of INR 1 each)	% of Holding	No. of Shares held (face value of INR 1 each)	% of Holding	
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	16,28,41,754	67.10%	9,25,41,005	74.67%	(12.02%)
Usha Devi Modi*	2	0.00%	-	-	0.00%
Shilpi Modi	26,56,104	1.09%	13,57,822	1.10%	(2.19%)
Ravi Modi	16,88,136	0.70%	8,62,989	0.70%	(2.19%)
Total	**16,71,85,996**	**68.89%**	**9,47,61,816**	**76.47%**	**(11.80%)**

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

vii) 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, 2021: INR 2 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

viii) Shares reserved for issue under options

Particulars	No. of Shares	
	As at March 31, 2022	As at March 31, 2021
Under Employee Stock Option Plan - 2018	6,39,689	2,48,774

For movement of shares issued under options and other terms and conditions, refer Note 51.

ix) 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, 2022	As at March 31, 2021
Aggregate number of fully paid bonus shares issued[1]	6,25,57,585	6,25,57,585
Shares issued for consideration other than cash	96,42,250	96,42,250
Shares bought back (Refer Note 17 (ii) & 17 (iii))	40,11,293	12,94,121

(1) The bonus shares were issued on December 5, 2017.

x) The Board of Directors, at its meeting held on May 09, 2022 recommended final dividend of INR 5 per equity share (par value of INR 1 each) in accordance with section 123 of the Act to the extent it applies to declaration of dividend. This payment is subject to approval of shareholders at the ensuing Annual General Meeting (AGM) of the Company.

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

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

18 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings		
Opening balance	9,401.85	8,093.98
Profit for the year	3,083.54	1,307.43
Other comprehensive income/(loss) for the year	0.25	0.44
- Re-measurement gains/(losses) on defined benefit obligations (net of tax)		
- Changes in fair value of investments (net of tax)	(3.22)	-
Buyback of shares (including tax and buyback related expenses) (Refer Note 17 (iii))	(2,009.01)	-
Transfer to Capital Redemption Reserve on buy back of shares (Refer Note 17 (iii))	(5.43)	-
	10,467.98	**9,401.85**
Securities Premium		
Opening balance	1,298.87	2,383.28
Buyback of shares (including tax) (Refer Note 17 (ii) and 17 (iii))	(1,298.87)	(1,081.82)
Transfer to Capital Redemption Reserve on buy back of shares (Refer Note 17 (ii))	-	(2.59)
Securities Premium on ESOP allotment during the year (Refer Note 51)	72.06	-
	72.06	**1,298.87**
Capital Redemption Reserve		
Opening balance	2.59	-
On buy back of shares (Refer Note 17 (ii) and 17 (iii))	5.43	2.59
	8.02	**2.59**
Capital Reserve		
Opening balance	7.62	7.62
	7.62	**7.62**
Share based payment reserve (Refer Note 51)		
Opening balance	34.76	26.08
Recognition of share based payment under employee stock option plan	33.92	8.68
Share based payment reserve adjusted on ESOP allotment during the year	(25.75)	
	42.93	**34.76**
Total	**10,598.61**	**10,745.69**

Nature and purpose of reserves

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

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

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 the ESOP allotment made by the Company.

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

19 Financial liabilities - Non current : Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Lease liabilities	1,828.41	1,347.84
Total	**1,828.41**	**1,347.84**

(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, 2022	As at March 31, 2021
At amortised cost		
Security deposits	909.63	812.44
Total	**909.63**	**812.44**

21 Provisions : Non-current

Particulars	As at March 31, 2022	As at March 31, 2021
Employee Benefits - Gratuity (Refer Note 42)	29.06	25.29
Total	**29.06**	**25.29**

22 Deferred tax liabilities (net) : Non-current

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		
Expenses allowable on payment, write off, etc.	14.15	6.93
Provision for expected sales return (net)	137.11	118.34
Lease liabilities	654.17	504.06
Others	3.89	3.70
Total Deferred Tax Assets	**809.32**	**633.03**
Deferred Tax Liabilities		
Temporary differences in carrying value of property, plant and equipment, intangible assets and right of use assets between books of account and for tax purposes	920.20	744.42
Income taxable in future on realisation	20.00	-
Goodwill	39.54	39.54
Total Deferred Tax Liabilities	**979.74**	**783.96**
Net Deferred Tax liabilities	**170.42**	**150.93**

22.1 **Particulars**	As at March 31, 2022	As at March 31, 2021
Accounting profit before tax	4,137.68	1,784.86
At India's statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	1,041.37	449.21
Non taxable (income) and deductible expenses for tax purposes	6.74	14.24
Deferred Tax on account of change in treatment of goodwill	-	12.51
Others	6.03	1.47
Total tax expense for the year	**1,054.14**	**477.43**

22.2 The Company is carrying forward expected long term capital loss (LTCL) of INR 52.66 Million [March 31, 2021 - INR 102.11 Million (as per income tax return filed)], subject to income tax return filing /pending assessment, in respect of which deferred tax assets has not been recognized in the absence of certainity regarding availability of future long term capital gains against which aforesaid LTCL can be set off. The LTCL can be carried forward till assessment year 2028-29.

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

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

23 Other liabilities : Non-current

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Deferred income	393.12	354.63
Total	393.12	354.63

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 straigt 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, 2022	As at March 31, 2021
At amortised cost		
Lease liabilities	800.26	688.76
Total	800.26	688.76

(1) For changes in liabilities arising from financing activities and maturity analysis, refer Note 44.

25 Financial liabilities - Current : Trade payables[1]

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
- Total outstanding dues of micro enterprises , small enterprises and medium enterprises (Refer Note 25.1)	158.10	121.29
	158.10	121.29
- Dues to related parties (Refer Note 45)	0.03	-
- Total outstanding dues of creditors other than micro enterprises , small enterprises and medium enterprises	525.72	359.63
	525.75	359.63
Total	683.85	480.92

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, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	158.10	121.29
(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.	1.90	0.34
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.17	1.87
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	0.03
Interest payable to micro, small and medium enterprises (Refer Note 26)	0.17	1.90

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

25 Financial liabilities - Current : Trade payables[1] (Contd.)

25.2Trade Payables Ageing Schedule - Based on the requirements of Amended Schedule III

Particulars[1]	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
Undisputed							
Total outstanding dues of micro enterprises , small enterprises and medium enterprises	0.05	156.00	2.05	-	-	-	158.10
Total outstanding dues of creditors other than micro enterprises , small enterprises and medium enterprises	286.57	211.71	17.06	0.59	0.02	0.91	516.86
Disputed							
Dues of creditors other than micro enterprises , small enterprises and medium enterprises	0.86	-	1.89	5.83	0.23	0.08	8.89
Total	**287.48**	**367.71**	**21.00**	**6.42**	**0.25**	**0.99**	**683.85**

Particulars[1]	Outstanding as on March 31, 2021 from due date of payment						
	Unbilled Due	Not Due	Upto 1 Year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
Total outstanding dues of micro enterprises , small enterprises and medium enterprises	0.30	118.18	2.81	-	-	-	121.29
Total outstanding dues of creditors other than micro enterprises , small enterprises and medium enterprises	128.75	213.25	7.79	0.03	0.88	0.24	350.94
Disputed							
Dues of creditors other than micro enterprises , small enterprises and medium enterprises	0.86	-	7.54	0.23	-	0.06	8.69
Total	**129.91**	**331.43**	**18.14**	**0.26**	**0.88**	**0.30**	**480.92**

(1) There are no disputed dues of micro enterprises, small and medium enterprises at the end of each year reported.

26 Financial liabilities - Current : Others

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Employees related liabilities	101.40	31.38
Security deposits	193.33	71.87
Payables to capital creditors	0.65	0.47
Interest payable on micro, small and medium enterprises (Refer Note 25.1)	0.17	1.90
At fair value through profit and loss		
Derivative contracts[1]	0.22	-
Total	**295.77**	**105.62**

(1) It represents liability arising from loss on fair valuation of derivative contracts in the nature of foreign exchange forward contracts.

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

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

27 Other liabilities : Current

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers (Refer Note 8.1)	465.56	347.32
Refund liabilities[1]	837.23	727.70
Advance received towards sale of property, plant & equipment (Refer Note 54)	13.24	-
Statutory dues	90.78	81.41
Interest payable on income tax	2.92	0.78
Deferred income (Refer Note 23.1)	70.26	64.41
Total	**1,479.99**	**1,221.62**

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

28 Provisions : Current

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefits - Gratuity (Refer Note 42)	4.25	3.75
Total	**4.25**	**3.75**

29 Tax liabilities (net) : Current

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax liabilities (net of advance income tax)[1]	53.53	40.94
Total	**53.53**	**40.94**

(1) Current tax liabilities is net of advance taxes paid amounting to INR 2,210.68 Million as on March 31, 2022 (March 31, 2021 - INR 1,189.89 Million).

30 Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	10,073.38	5,416.76
Other operating revenue:		
(i) Scrap sales	3.87	1.22
(ii) Insurance charges recovered	7.36	4.12
(iii) Export incentives	2.84	1.98
Revenue from operations	**10,087.45**	**5,424.08**

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, 2022	For the year ended March 31, 2021
India	9,787.03	5,340.77
Outside India	286.35	75.99
Total revenue from contracts with customers	**10,073.38**	**5,416.76**

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

30 Revenue from operations (Contd.)

30.2 Reconciliation of revenue from sale of products with contract price

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract Price	10,012.07	5,361.87
Add: Impact of deferred income on deposits taken from customers (Refer Note 23.1)	61.31	54.89
Total revenue from sale of products	**10,073.38**	**5,416.76**

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, 2022	For the year ended March 31, 2021
Interest income on		
- Fixed deposits	9.98	41.63
- Loans	0.02	0.80
- Bonds and debentures	48.70	65.06
- Others[1]	17.88	27.28
Profit on sale of investments	63.99	47.10
Profit on fair valuation of investments carried at FVTPL	99.11	31.40
Profit on sale of property, plant & equipment (net)	-	0.44
Gain on foreign exchange fluctuations (net)	-	0.19
Liabilities/provisions no longer required written back	28.36	15.06
Insurance claim received	54.47	3.90
Rent concession on lease arrangements (Refer Note 44.1)	137.48	325.31
Gain on termination of lease arrangements (Refer Note 44.1)	17.49	13.52
Other miscellaneous income	7.94	3.93
Total	**485.42**	**575.62**

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

32 Cost of materials used

A. Raw materials

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	146.53	217.35
Add: Purchases during the year	1,232.73	484.03
	1,379.26	701.38
Less: Inventory at the end of the year (Refer Note 10)	227.23	146.53
Total	**1,152.03**	**554.85**

B. Accessories & packing materials

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	32.15	54.04
Add: Purchases during the year	180.06	78.92
	212.21	132.96
Less: Inventory at the end of the year (Refer Note 10)	36.48	32.15
Total	**175.73**	**100.81**

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

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

33 Purchases of stock-in-trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchases of stock-in-trade	1,706.48	707.61
Total	1,706.48	707.61

34 (Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the end of the year (Refer Note 10)		
Finished goods	459.77	400.52
Work in progress	281.75	170.00
Stock-in-trade	409.72	246.81
	1,151.24	817.33
Inventories at the beginning of the year		
Finished goods	400.52	325.60
Work in progress	170.00	268.95
Stock-in-trade	246.81	280.36
	817.33	874.91
	(333.91)	57.58
(Increase)/Decrease in corresponding right of return asset (Refer Note 16)	(34.94)	1.65
Changes in inventories of finished goods, work-in-progress & stock-in-trade	(368.85)	59.23

35 Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus (including Directors' remuneration) (Refer Note 45)	506.81	340.34
Contribution to provident and other funds	8.01	7.10
Gratuity expense (Refer Note 42)	5.65	6.08
Staff welfare expenses	6.89	3.71
Share based compensation (Refer Note 51)	33.92	8.68
Total	561.28	365.91

36 Finance cost

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense:		
- on income tax	2.92	0.78
- on lease liabilities (Refer Note 44)	206.76	197.44
- others[1]	61.02	52.47
Total	270.70	250.69

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

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

37 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Property, plant and equipment (Refer Note 4)	57.25	63.43
Right of use assets (Refer Note 4)	805.33	809.80
Intangible assets (Refer Note 5)	17.75	17.22
Total	**880.33**	**890.45**

38 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Job charges	781.95	414.48
Electricity charges	8.04	6.77
Lease cost (Refer Note 44)	377.15	268.32
Advertisement, publicity and sales promotion expenses	438.16	265.90
Commission	60.77	33.00
Freight and forwarding expenses	80.48	39.35
Rates and taxes	18.80	27.29
Loss on foreign exchange fluctuations (net)	0.19	-
Insurance	29.92	26.91
Repairs and maintenance		
- Plant and machinery	-	0.01
- Others	3.83	2.55
Legal & professional fees	53.33	31.67
Travelling and conveyance	15.77	7.73
Payment to auditors (Refer Note 40)	3.62	3.12
Directors' Fees and Commission	5.10	-
Provision for doubtful debts & advances	19.15	25.45
Bad debts/advances written off	1.47	3.73
Loss on sale/discard of Property, plant & equipments (net)	0.14	-
Corporate social responsibility expenditure (Refer Note 41)	52.05	54.78
Miscellaneous expenses	107.57	74.23
Total	**2,057.49**	**1,285.29**

39 Earnings per share (EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit after tax for the year	3,083.54	1,307.43
Basic earnings per share (Refer Note 17(i))		
Weighted average number of ordinary shares (No. in Million)	244.10	248.06
Nominal value of ordinary share (INR per share) (Refer Note 17)	1.00	1.00
Basic earnings for ordinary shares (in INR per share)	**12.63**	**5.27**
Diluted earnings per share (Refer Note 17(i))		
Weighted average number of ordinary shares (No. in Million)	244.10	248.06
Weighted average number of ESOP options (No. in Million) (Refer Note 51)	-	0.08
	244.10	248.14
Nominal value of ordinary share (INR per share) (Refer Note 17)	1.00	1.00
Diluted earnings for ordinary shares (in INR per share)	**12.63**	**5.27**

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

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

40 Payment to auditors

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As statutory auditors (audit & review of financial statements)* :		
Audit fees	3.00	2.70
Tax audit fees	0.40	0.40
Reimbursement of expenses	0.02	0.02
In other Capacity :		
Other services	0.20	-
Total	**3.62**	**3.12**

*Excluding payment made related to IPO services (Refer Note 45.1)

41 Corporate social responsibility (CSR) expenditure

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount to be spent by the Company during the year	52.01	54.48
b) Amount spent during the year		
(i) Construction/ acquisition of any asset	-	-
(ii) On purpose other than (i) above	52.05	54.58
c) Amount unspent during the year	Not Applicable	0.20
d) Nature of CSR activities	Environment Sustainsblity & Animal Welfare, Healthcare, Education	Environment Sustainsblity & Animal Welfare, Healthcare, Education

(1) For details of related party transactions, refer Note 45.

For movement in CSR, refer below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	0.20	0.30
Gross amount to be spent during the year	52.01	54.48
Actual spent during the year	(52.25)	(54.58)
(Excess) /short spent	**(0.04)**	**0.20**

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 (12% for period ended March 31, 2022 and March 31, 2021) of an employee's basic salary. Retirement benefit in the form of provident fund and employees' state insurance (ESI) are defined contribution scheme and the contributions are charged to statement of profit and loss of the period when the employee renders the service. There are no obligations other than the contribution payable to the respective funds.

(II) Defined benefit plan - Unfunded

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.

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

42 Employee benefits (Contd.)

A Principal actuarial assumptions

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

Particulars	March 31, 2022	March 31, 2021
Discount rate	7.10%	6.70%
Expected rate of increase in compensation level of covered employees	7.00%	7.00%
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%

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, 2022	As at March 31, 2021
Present value of defined benefit obligations	33.31	29.04
Net liability arising from defined benefit obligations	**33.31**	**29.04**

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

Particulars	March 31, 2022	March 31, 2021
Current service cost	3.74	4.41
Interest cost	1.91	1.67
Total charge to statement of profit or loss	**5.65**	**6.08**

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

Remeasurement of the net defined benefit obligation:-

Particulars	March 31, 2022	March 31, 2021
Re-measurement gains arising from changes in financial assumptions	(1.26)	-
Re-measurement (gains) / losses arising from experience adjustments	0.93	(0.59)
Re measurement of the net defined benefit liability	**(0.33)**	**(0.59)**

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

Particulars	March 31, 2022	March 31, 2021
Opening balance	29.04	26.36
Current service cost	3.74	4.41
Interest cost of scheme liabilities	1.91	1.67
Benefits paid	(1.05)	(2.81)
Re-measurement losses / (gains) arising from changes in financial assumptions	(1.26)	-
Re-measurement losses /(gains) arising from experience adjustments	0.93	(0.59)
Closing balance	**33.31**	**29.04**
Recognised under:		
Current provision	4.25	3.75
Non current provision	29.06	25.29

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

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

(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.

Increased /(Decreased) defined benefit obligation

Particulars	March 31, 2022	March 31, 2021
Discount rate		
Increase by 0.50%	31.84	27.73
Decrease by 0.50%	34.90	30.46
Expected rate of change in compensation level of covered employees		
Increase by 0.50%	34.58	30.18
Decrease by 0.50%	32.10	27.98
Mortality Rate		
Increase by 10%	33.32	29.05
Decrease by 10%	33.30	29.03
Attrition Rate		
Increase by 0.50%	33.43	29.12
Decrease by 0.50%	33.18	28.96

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

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

D Risk analysis

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

(1) Salary growth risks

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

(2) Life expectancy / Longevity risks

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

(3) Interest rate risks

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

(4) Inflation risks

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

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

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

43 Contingencies and commitments

(To the extent not provided for)

(i) Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
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	-
- Bank Guarantee given#	284.92	-
- Demand for employee state insurance (including interest)	7.15	5.16
Total	525.62	6.15
Payment made under protest against the above		
- Commercial sales tax of various states	0.43	0.43
- Demand for Income tax	46.51	-
- Demand for employee state insurance	0.84	0.84
Total	47.78	1.27

* The Income Tax department had carried out a search and seizure operation at the premises of the Company in November 2018. During the 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, 2022.

Bank Guarantee amounting to INR 284.92 million given to National Stock Exchange of India Limited (NSE) in relation to Initial Public Offer (IPO) (Refer Note 45.1).

(ii) Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account	8.95	0.24

44 Leases

(a) The Company implemented Indian Accounting Standard for Leases ("Ind AS 116") with effect from April 1, 2019 using the modified retrospective approach without adjusting the comparative period. The right of use assets comprise of buildings taken on lease. The effective interest rate for lease liabilities is 8.40% as on March 31, 2022 (March 31, 2021 - 8.91%)

	Particulars	As at March 31, 2022	As at March 31, 2021
(b)	Carrying value of right of use assets at the end of the reporting period (Refer Note 4)	2,519.06	1,971.32

(c) Analysis of Lease liabilities:

Movement of lease liabilities	As at March 31, 2022	As at March 31, 2021
Opening Lease liabilities	2,036.60	2,337.65
Addition during the year	1,463.76	516.13
Accretion of interest during the year	206.76	197.44
Cash outflow towards payment of lease liabilities	(794.22)	(561.82)
Rent concession on lease arrangements (Refer Note 31 and Note 44.1)	(137.48)	(325.31)
Deletion during the year on account of termination of lease agreements	(146.75)	(127.49)
Closing Lease liabilities	2,628.67	2,036.60

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

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

44 Leases (Contd.)

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. "Covld-19-Related Rent concessions" effective from the period beginning on or after April 01, 2020. As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B of Ind AS 116 is a lease modification. Pursuant to the notification, the Company has applied the practical expedient in financial year ended March 31, 2021 and March 31, 2022 and hence rent concession received during the financial year 2020-21 and 21-22 aggregating INR 325.31 Million and INR 137.48 Million respectively has been accounted for as reversal of liability and disclosed in Other Income.

The table below summarises the maturity profile of the Company's lease liabilities based on contractual undiscounted payments:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 1 year	963.86	806.71
Between 2 to 3 year	1,483.50	1,198.20
More than 3 year	583.06	312.09
Lease liabilities included in the Balance Sheet		
Current	800.26	688.76
Non-Current	1,828.41	1,347.84
Total	**2,628.67**	**2,036.60**

(d) Impact on Statement of profit and loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	206.76	197.44
Depreciation on right of use assets *	805.33	809.80
Other expenses	(804.99)	(593.64)
Rent concession on lease arrangements	(137.48)	(325.31)
Gain on termination of lease arrangements	(17.49)	(13.52)
Net impact on profit before tax	**52.13**	**74.77**
Deferred Tax	13.12	18.82
Net impact on profit after tax	**39.01**	**55.95**

* includes depreciation on leasehold building.

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Lease cost as per Statement of profit and loss	377.15	268.32

45 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) (Refer Note 6.1) 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

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

45 Related party disclosures (Contd.)

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)
Mrs. Abanti Mitra- Independent Director	Key Managerial Person (KMP) (w.e.f. September 06, 2021)
Mr. Dalpat Raj Jain - Chief Financial Officer	Key Managerial Person (KMP) (upto December 31, 2020)
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
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 20, 2021) (Refer Note 6.1)

(B) Details of transactions with related parties

Particulars	For the period ended	
	March 31, 2022	March 31, 2021
Sale of products (net of returns) (including taxes)		
Manyavar Creations Private Limited	212.25	123.50
Shenayah Retail Stores Private Limited	262.25	158.88
Pranit Fashions	6.23	4.22
Vandana Enterprise	132.06	63.82
Total	**612.79**	**350.42**
Rent income (including taxes)		
Mohey Fashions Private Limited	0.07	0.07
Manyavar Creations Private Limited	0.07	0.07
Total	**0.14**	**0.14**
Recovery of expenses (including taxes) (electricity and other expense)		
Manyavar Creations Private Limited	0.92	2.41
Shenayah Retail Stores Private Limited	0.13	0.20
Vandana Enterprise	0.77	0.55
Pranit Fashions	0.01	0.02
Total	**1.83**	**3.18**
Reimbursement of Expenses (advertisement, electricity expense, etc.)		
Pranit Fashions *	0.00	0.00
Shenayah Retail Stores Private Limited	0.20	0.24
Manyavar Creations Private Limited	13.58	11.66
Mohey Fashions Private Limited	0.03	0.03
Vandana Enterprise	0.38	0.22
Tarun Puri	0.08	-
Abanti Mitra	0.13	-
Total	**14.40**	**12.15**

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

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

45 Related party disclosures (Contd.)

(B) Details of transactions with related parties

Particulars	For the period ended	
	March 31, 2022	March 31, 2021
Security Deposit Received		
Shenayah Retail Stores Private Limited	35.50	-
Vandana Enterprise	17.50	-
Pranit Fashions	1.20	-
Total	**54.20**	**-**
Corporate social responsibility expenditure		
Manas Foundation	30.78	38.12
Total	**30.78**	**38.12**
Loan given (repayable on demand)		
Manyavar Creations Private Limited	4.00	14.90
Total	**4.00**	**14.90**
Refund of loan given		
Manyavar Creations Private Limited	4.00	14.90
Total	**4.00**	**14.90**
Buy back of shares (excluding taxes) (Refer Note 17(ii) and 17(iii))		
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	2,008.62	657.10
Ravi Modi HUF	431.42	141.14
Ravi Modi	18.73	6.13
Shilpi Modi	29.47	9.64
Total	**2,488.24**	**814.01**
Interest income on loan given		
Manyavar Creations Private Limited *	0.00	0.78
Total	**0.00**	**0.78**
Sale of Subsidiary Company - Mohey Fashions Private Limited (Refer Note 6.1)		
Ravi Modi	0.50	-
Shilpi Modi	0.50	-
Total	**1.00**	**-**
Bank Guarantee Taken		
Shenayah Retail Stores Private Limited	2.00	-
	2.00	**-**
Bank Guarantee Refunded		
Shenayah Retail Stores Private Limited	2.00	-
	2.00	**-**
Salary to relative of KMP		
Vedant Modi	1.75	-
Ajay Modi	4.35	-
Total	**6.10**	**-**
Commission to Indepndent Director (including sitting fees)		
Mr. Manish Mahendra Choksi	1.70	-
Mr. Tarun Puri	1.70	-
Mrs. Abanti Mitra	1.70	-
Total	**5.10**	**-**
IPO Expense incurred on behalf of selling share holders[45.1]	246.97	-
Total	**246.97**	**-**

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

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

45 Related party disclosures (Contd.)

45.1 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 to sale of 36,364,838 equity shares by selling shareholders and hence details related to utilisation of IPO proceeds is not applicable to the Company.

During the year the Company has incurred expenses aggregating to INR 246.97 million towards various services availed in connection with aforesaid IPO under terms of agreements executed between the Company and respective service providers. Such expenses has been reimbursed by the selling shareholders during the year and the balance amount of INR 119.29 million is being reported in these financial results as recoverable from selling shareholders.

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 financial results.

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

Particulars		As at March 31, 2022	As at March 31, 2021
Receivable from:			
Manyavar Creations Private Limited	Trade receivables	6.99	93.22
Pranit Fashions	Trade receivables	3.07	3.34
Shenayah Retail Stores Private Limited	Trade receivables	87.39	86.48
Vandana Enterprise	Trade receivables	36.64	33.44
Sub Total		**134.09**	**216.48**
IPO Expense Recoverable from selling share holder[45.1]	IPO expense recoverable in cash or kind	119.29	-
Total		**253.38**	**216.48**
Payable to:			
Ravi Modi	Director's Remuneration payable	47.45	7.36
Shilpi Modi	Director's Remuneration payable	25.50	4.65
Tarun Puri	Trade payable	0.03	-
Total		**72.98**	**12.01**
Deposit Taken:			
Shenayah Retail Stores Private Limited		35.50	-
Vandana Enterprise		17.50	-
Pranit Fashions		1.20	-
Total		**54.20**	**-**

(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'.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salary & Allowances*		
Ravi Modi	128.55	59.29
Shilpi Modi	89.22	29.65
Usha Devi Modi (upto September 06, 2021)	0.05	5.00
Ajay Modi (upto September 06, 2021)	4.42	8.55
Dalpat Raj Jain (upto December 31, 2020)	-	7.47
Navin Pareek	2.29	1.40
Rahul Murarka (w.e.f. May 17, 2021)	5.23	-
Total KMP's Remuneration	**229.76**	**111.36**

* Salary & Allowances excludes Company's contribution towards retirement benefits and employee stock options scheme since those are ascertained for the Company as a whole.

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

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	As at March 31, 2022				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	At cost	Carrying Value
Financial Assets					
Investments	3,822.43	1,215.37	-	200.10	5,237.90
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
Total	**3,822.43**	**1,215.37**	**4,746.29**	**200.10**	**9,984.19**
Financial Liabilities					
Non-current 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
Total	**0.22**	**-**	**4,517.70**	**-**	**4,517.92**

Particulars	As at March 31, 2021				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	At cost	Carrying Value
Financial Assets					
Investments	4,525.73	-	801.73	201.10	5,528.56
Trade receivables	-	-	3,663.79	-	3,663.79
Cash and cash equivalents	-	-	64.45	-	64.45
Other bank balances	-	-	4.96	-	4.96
Other financial assets *	0.00	-	550.69	-	550.69
Total	**4,525.73**	**-**	**5,085.62**	**201.10**	**9,812.45**
Financial Liabilities					
Non-current deposits	-	-	812.44	-	812.44
Lease liabilities	-	-	2,036.60	-	2,036.60
Trade payables	-	-	480.92	-	480.92
Other financial liabilities	-	-	105.62	-	105.62
Total	**-**	**-**	**3,435.58**	**-**	**3,435.58**

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

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

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)

	Fair Value measuring at the end of the reporting period using			As at March 31, 2022
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments in mutual funds	3,022.18	-	-	3,022.18
Investments in bonds and debenture	2,015.62	-	-	2,015.62
Total	**5,037.80**	**-**	**-**	**5,037.80**
Financial Liabilities				
Derivative instruments	-	0.22	-	0.22
	-	**0.22**	**-**	**0.22**

	Fair Value measuring at the end of the reporting year using			As at March 31, 2021
Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investments in mutual funds	4,202.68	-	-	4,202.68
Investments in bonds	323.05	-	-	323.05
Derivative instruments *	-	0.00	-	0.00
Total	**4,525.73**	**0.00**	**-**	**4,525.73**

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

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

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

c) Trade receivables, cash and cash equivalents, other 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.

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

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

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 forsee 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

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 forwards to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table analyses foreign currency risk from financial instruments:

Particulars	As at March 31, 2022	As at March 31, 2021
Exposure Currency (USD)		
Trade receivables (INR in Million)[1]	80.93	23.79
Exposure Currency (CAD)		
Trade receivables (INR in Million)[2]	-	0.23

(1) For the year ended March 31, 2022 and March 31, 2021, every percentage appreciation in the exchange rate between the Indian rupee and USD, would increase the Company's profit before tax by approx. INR 0.81 Million and INR 0.24 Million respectively.

(2) For the year ended March 31, 2021, every percentage appreciation in the exchange rate between the Indian rupee and CAD, would increase the Company's profit before tax by approx. INR 0.01 Million.

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, 2022	As at March 31, 2021
Less than 1 year		
Forward contract - to cover export receivables (Amount in USD Million)	0.51	0.02

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

48 Financial Risk Management (Contd.)

b) 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.

c) 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.

d) 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 3,947.99 Million and INR 3,663.79 Million as at March 31, 2022 and March 31, 2021 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.

For ageing analysis of the trade receivables, refer Note 12.

e) 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.

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 1 year		
Trade payables	683.85	480.92
Lease Liabilities	800.26	688.76
Other financial liabilities	295.77	105.62
	1,779.88	**1,275.30**
Between 2 to 3 year		
Lease Liabilities	1,281.96	1,053.55
Other financial liabilities	174.80	228.64
	1,456.76	**1,282.19**
More than 3 year		
Lease Liabilities	546.45	294.29
Other financial liabilities	734.83	583.80
	1,281.28	**878.09**
Total	**4,517.92**	**3,435.58**

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 (including current maturities of long term debt and interest accrued) and lease liabilities 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.

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

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

49 Capital Management (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
Share capital	242.70	247.87
Other equity	10,598.61	10,745.69
Equity (A)	**10,841.31**	**10,993.56**
Cash and cash equivalents	30.66	64.45
Current investments	4,034.47	4,527.68
Other bank balances	2.61	4.96
Total fund (B)	**4,067.74**	**4,597.09**
Lease Liabilities (F)	2,628.67	2,036.60
Total debt (C)	**2,628.67**	**2,036.60**
Net debt (D=(C-B))	**(1,439.07)**	**(2,560.49)**
Total capital (equity + net debt)	9,402.24	8,433.07
Net debt to equity ratio (E=D/A)	*	*
Net debt (excluding lease liabilities) [G=(D-F)]	**(4,067.74)**	**(4,597.09)**
Net debt to equity ratio (excluding lease liabilities)	*	*

* Net debt is negative and hence not applicable.

49.1 The Company is having cash credit facility and the same carries interest rate of 8.00% p.a as on March 31, 2022 (March 31, 2021 - 8.00% p.a to 8.95% p.a). Cash credit facility is unsecured. The facility is unutlised as on March 31, 2022 and March 31, 2021.

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 assessories.

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

Particulars	Revenue from Operations	
	For the year ended March 31, 2022	For the year ended March 31, 2021
India	9,801.10	5,348.09
Overseas	286.35	75.99
Total	**10,087.45**	**5,424.08**

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

Particulars	Carrying amount of assets*	
	As at March 31, 2022	As at March 31, 2021
India	5,659.16	5,120.79
Overseas	-	-
Total	**5,659.16**	**5,120.79**

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

(ii) Disaggregated revenue information

For disaggregation of revenue, refer Note 30.1.

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

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	332,124	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)	August 28, 2021	495,140	400

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)
Options exercisable as at March 31, 2020	249,566	344	13,663	344	19,039	536	-	-	-	-
Options granted during the year	-	-	-	-	-	-	32,193	685	-	-
Options lapsed during the year (Unvested)	(56,606)	344	(676)	344	(8,405)	536	-	-	-	-
Options exercisable as at March 31, 2021	**192,960**	**344**	**12,987**	**344**	**10,634**	**536**	**32,193**	**685**	**-**	**-**
Split of shares from INR 2 per share to INR 1 per share (Refer Note 17 (i))	192,960	-	12,987	-	10,634	-	32,193	-	-	-
Options granted during the period	-	-	-	-	-	-	-	-	4,95,140	400
Options exercised during the year	(254,855)	172	(15,980)	172	-	-	-	-	-	-
Options lapsed during the period (Unvested)	(14,628)	172	(702)	172	(21,268)	268	(8,322)	343	(37,244)	400
Options exercisable as at March 31, 2022	**116,437**	**172**	**9,292**	**172**	**-**	**-**	**56,064**	**343**	**4,57,896**	**400**

51.1 There were no vested options as on March 31, 2022 (March 31, 2021 - 76,327 (pre split) number of 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).

51.2 There were no options forfeited in any of the reporting period.

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

51 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 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, 2022	For the year ended March 31, 2021
Employee Compensation Cost pertaining to share-based payment plans (in INR Million)	33.92	8.68

51.3 During the year, 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 has increased by INR 0.26 million and securities premium increased by INR 72.06 million.

52 Ratio Analysis and its elements

Particulars	March 31, 2022	March 31, 2021	% change from March 31, 2021 to March 31, 2022
Current ratio	3.06	3.82	(19.90%)
Debt- Equity Ratio[1]	0.24	0.19	26.32%
Debt Service Coverage ratio[1]	5.10	3.77	35.28%
Return on Equity[1]	28.24%	12.02%	134.94%
Inventory Turnover ratio[1]	8.37	5.06	65.42%
Trade Receivable Turnover Ratio[1]	2.65	1.43	85.31%
Trade Payable Turnover Ratio[1]	8.89	5.29	68.05%
Net Capital Turnover Ratio[1]	1.48	0.76	94.74%
Net Profit ratio[1]	30.57%	24.10%	26.85%
Return on Capital Employed[1]	46.80%	21.44%	118.28%
Return on Investment	4.15%	3.35%	23.88%

Reasons for variance of more than 25% in above ratios

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

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

52 Ratio Analysis and its elements (Contd.)

Elements of Ratio

Ratios	Numerator	Denominator	March 31, 2022		March 31, 2021	
			Numerator	Denominator	Numerator	Denominator
Current Ratio	Current Assets	Current Liabilities	10,156.48	3,317.65	9,701.29	2,541.61
Debt- Equity Ratio	Debt (Borrowing + Lease liabilities)	Total Equity	2,628.67	10,841.31	2,036.60	10,993.56
Debt Service Coverage ratio	Earnings for Debt Service (Profit for the year + Finance cost + Depreciation + 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 + Provision for doubtful debts & advances + Bad debts/advances written off)	Debt Service (Interest & Lease Payments + Principal Re-payments)	4,072.01	797.81	2,123.42	563.11
Return on Equity ratio	Profit for the year	Average Shareholder's Equity	3,083.54	10,917.43	1,307.43	10,877.49
Inventory Turnover ratio	Revenue from operations	Average Inventory	10,087.45	1,205.48	5,424.08	1,071.15
Trade Receivable Turnover Ratio	Revenue from operations	Average Trade Receivable	10,087.45	3,805.89	5,424.08	3,789.00
Trade Payable Turnover Ratio	Purchases during the year of raw materials, accessories and stock in trade + other expenses	Average Trade Payable	5,176.77	582.39	2,555.86	483.01
Net Capital Turnover Ratio	Revenue from operations	Working Capital *	10,087.45	6,838.83	5,424.08	7,159.68
Net Proft ratio	Profit for the year	Revenue from operations	3,083.54	10,087.45	1,307.43	5,424.08
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]	4,408.38	9,420.46	2,035.55	9,493.60
Return on Investment	Interest Income on fixed deposits, bonds and debentures + Profit on sale of investments + Profit 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	217.48	5,240.51	185.19	5,533.52

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

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

(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, 2022	March 31, 2021	% change from March 31, 2021 to March 31, 2022
Debt- Equity Ratio	-	-	Not Applicable
Debt Service Coverage ratio	1,076.95	1,494.24	(27.93%)
Return on Capital Employed	61.86%	24.65%	148.00%

Reasons for variance of more than 25% in above ratios

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

Elements of Ratio

Ratios	Numerator	Denominator	March 31, 2022		March 31, 2021	
			Numerator	Denominator	Numerator	Denominator
Debt- Equity Ratio	Debt (Borrowing)	Total Equity	-	10,841.31	-	10,993.56
Debt Service Coverage ratio	Earnings for Debt Service (Profit for the year + Finance cost - Interest on lease liabilities + Depreciation - 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+Provision for doubtful debts & advances+Bad debts/ advances written off)	Debt Service (Interest paid other than interest on lease liabilities)	3,865.25	3.59	1,925.99	1.29
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]	4,201.62	6,791.79	1,838.11	7,457.01

53 Critical estimates and judgements in applying accounting policies

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

i) Revenue Recognition

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

(a) The Company has a present right to payment for the product if a Customer/ Franchisee is presently obliged to pay for an product in accordance with the terms of the agreement.

(b) The Customer/ Franchisee has legal title to the product

(c) The Company has transferred physical possession of the product

(d) The Customer/ Franchisee has the significant risks and rewards of ownership of the product

(e) The Customer/ Franchisee has accepted the product

53 Critical estimates and judgements in applying accounting policies (Contd.)

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, 2022, the amount recognised as refund liabilities for the expected returns is INR 837.23 Million and corresponding right of return asset is INR 292.44 Million (March 31, 2021: expected returns was INR 727.70 Million and corresponding right of return asset is INR 257.50 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.

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

53 Critical estimates and judgements in applying accounting policies (Contd.)

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 certainity of availability of adequate future long term capital gains for set off. Further details on taxes are disclosed in Note 22.

x) 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.

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

54 Assets Held For Sale

During the year ended March 31, 2022, 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 carring 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 expected to be completed in financial year ended March 31, 2023. Expected recoverable value from the transcation is INR 26.36 million (including amount received till March 31, 2022) which is more than the carring value.

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

In terms of our report attached of the even date

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

per Bhaswar Sarkar
Partner
Membership No. 055596

Place: Kolkata
Date: May 09, 2022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)
For and on behalf of the Board of Directors

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholetime Director
DIN : 00361954

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 accompanying consolidated financial statements of Vedant Fashions Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of one of the subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, their consolidated profit/loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 for the financial year ended March 31, 2022. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
(a) Recognition of revenue (as described in Note 32 of the consolidated financial statements)	
The Group recognizes revenues when the control of goods are transferred to the customer and when there are no unfulfilled obligations under the terms of contracts with customers. Revenue reflects aggregate consideration that the Group is entitled to in exchange of products in accordance with the terms of the contracts with customers. The terms of sales arrangements, including the timing of transfer of control, based on the terms of relevant contract and nature of revenue arrangements and management's assessment of expected returns based on experience and best judgement, creates complexities that require judgment in determining revenues.	Our audit procedures included the following: • Assessed the Group's accounting policy for revenue recognition and measurement of provision for sales return to ensure they are in accordance with requirements of Ind AS 115 'Revenue from Contracts with Customers'. • Assessed the design and tested the operating effectiveness of internal controls assisted by IT specialists, of the revenue recognition processes and calculation of sale returns. • Performed test for a sample of individual sales transaction by comparing the underlying sales invoices, sales orders and other related documents to assess that revenue is recognized on transfer of control to the customer in accordance with the terms of the contract.

Key audit matters	How our audit addressed the key audit matter
Accordingly, considering the above factors and the risk associated with timing of revenue recognition and estimates/ judgements involved around provision for sales return, the same is determined to be a key audit matter in our audit of the consolidated financial statements.	• Tested on a sample basis, that revenue has been recognized in the proper period with reference to the supporting documents including confirmations from customers. Tested, on sample basis, credit notes issued to customers for returns as per approved norms. • Tested the estimate of expected returns with underlying documentation such as management approved norms, operational procedures, sales data and customer reconciliations, as applicable. Obtained an understanding of management's estimate of business impact of COVID 19 pandemic on estimates of sales returns. • Performed analytical procedures on returns and held discussions with management to understand changes in provisioning norms made based on management's assessment of market conditions and Group's operational procedures. • Assessed the adequacy of Group's disclosures in Note 56 on significant accounting judgments, estimates and assumptions.
Ind-AS 116 –Leases Accounting (as described in Note 46 of the consolidated financial statements)	
As at March 31, 2022, the Group has INR 2,667.38 million of Right of Use (RoU) assets and INR 2,786.98 million of Lease liabilities recognized under Ind AS 116 pertaining to the premises leased by the Group. Accounting under Ind AS 116, requires significant judgement and estimate in identification of lease arrangement and lease period, determining the RoU assets and lease liabilities using the appropriate discount rate, appropriate recognition of rent concession and modification to terms of the underlying agreements. Accordingly, the same is considered a key audit matter in our audit of the consolidated financial statements.	Our audit procedures included the following: • Assessed the Group's accounting policy with respect to recognition of leases to ensure they are in accordance with the requirements of Ind AS 116, including accounting for rent concession arrangements. • Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Group has in relation to accounting of leases and rent concession arrangements under Ind AS 116. • Tested the accuracy and completeness of the underlying lease master by agreeing the underlying data pertaining to lease rentals, term, escalation and other relevant terms and conditions to lease agreements and performed recomputation on a sample basis. Assessed the recognition of rent concession and modification on a sample basis in accordance with Ind AS 116 and respective amendments. • Assessed the underlying assumptions and estimates including the applicable discount rates. • Assessed the adequacy of Group's disclosures made in accordance with the requirements of Ind AS 116.
Goodwill and Brand: Impairment Evaluation (as described in Note 5 of the consolidated financial statements)	
The Group has an acquired goodwill and brand (intangible asset) as at March 31, 2022 assessed to be with an indefinite life. As required by Ind AS 36 "Impairment of Assets", such brand and goodwill is tested for impairment every year as stated in the accounting policy note 3 (c) of the consolidated financial statements. For this assessment, the Group determines the recoverable value of the goodwill and brand based on value in use method using cash flow projections from financial budgets, which is sensitive to changes in inputs used in valuation and involves judgment due to inherent uncertainty in the assumptions related to discount rate, future growth rate and terminal growth rate. Accordingly, goodwill and brand impairment assessment is a key audit matter considering future estimates and judgment involved in such assessment and considering the significant carrying value of goodwill and brand.	Our audit procedures included the following: • Assessed the Group's accounting policies with respect to impairment testing to ensure they are in accordance with requirements of Ind AS 36. • Obtained an understanding of the process followed by the management to determine the recoverable amounts of brand and goodwill. • Assessed the impairment testing model for brand and goodwill prepared by the management. • Assessed the consistency of data used in the recoverable amount calculation with the financial budgets approved by the board of directors of the Group and the basis of projections followed by the Group. • Evaluated the objectivity, competency and independence of the management expert engaged by the Group and evaluated the valuation reports issued by such expert.

Key audit matters	How our audit addressed the key audit matter
	• Assessed management's sensitivity analysis around the key assumptions. • Assessed the adequacy of disclosures provided by the Group in relation to its annual impairment test in Note 56 to the Consolidated Ind AS Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report 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 such 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.

Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity 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 read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in

accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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 Holding 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 management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities 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 for the financial year ended March 31, 2022 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) We did not audit the financial statements and other financial information, in respect of one subsidiary Mohey Fashions Private Limited (MFPL). The Holding Company has now sold its investments in MFPL on August 20, 2021 and consequent to which, MFPL is ceased to be its subsidiary Company. Total assets, total revenues and net cash flows of MFPL as at and for the period April 01, 2021 to August 20, 2021, as mentioned below and included in the consolidated financial statements and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss as mentioned below, as considered in the consolidated financial statements, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report(s) of such other auditor.

INR in million

Particulars	As at and for the period April 01, 2021 to August 20, 2021
Total Assets	0.52
Total revenue	-
Net Cash inflow / (outflow)	(0.03)
Group's share of net loss	0.05

(b) Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditor on separate financial statements and the other financial information of one of the subsidiary company, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of one of the subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon 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 consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the 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 Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2022 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 consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Holding Company and its subsidiaries incorporated in India for the year ended March 31, 2022;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 45 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2022.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ["Ultimate Beneficiaries"] or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries 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 or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party/Parties ["Ultimate Beneficiaries"] or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations provided to us, as set out in sub-clause (a) and (b) contain any material mis-statement.

v. As stated in note 19 to the consolidated financial statements, the respective Board of Directors of the Holding Company, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective company at the respective 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. No dividend has been declared or paid during the year by its subsidiary companies, incorporated in India.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

____
per **Bhaswar Sarkar**
Partner

Place of Signature: Kolkata
Date: 09 May 2022

Membership Number: 055596
UDIN: 22055596AIQXCN8570

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

TO THE MEMBERS OF VEDANT FASHIONS LIMITED

There are no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) reports of the Subsidiary Company- Manyavar Creations Private Limited included in the consolidated financial statements.

Further, reporting under Companies (Auditors Report) Order (CARO) is not applicable for Mohey Fashions Private Limited based on the corresponding report of the auditor of such Subsidiary Company.

Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

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

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per Bhaswar Sarkar
Partner
Membership Number: 055596
UDIN: 22055596AIQXCN8570

Place of Signature: Kolkata
Date: 09 May 2022

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Vedant Fashions Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Vedant Fashions Limited (hereinafter referred to as the "Holding Company"), as of that date. This report does not include report on the internal financial controls over financial reporting under clause (i) of Sub-section 3 of Section 143 of the Act (the 'Report on Internal Financial Controls over financial reporting') for Mohey Fashions Private Limited and Manyavar Creations Private Limited (hereinafter referred to as the "Subsidiary Companies"), since based on the corresponding report of the auditor of such Subsidiary Companies, the said Report on Internal Financial Controls over financial reporting is not applicable to the said Subsidiaries basis the exemption available to the companies under MCA notification no. G.S.R. 583(E) dated June 13, 2017 on reporting on internal financial controls over financial reporting.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 (ICAI). 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued under ICAI. 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 over financial reporting with reference to these consolidated financial statements was 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 over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated 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 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 over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes 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 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2022, based on the internal control over financial reporting criteria established by the Holding 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.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

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per **Bhaswar Sarkar**
Partner
Membership Number: 055596
UDIN: 22055596AIQXCN8570

Place of Signature: Kolkata
Date: 09 May 2022

Consolidated Balance Sheet as at March 31, 2022

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

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	746.38	794.76
(b) Right of use assets	4	2,667.36	2,034.70
(c) Capital work in progress	4	–	2.47
(d) Goodwill	5	157.11	157.11
(e) Other intangible assets	5	1,575.14	1,602.65
(f) Intangible assets under development	5	1.04	1.38
(g) Financial assets			
(i) Investments	6	1,003.33	799.78
(ii) Others	7	484.07	433.93
(h) Deferred tax assets (net)	8	13.06	15.61
(i) Other assets	9	669.50	621.82
(j) Non- current tax assets (net)	10	40.63	41.03
Total non-current assets		**7,357.62**	**6,505.24**
Current assets			
(a) Inventories	11	1,430.00	1,012.36
(b) Financial assets			
(i) Investments	12	4,120.89	4,555.92
(ii) Trade receivables	13	3,967.41	3,612.42
(iii) Cash and cash equivalents	14	36.09	66.10
(iv) Bank Balances other than (iii) above	15	2.61	4.96
(v) Others	16	314.47	163.30
(c) Other assets	17	455.22	336.22
(d) Current tax assets (net)	18	–	0.01
Total current assets		**10,326.69**	**9,751.29**
Assets held for sale	57	13.26	
Total assets		**17,697.57**	**16,256.53**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	19	242.70	247.87
(b) Other equity	20	10,584.72	10,666.23
Total Equity		**10,827.42**	**10,914.10**
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
(i) Lease liabilities	21	1,934.48	1,396.52
(ii) Deposits	22	912.09	817.90
(b) Provisions	23	29.91	26.01
(c) Deferred tax liabilities (net)	24	168.11	147.33
(d) Other non-current liabilities	25	393.43	357.49
Total non-current liabilities		**3,438.02**	**2,745.25**
Current Liabilities			
(a) Financial liabilities			
(i) Lease liabilities	26	852.52	707.22
(ii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	27	158.11	121.45
- total outstanding dues of creditors other than micro enterprises and small enterprises	27	572.03	377.48
(iii) Others	28	297.47	107.15
(b) Other current liabilities	29	1,494.17	1,239.16
(c) Provisions	30	4.30	3.78
(d) Current tax liabilities (net)	31	53.53	40.94
Total current liabilities		**3,432.13**	**2,597.18**
Total liabilities		**6,870.15**	**5,342.43**
Total equity and liabilities		**17,697.57**	**16,256.53**
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 S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 055596

Place: Kolkata
Date: May 09, 2022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)
For and on behalf of the Board of Directors

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholetime Director
DIN : 00361954

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, 2022

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

	Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
	Income:			
I	Revenue from operations	32	10,408.41	5,648.16
II	Other income	33	499.26	602.03
III	**Total income (I + II)**		**10,907.67**	**6,250.19**
IV	**Expenses:**			
	Cost of materials used			
	– Raw materials	34A	1,152.03	554.85
	– Accessories & packing materials	34B	175.73	100.81
	Purchases of stock-in-trade	35	1,706.48	707.61
	(Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade	36	(365.98)	100.04
	Employee benefits expense	37	575.28	381.07
	Finance costs	38	284.25	258.22
	Depreciation and amortisation expense	39	943.56	955.29
	Other expenses	40	2,206.21	1,373.13
	Total expenses		**6,677.56**	**4,431.02**
V	**Profit before tax (III-IV)**		**4,230.11**	**1,819.17**
VI	**Tax expense:**			
	– Current tax		1,056.68	433.30
	– Deferred tax charge (net)		24.32	56.84
	Total Tax expense		**1,081.00**	**490.14**
VII	**Profit for the year (V-VI)**		**3,149.11**	**1,329.03**
VIII	**Other comprehensive income/(loss)**			
	Item that will not be subsequently reclassified to profit or loss			
	(a) Re-measurement gains on defined benefit obligations		0.33	0.88
	(b) Income tax effect on above		(0.08)	(0.22)
	Item that will be subsequently reclassified to profit or loss			
	(a) Changes in fair value of investments		(4.30)	–
	(b) Income tax effect on above		1.08	–
	Total other comprehensive income/(loss) for the year, net of tax		**(2.97)**	**0.66**
IX	**Total comprehensive income for the year**		**3,146.14**	**1,329.69**
X	Earnings per equity share (EPS) (face value of share of INR 1 each)			
	Basic (in INR per share)	41	12.90	5.36
	Diluted (in INR per share)	41	12.90	5.36
	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 S. R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)
For and on behalf of the Board of Directors

per Bhaswar Sarkar
Partner
Membership No. 055596

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholetime Director
DIN : 00361954

Place: Kolkata
Date: May 09, 2022

Rahul Murarka
Chief Financial Officer

Navin Pareek
Company Secretary
ICSI Membership No. F10672

Consolidated Cash Flow Statement for the year ended March 31, 2022

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

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
A. Cash Flow from Operating Activities			
Profit before tax		4,230.11	1,819.17
Adjustments for :			
Depreciation & amortisation expenses		943.56	955.29
Profit on sale/ discard of property, plant and equipment (net)		(0.26)	(7.22)
Profit on sale of investments in subsidiary Company		(0.61)	–
Interest income		(79.75)	(136.97)
Profit on sale of investments		(65.25)	(47.24)
Profit on fair valuation of investments carried at fair value through Profit & Loss		(99.64)	(31.42)
Provision for doubtful debts & advances		26.41	26.38
Bad debts/advances written off		1.49	4.20
Liabilities/provisions no longer required written back		(29.10)	(16.07)
Unrealised net (gain)/loss on foreign currency transactions and translations		0.22	(0.24)
Rent concession on lease arrangements		(143.73)	(338.97)
Gain on termination of lease arrangements (Refer Note 33)		(17.49)	(13.52)
Finance cost on lease liabilities		219.58	204.70
Finance cost on others		64.67	53.52
Operating profit before working capital changes		**5,050.21**	**2,471.61**
Movement in working capital:			
Increase in other financial assets		(182.32)	(68.34)
(Increase)/decrease in non financial assets		(151.82)	80.92
(Increase)/decrease in trade receivables		(377.11)	115.84
(Increase)/decrease in inventories		(417.65)	196.22
Increase in provisions		4.75	3.44
Increase/(decrease) in trade payables		252.05	(27.07)
Increase in other financial and non financial liabilities		422.28	98.44
Cash generated from operations		**4,600.39**	**2,871.06**
Income tax paid (net of refund and including income tax paid under protest)		(1,090.21)	(344.84)
Net cash flow from operating activities	**(A)**	**3,510.18**	**2,526.22**
B. Cash Flow from Investing Activities			
Purchase of property, plant and equipments, capital work in progress & intangible assets (including capital advances)		(22.60)	(124.99)
Proceeds from sale of property, plant and equipments & intangible assets (including advance received) [Refer Note 9.1]		131.87	275.69
Interest received		90.87	110.75
Proceeds from sale of investments in subsidiary Company (Refer Note 54.2)		1.00	–
Purchase of investments		(12,986.54)	(8,033.85)
Sale/redemption of investments		13,022.50	6,609.97
Bank Balances not considered as cash and cash equivalents:			
- Deposits placed		–	(727.54)
- Deposits matured		327.50	1,005.82
Net cash flow from/(used) in investing activities	**(B)**	**564.60**	**(884.15)**
C. Cash flow from Financing Activities			
Payment of principal amount of lease liabilities		(614.89)	(373.41)
Interest paid on lease liabilities		(219.58)	(204.70)
Interest paid other than interest on lease liabilities		(3.59)	(2.11)
Proceeds from fresh equity shares issuance against vested ESOPs in Holding Company		46.58	–
Buy Back of equity shares (including Tax) [Refer Note 19 (ii) and 19 (iii)]		(3,313.31)	(1,084.41)
Net cash used in financing activities	**(C)**	**(4,104.79)**	**(1,664.63)**
Net decrease in Cash and Cash Equivalents	(A+B+C)	(30.01)	(22.56)
Cash and Cash Equivalents at the beginning of the year		66.10	88.66
Cash and Cash Equivalents at the end of the year		**36.09**	**66.10**

Consolidated Cash Flow Statement for the year ended March 31, 2022

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

Particulars	March 31, 2022	March 31, 2021
Components of Cash & Cash Equivalents (Refer Note 14)		
Balance with Banks	36.01	65.67
Cash on hand	0.08	0.43
Cash and Cash Equivalents as at the end of the year	**36.09**	**66.10**

Non-cash investing activities

Particulars	March 31, 2022	March 31, 2021
Acquisition of Right of use assets (Refer Note 4)	1,588.64	516.13

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

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

per Bhaswar Sarkar
Partner
Membership No. 055596

Place: Kolkata
Date: May 09, 2022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)
For and on behalf of the Board of Directors

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholetime Director
DIN : 00361954

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, 2022 (All amounts are in INR Million, unless otherwise stated)

A Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year	12,39,33,299	247.87	12,52,27,420	250.46
Less: Equity Shares cancelled pursuant to the scheme of buyback (Refer Note 19 (ii) & 19 (iii))	(27,17,172)	(5.43)	(12,94,121)	(2.59)
Add : Split of shares from INR 2 per share to INR 1 per share (Refer Note 19 (i))	12,12,16,127	–	–	–
Add : ESOP allotment during the year (Refer Note 53)	2,70,835	0.26		
Equity shares outstanding	**24,27,03,089**	**242.70**	**12,39,33,299**	**247.87**

B Other Equity

As at March 31, 2022

Particulars	Attributable to the equity shareholders					
	Reserves and Surplus					Total other equity
	Securities premium	Capital Reserves	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
As at March 31, 2021	1,298.87	7.62	2.59	34.76	9,322.39	10,666.23
Profit for the year	–	–	–	–	3,149.11	3,149.11
Other comprehensive loss	–	–	–	–	(2.97)	(2.97)
Total comprehensive income	–	–	–	–	3,146.14	3,146.14
Buyback of shares (including tax) [Refer Note 19 (iii)]	(1,298.87)	–	–	–	(2,009.01)	(3,307.88)
Transfer to Capital Redemption Reserve on account of buy back of shares (Refer Note 19 (iii))	–	–	5.43	–	(5.43)	–
ESOP allotment during the year	72.06	–	–	(25.75)	–	46.31
Share-based payments (Refer Note 53)	–	–	–	33.92	–	33.92
As at March 31, 2022	**72.06**	**7.62**	**8.02**	**42.93**	**10,454.09**	**10,584.72**

As at March 31, 2021

Particulars	Attributable to the equity shareholders					
	Reserves and Surplus					Total other equity
	Securities premium	Capital Reserves	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
As at March 31, 2020	2,383.28	7.62	–	26.08	7,992.70	10,409.68
Profit for the year	–	–	–	–	1,329.03	1,329.03
Other comprehensive income	–	–	–	–	0.66	0.66
Total comprehensive income	–	–	–	–	1,329.69	1,329.69
Buyback of shares (including tax) [Refer Note 19 (ii)]	(1,081.82)	–	–	–	–	(1,081.82)
Transfer to Capital Redemption Reserve on account of buy back of shares (Refer Note 19 (ii))	(2.59)	–	2.59	–	–	–
Share-based payments (Refer Note 53)	–	–	–	8.68	–	8.68
As at March 31, 2021	**1,298.87**	**7.62**	**2.59**	**34.76**	**9,322.39**	**10,666.23**

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

For S. R. Batliboi & Co. LLP

Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Bhaswar Sarkar
Partner
Membership No. 055596

Place: Kolkata
Date: May 09, 2022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)

For and on behalf of the Board of Directors

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholetime Director
DIN : 00361954

Rahul Murarka
Chief Financial Officer

Navin Pareek
Company Secretary
ICSI Membership No. F10672

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

1. GROUP OVERVIEW

The Consolidated Financial Statement comprise financial of statements of Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited) (the Holding Company) and its subsidiaries (collectively, the Group) for year ended March 31, 2022

The Holding Company is a public company incorporated under the provisions of the Companies Act applicable in India. The Group is principally 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.

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, West Bengal, India.

The Group was originally incorporated on 24th of May, 2002 under the name "Vedant Fashions Private Limited". 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".

2.1 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

a. Basis of preparation

The Consolidated Balance Sheet of the Group as at March 31, 2022 and the related Consolidated Statement of Profits & Losses, changes in equity and cash flow for the year ended March 31, 2022 and accompanying notes to the aforesaid consolidated Financial Statements (hereafter collectively called "Financial Statement") have been prepared in accordance with requirements of Indian Accounting Standard 34 'Financial Reporting' ("Ind AS 34"), 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).

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

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

These Consolidated Financial Statement 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 Statement on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing 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.

- Disclosures for valuation methods, significant estimates and assumptions (Note 56)
- Quantitative disclosures of fair value measurement hierarchy (Note 49)
- Property, plant and equipment (Note 4)
- Financial instruments (including those carried at amortised cost) (Note 48)

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

c. Functional and presentation currency

These 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. There is no such notification which would have been applicable from July 1, 2021.

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

New and amended standards

Ind AS 116: COVID-19 related rent concessions

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

2.2 BASIS OF CONSOLIDATION

The Consolidated Financial Statement comprise the financial statements of the Group and its subsidiaries as at March 31, 2022. 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 subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statement from the date the Group gains control until the date the Group ceases to control the subsidiary. The results of subsidiaries 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 Statement 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 Statement for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Consolidated Financial Statement 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 Statement of subsidiaries 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 the Consolidated Financial Statement.

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

The 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

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. 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 conditions will be complied with.

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.

iv) Dividend Income

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

b) Property, Plant and Equipment

(i) Property, plant and equipment

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

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the 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 commences when the assets are ready for their intended use.

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

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

• 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 end financial year end and changes in estimates, if any, are accounted for prospectively, if appropriate.

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 as part of 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 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, either individually or at the cash- generating unit level and when circumstances indicate that the carrying value may be impaired.

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) by Holding Company	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 Financial 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 it's 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.

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 balance sheet.

e) Financial instruments

Initial recognition and measurement

i. Financial assets

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are 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.

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 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 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.

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 fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the Consolidated Statement of Profit and Loss.

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.

ii. Financial liabilities

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

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

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

Classification and subsequent measurement

i. Financial assets

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

(i) those to be measured at fair value through profit or loss; and

(ii) those to be measured at fair value through other comprehensive income;

(iii) those measured at amortised cost

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

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

ii. Financial liabilities

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

Derecognition of financial instruments

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

Impairment of financial assets

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

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's management determines change in the business model as a result of external or internal changes which are significant to the Group's operations.

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.

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

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

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

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. 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. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

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

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

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. "Covld-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

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.

Deferred tax

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or 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.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when 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.

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

– When the deferred tax asset relating to the deductible temporary difference arises from the 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.

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

The 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 Statement of the Group.

l) Employee benefit schemes

i) Post employment benefits

Defined Contribution Plans

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.

ii) Other Long term benefits

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

iii) 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 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 Statement 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 Financial 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 Statement 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.

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.

Business Combinations arising from transfer of interests in entities that are under common control are accounted using pooling of interest method wherein, assets and liabilities of the combining entities are reflected at their carrying value. No adjustments are made to reflect fair values, or recognize any new assets or liabilities other than those required to harmonize accounting policies. The identity of the reserves is preserved and appears in the Consolidated Financial Statement of the transferee in the same form in which they appeared in the consolidated financial statements of the transferor.

r) Provisions and contingent liabilities

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

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

reflect the current best estimates. If the effect of time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources embodying economic benefit. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

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 subsidiaries considered in the preparation of Consolidated Financial Statements has been disclosed in Note 54.

u) Declaration of Dividend

The Holding 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 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.

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

4. Property, Plant and Equipment, Right of use assets and Capital Work in Progress[1]

Particulars	Right of use assets[2]	Property, Plant and Equipment								Capital Work in Progress[3]
	Buildings	Land-Freehold	Buildings	Plant and equipment	Furniture and fixtures	Computers	Office equipments	Vehicles	Total	
Gross Block										
As at March 31, 2020	3,223.43	89.03	611.14	13.36	229.03	24.32	86.08	18.34	1,071.30	–
Additions	524.75	–	99.00	2.01	6.15	3.61	0.48	–	111.25	2.47
Disposals	(182.85)	–	–	(0.68)	(55.63)	(1.27)	(18.78)	(4.13)	(80.49)	–
As at March 31, 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**	**–**
Accumulated Depreciation										
As at March 31, 2020	763.21	–	90.75	4.34	82.09	15.86	48.00	12.83	253.87	–
Charge for the year	836.31	–	26.96	1.83	36.14	5.02	15.56	1.62	87.13	–
Disposals	(68.89)	–	–	(0.49)	(18.65)	(1.06)	(9.82)	(3.68)	(33.70)	–
As at March 31, 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**	**–**
Net Block										
As at March 31, 2021	**2,034.70**	**89.03**	**592.43**	**9.01**	**79.97**	**6.84**	**14.04**	**3.44**	**794.76**	**2.47**
As at March 31, 2022	**2,667.36**	**89.03**	**563.60**	**7.58**	**63.71**	**8.42**	**11.63**	**2.41**	**746.38**	**–**

(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 without adjusting the comparative period. The right of use assets comprise of buildings (including retail store) taken on lease.

*Amount is below the rounding off norms adopted by the Group.

(3) Capital Work in Progress (CWIP) ageing schedule - Based on the requirements of Amended Schedule III

As at March 31, 2021

Particulars	Amount in CWIP for a period of less than 1 year
Projects in progress	2.47

3.1. There were no projects as on March 31, 2021 where activity has been suspended. Also there were no projects as on the March 31, 2021 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, 2021 with ageing exceeding 1 year.

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

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

5. Intangible Assets and Intangible Assets Under Development (IAUD)[1]

Particulars	Goodwill[2]	Other Intangible Assets				Intangible assets under development[4]
		Computer software	Tenancy right[3]	Trade Mark, Brand & Others[2]	Total	
Cost						
As at March 31, 2020	157.11	12.52	77.15	1,587.13	1,676.80	2.54
Additions	–	1.52	–	1.57	3.09	0.40
Disposals	–	(2.76)	–	–	(2.76)	–
Transfer	–	–	–	–	–	(1.56)
As at March 31, 2021	**157.11**	**11.28**	**77.15**	**1,588.70**	**1,677.13**	**1.38**
Additions	–	2.50	2.22	0.30	5.02	0.12
Transfers	–	–	–	–	–	(0.46)
As at March 31, 2022	**157.11**	**13.78**	**79.37**	**1,589.00**	**1,682.15**	**1.04**
Accumulated Amortisation						
As at March 31, 2020	–	10.43	17.79	17.17	45.39	–
Charge for the year	–	1.58	14.40	15.87	31.85	–
Disposals	–	(2.76)	–	–	(2.76)	–
As at March 31, 2021	**–**	**9.25**	**32.19**	**33.04**	**74.48**	**–**
Charge for the year	–	1.99	14.77	15.77	32.53	–
As at March 31, 2022	**–**	**11.24**	**46.96**	**48.81**	**107.01**	**–**
Net Block						
As at March 31, 2021	**157.11**	**2.03**	**44.96**	**1,555.66**	**1,602.65**	**1.38**
As at March 31, 2022	**157.11**	**2.54**	**32.41**	**1,540.19**	**1,575.14**	**1.04**

(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 it's 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.

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, 2022	March 31, 2021
Annual growth rate for next 5 financial year	7.00%#	10.00%*
Terminal growth rate	5.00%	5.00%
Weighted Average Cost of Capital % (WACC) before tax (Discount rate)	11.50%	13.74%

* 10% growth rate has been considered after the financial year 2022-23 based on normal sales of financial year 2019-20.

7% growth rate has been considered after the financial year 2022-23.

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.

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.

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

5. Intangible Assets and Intangible Assets Under Development (IAUD)[1] (Contd.)

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

(4) Represents applications made for various trademark registration in various countries

Intangible Assets Under Development (IAUD) ageing schedule-Based on the requirements of Amended Schedule III

As at March 31, 2022

Particulars	Amount in IAUD for a year 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
Total	**0.16**	**–**	**–**	**0.88**	**1.04**

As at March 31, 2021

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	0.20	–	0.52	0.66	1.38
Total	0.20	–	0.52	0.66	1.38

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.

6 Financial assets - non current : Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in bonds and debentures		
Quoted		
At amortised cost		
National Highways Authority of India (March 31, 2021 - 2,10,000 units at par value of INR 1,000 each)	–	235.93
Tata Capital Financial Services Limited (March 31, 2021 - 200 units at par value of INR 10,00,000 each)	–	240.80
At fair value through other comprehensive income		
Bajaj Finance Limited - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2022 -100 units at par value of INR 10,00,000 each) [March 31, 2021 - NIL]	109.39	–
Kotak Mahindra Investments Limited - 0% Non-Convertible Debentures (March 31, 2022 - 103 units at par value of INR 10,00,000 each) [March 31, 2021 - NIL]	93.69	–
At fair value through profit and loss (FVTPL)		
ICICI Bank Limited - 8.55% Perpetual Bond (March 31, 2022 - 150 units at par value of INR 10,00,000 each) [March 31, 2021 - 150 units at par value of INR 10,00,000 each]	159.22	158.00
ICICI Bank Limited - 9.15% Perpetual Bond (March 31, 2022 - 100 units at par value of INR 10,00,000 each) [March 31, 2021 - NIL]	111.03	–
HDFC Bank Limited - 8.85% Perpetual Bond (March 31, 2022 - 250 units at par value of INR 10,00,000 each) [March 31, 2021 - 150 units at par value of INR 10,00,000 each]	269.57	165.05
State Bank of India - 8.50% Perpetual Bond (March 31, 2022 - 95 units at par value of INR 10,00,000 each) [March 31, 2021 - NIL]	99.86	–
State Bank of India - 9.37% Perpetual Bond (March 31, 2022 - 150 units at par value of INR 10,00,000 each) [March 31, 2021 - NIL]	160.57	–
Total	**1,003.33**	**799.78**
Aggregate market value of quoted investments	**1,003.33**	**822.19**
Aggregate book value of quoted investments	**1,003.33**	**799.78**

6.1 The Group has sold its investment in Mohey Fashions Private Limited (MFPL), a wholly owned subsidiary, on August 20, 2021 to Ravi Modi & Shilpi Modi for a consideration equivalent to its book value of INR 1.00 million. Consequently, with effect from August 20, 2021, MFPL ceased to be a subsidiary of the Holding Company (Refer Note 47).

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

(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, 2022	As at March 31, 2021
At amortised cost		
Security deposits		
– Considered good	483.77	433.26
– Considered doubtful (significant increase in credit risk)	0.30	0.30
	484.07	433.56
Less: Credit impaired	(0.30)	(0.30)
	483.77	433.26
Bank deposits with remaining maturity greater than 12 months[1]	0.22	0.37
Interest accrued on fixed deposits	0.08	0.22
Loan to employees	–	0.08
Total	484.07	433.93

(1) Represents bank deposits lodged with sales tax authorities which earns interest ranging from 4.50% to 5.10% (March 31, 2021 - 4.50% to 6.40%).

8 Deferred tax assets - Non current (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		
Provision for expected sales return (net)	1.24	1.53
Provision allowed on actual basis	2.50	–
Lease liabilities	39.38	16.53
Brought forward business losses and unabsorbed depreciation (subsidiary)	–	5.84
Others	1.15	1.79
Total Deferred Tax Assets	44.27	25.69
Deferred Tax Liabilities		
Temporary differences in carrying value of property, plant and equipment, intangible assets and right of use assets between books of accounts and for tax purpose	31.21	10.08
Total Deferred Tax Liabilities	31.21	10.08
Net deferred tax assests	13.06	15.61

9 Other assets - non-current

(unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances (Refer Note 9.1)	621.09	618.42
Prepaid expenses	0.63	0.45
Advances recoverable in cash or kind	–	1.50
Balances with statutory/government authorities	47.78	1.45
Total	669.50	621.82

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

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

9 Other assets - non-current (Contd.)

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, 2022 aggregating INR 449.95 Million (net of GST) [March 31, 2021 - INR 321.37 Million (net of GST)] has been considered as "Advance from customer".

10 Tax assets (net) - Non- current

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision for taxation)[1]	40.63	41.03
Total	40.63	41.03

(1) Non current tax asset is net of provision for taxation amounting to INR 2,972.52 Million as on March 31, 2022 (INR 2,949.48 Million as on March 31, 2021).

11 Inventories[1]

Particulars	As at March 31, 2022	As at March 31, 2021
At lower of cost and net realisable value		
Raw materials (Refer Note 34A)	227.23	146.53
Accessories and packing material (Refer Note 34B)	36.48	32.15
Work in progress (Refer Note 36)	281.75	170.00
Finished goods (Refer Note 36) [Including in transit INR 6.13 Million (March 31, 2021 - INR 34.72 Million)]	467.11	409.56
Stock-in-trade (Refer Note 36) [Including in transit INR 11.73 Million (March 31, 2021 - INR 24.70 Million)]	417.43	254.12
Total	1,430.00	1,012.36

(1) Includes all inventories lying with third party aggregating INR 406.45 Million (March 31, 2021 - INR 241.28 Million).

12 Financial assets - Current : Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in mutual funds		
Unquoted		
At fair value through profit and loss (FVTPL)		
Kotak Liquid Fund - Direct Plan - Growth (March 31, 2022 - 1,43,664 units at par value of INR 1,000 each) [March 31, 2021 - 3,90,833 units at par value of INR 1,000 each]	618.20	1,625.49
HDFC Liquid Fund - Direct Plan - Growth Option (March 31, 2022 - 1,72,319 units at par value of INR 1,000 each) [March 31, 2021 - 3,11,479 units at par value of INR 1,000 each]	807.53	1,288.34
Axis Corporate Debt Fund - Direct - Growth (March 31, 2022 - 57,53,452 units at par value of INR 10 each) [March 31, 2021 - 57,53,452 units at par value of INR 10 each]	82.04	78.05
Axis Treasury Advantage Fund - Direct - Growth (March 31, 2022 - 41,604 units at par value of INR 1,000 each) [March 31, 2021 - 41,604 units at par value of INR 1,000 each]	107.76	103.29

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

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

12 Financial assets - Current : Investments (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
HDFC Corporate Bond Fund - Direct - Growth (March 31, 2022 - 89,67,268 units at par value of INR 10 each) [March 31, 2021 - 89,67,268 units at par value of INR 10 each]	237.47	225.83
HDFC Money Market Fund - Direct Plan - Growth (March 31, 2022 - 11,500 units at par value of INR 1,000 each) [March 31, 2021 - 11,500 units at par value of INR 1,000 each]	53.53	51.45
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth (March 31, 2022 - 96,51,613 units at par value of INR 10 each) [March 31, 2021 - 96,51,613 units at par value of INR 10 each]	237.30	226.88
ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Growth (March 31, 2022 - 30,28,561 units at par value of INR 10 each) [March 31, 2021 - 30,28,561 units at par value of INR 10 each]	81.53	77.58
ICICI Prudential Money Market Fund - Direct Plan - Growth (March 31, 2022 - 3,48,358 units at par value of INR 100 each) [March 31, 2021 - 3,48,358 units at par value of INR 100 each]	106.91	102.86
IDFC Corporate Bond Fund - Direct Plan - Growth (March 31, 2022 - 1,47,72,541 units at par value of INR 10 each) [March 31, 2021 - 1,47,72,541 units at par value of INR 10 each]	236.95	225.54
Kotak Bond Fund (Short Term) - Direct Plan - Growth (March 31, 2022 - 51,88,975 units at par value of INR 10 each) [March 31, 2021 - 51,88,975 units at par value of INR 10 each]	237.11	225.61
Axis AAA Bond Plus SDL ETF - 2026 Maturity (March 31, 2022 - 1,49,39,790 units at par value of INR 10 each) [March 31, 2021 - NIL]	152.10	–
Axis CPSE Plus SDL 2025 70:30 Debt Index Fund (March 31, 2022 - 1,48,92,767 units at par value of INR 10 each) [March 31, 2021 - NIL]	150.17	–
Investments in debentures		
Quoted		
At fair value through other comprehensive income		
Bajaj Finance Limited - 4.66% Secured Redeemable Non-Convertible Debentures (March 31, 2022 -100 units at par value of INR 10,00,000 each) [March 31, 2021 - NIL]	99.65	–
Kotak Mahindra Prime Limited - 8.0818% Secured Redeemable Non-Convertible Debentures (March 31, 2022 -100 units at par value of INR 10,00,000 each) [March 31, 2021 - NIL]	102.08	–
Bajaj Finance Limited - 7.70% Secured Redeemable Non-Convertible Debentures (March 31, 2022 -100 units at par value of INR 10,00,000 each) [March 31, 2021 - NIL]	102.26	–
Axis Finance Limited - 5.00% Secured Redeemable Non-Convertible Debentures (March 31, 2022 -200 units at par value of INR 10,00,000 each) [March 31, 2021 - NIL]	200.29	–
Bajaj Finance Limited - 7.10% Secured Redeemable Non-Convertible Debentures (March 31, 2022 -150 units at par value of INR 10,00,000 each) [March 31, 2021 - NIL]	152.30	–
HDB Financial Services Limited - 7.57% Secured Redeemable Non-Convertible Debentures (March 31, 2022 -100 units at par value of INR 10,00,000 each) [March 31, 2021 - NIL]	101.94	–
Housing Development Finance Corporation Limited - 6.99% Secured Redeemable Non-Convertible Debentures (March 31, 2022 - 250 units at par value of INR 10,00,000 each) [March 31, 2021 - NIL]	253.77	–
Fixed deposits with financial institutions		
Unquoted		
At amortised cost		
LIC Housing Finance Ltd (Refer Note 15.2)	–	325.00
Total	**4,120.89**	**4,555.92**
Aggregate market value of quoted investments	**1,012.29**	**–**
Aggregate book value of quoted investments	**1,012.29**	**–**
Aggregate book value of unquoted investments	**3,108.60**	**4,555.92**

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

13 Financial Assets - Current : Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
– Trade Receivables considered good - Secured[1]	1,610.28	1,311.64
– Trade Receivables considered good - Unsecured	2,357.13	2,300.78
– Trade Receivables - credit impaired - Unsecured	31.86	28.81
	3,999.27	**3,641.23**
Less: Credit impaired	(31.86)	(28.81)
Total trade receivables	3,967.41	3,612.42
– Receivables from related parties - Secured/ Considered good (Refer Note 47)	54.20	–
– Receivables from related parties - Unsecured/ Considered good (Refer Note 47)	72.90	123.26
– Others	3,840.31	3,489.16
Total trade receivables	**3,967.41**	**3,612.42**

(1) Receivables are secured to the extent of security deposits and bank guarantees taken from customers.

13.1 Trade receivables Ageing Schedule- Based on the requirements of Amended Schedule III

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							
– considered good *	3,865.31	80.73	12.60	8.68	0.00	0.00	3,967.32
– credit impaired	–	18.70	4.76	1.46	0.41	0.29	25.62
	3,865.31	**99.43**	**17.36**	**10.14**	**0.41**	**0.29**	**3,992.94**
Less: Credit impaired	–	(18.70)	(4.76)	(1.46)	(0.41)	(0.29)	(25.62)
	3,865.31	**80.73**	**12.60**	**8.68**	**0.00**	**0.00**	**3,967.32**
Disputed							
– considered good	–	0.09	–	–	–	–	0.09
– credit impaired	–	6.24	–	–	–	–	6.24
	–	**6.33**	**–**	**–**	**–**	**–**	**6.33**
Less: Credit impaired	–	(6.24)	–	–	–	–	(6.24)
	–	**0.09**	**–**	**–**	**–**	**–**	**0.09**
Total	**3,865.31**	**80.82**	**12.60**	**8.68**	**0.00**	**0.00**	**3,967.41**

As at March 31, 2021

Particulars	Outstanding from due date of payment as on March 31, 2021						
	Not Due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
– considered good	3,525.07	47.56	38.63	0.86	0.01	0.29	3,612.42
– credit impaired	0.21	10.77	15.40	2.43	–	–	28.81
	3,525.28	**58.33**	**54.03**	**3.29**	**0.01**	**0.29**	**3,641.23**
Less: Credit impaired	(0.21)	(10.77)	(15.40)	(2.43)	–	–	(28.81)
Total	**3,525.07**	**47.56**	**38.63**	**0.86**	**0.01**	**0.29**	**3,612.42**

* Amount is below the rounding off norms adopted by the Group.

1. 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 30 days to 90 days.
2. 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 against applicable invoice.
3. There are no unbilled trade receivables as on each reporting date.
4. There are no disputed trade receivables as on March 31, 2021.

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

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

14 Financial assets - Current : Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
– Balances with banks	36.01	65.67
– Cash on hand	0.08	0.43
Total	**36.09**	**66.10**

15 Financial Assets - Current : Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Fixed deposits with banks with remaining maturity greater than 3 months but not greater than 12 months (Refer Note 15.1 and 15.2)	2.61	4.96
Total	**2.61**	**4.96**

15.1 Includes deposits of INR 0.25 Million (March 31, 2021 - INR 0.10 Million) lodged with sales tax authorities which earns interest ranging from 6% to 6.40% (March 31, 2021 - interest at the rate of 5.10%).

15.2 In order to allign classifications for all periods presented with those of the latest period, the Group has reclassified fixed deposits with financial institutions amounting to INR 325 Million from Other Bank Balances to Current Investments as on March 31, 2021. Management believes that the revised classification reflects the nature of the asset more appropriately. The Investments and Other Bank Balances for the previous year has been reclassified for comparative purposes. The aforesaid revision has no impact on the financial position and profits earned by the Group for the reported periods.

16 Financial assets - Current : Others

(unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Security deposits		
– Considered good	158.50	120.41
– Considered doubtful (significant increase in credit risk)	1.77	1.77
	160.27	**122.18**
Less: Credit impaired	(1.77)	(1.77)
	158.50	**120.41**
Interest accrued on		
– Fixed & Other deposits	1.88	12.63
– Bonds and Debentures	27.86	15.44
– Others	2.28	1.26
Receivable from sale of property, plant and equipment	4.43	13.25
Loan to employees	0.23	0.31
IPO expenses recoverable (Refer Note 47.1)	119.29	–
At fair value through profit and loss		
Derivative contracts[1 & 2]	–	0.00
Total	**314.47**	**163.30**

(1) It represents liability arising from loss on fair valuation of derivative contracts in the nature of foreign exchange forward contracts.

(2) Amount is below the rounding off norms adopted by the Group.

(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, 2022	As at March 31, 2021
Opening Balance	–	–
Loans given	4.00	14.90
Interest accrued[2]	0.00	0.78
Repayment of interest[2]	(0.00)	(0.78)
Repayment of principal amount	(4.00)	(14.90)
Closing Balance	**–**	**–**

Particulars	As at March 31, 2022	As at March 31, 2021
Type of Borrower	Related Party (Subsidiary Company)	Related Party (Subsidiary Company)
Amount of loan or advance in the nature of loan outstanding	4.00	14.90
Rate of interest	8.50%	8.50%
Percentage to the total loans and advances in the nature of loans	**100.00%**	**100.00%**

(2) Amount is below the rounding off norms adopted by the Group.

17 Other assets - current

(unsecured, considered good, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Export incentive receivables		
– Considered good	0.87	0.51
– Considered doubtful (significant increase in credit risk)	0.86	0.63
	1.73	**1.14**
Less: Impairment allowance	(0.86)	(0.63)
	0.87	**0.51**
Balances with statutory/government authorities		
– Considered good	103.69	29.95
– Considered doubtful (significant increase in credit risk)	0.22	0.22
	103.91	**30.17**
Less: Impairment allowance	(0.22)	(0.22)
	103.69	**29.95**
Advances recoverable in cash or kind		
– Considered good	42.11	6.34
– Considered doubtful (significant increase in credit risk)	0.35	2.52
	42.46	**8.86**
Less: Credit impaired	(0.35)	(2.52)
	42.11	**6.34**
Others		
– Considered good	–	–
– Considered doubtful (significant increase in credit risk)	0.03	0.03
	0.03	0.03
Less: Credit impaired	**(0.03)**	**(0.03)**
	–	**–**
Advance to employees	0.44	0.85
Prepaid expenses	11.64	35.47
Right of return assets[1]	296.47	263.10
Total	455.22	336.22

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

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

17 Other assets - current (Contd.)

(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 Current tax assets (net)

(unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax (net of provision for taxation)	–	0.01
Total	–	**0.01**

19 Equity Share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Authorized				
30,10,00,000 equity shares of INR 1 each (March 31, 2021: 15,05,00,000 equity shares of INR 2 each) (Refer Note (i) below)	30,10,00,000	301.00	15,05,00,000	301.00
Issued, subscribed and fully paid-up shares				
24,27,03,089 equity shares of INR 1 each (March 31, 2021: 12,39,33,299 equity shares of INR 2 each) (Refer Note (i), (ii) and (iii) below)	24,27,03,089	242.70	12,39,33,299	247.87
Total	24,27,03,089	242.70	**12,39,33,299**	**247.87**

i) 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 has 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 have increased from 15,05,00,000 to 30,10,00,000 and total number of issued equity shares have gone up from 12,12,16,127 to 24,24,32,254 (after adjustment of buyback as mentioned in Note 19(iii)). 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.

ii) The Board of Directors of the Holding Company, at its meeting held on April 11, 2020 had approved buyback of the Holding Company's 12,94,121 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 680 per equity share, for an aggregate amount of INR 880.00 Million under the Companies Act, 2013 and Rules thereunder. The actual buyback size was less than 10% of aggregate of the Holding Company's paid up equity capital and free reserves based on the audited financial statements of the Holding Company as at March 31, 2019, which is in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Section 68(2) of Companies Act, 2013.

Total cash outflow on account of buyback was INR 1,084.41 Million (including tax). Out of the said amount, nominal value of shares bought back INR 2.59 Million was reduced from share capital and Securities premium account was utilised to the extent of the balance amount of INR 1,081.82 Million. A sum equal to the nominal value of the shares so bought back i.e INR 2.59 Million has been transferred from securities premium to the capital redemption reserve as per requirement of Companies Act, 2013.

iii) 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 is 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 has been utilised to the extent of the amount of INR 1,298.87 Million and

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

19 Equity Share capital (Contd.)

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 has been 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

iv) 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, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the year (face value of INR 2 each)	**12,39,33,299**	**247.87**	**12,52,27,420**	**250.46**
Less: Equity Shares cancelled pursuant to the scheme of buyback (Refer Note 19 (ii) & 19 (iii))	(27,17,172)	(5.43)	(12,94,121)	(2.59)
Add : Split of shares from INR 2 per share to INR 1 per share (Refer Note 19(i))	12,12,16,127	–	–	–
Add : Issue of shares pursuant to ESOP exercised during the year (Refer Note 53)	2,70,835	0.26	–	–
Equity shares outstanding at the end of the year [face value of INR 1 each (March 31, 2021 - face value of INR 2 each)]	**24,27,03,089**	**242.70**	**12,39,33,299**	**247.87**

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

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held (face value of INR 1 each)	% of Holding	No. of Shares held (face value of INR 2 each)	% of Holding
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	16,28,41,754	67.10%	9,25,41,005	74.67%
Ravi Modi HUF	3,88,81,422	16.02%	1,98,76,493	16.04%
Rhine Holdings Limited	–	–	89,25,380	7.20%
Total	**20,17,23,176**	**83.12%**	**12,13,42,878**	**97.91%**

vi) Disclosure of shareholding of promoters

Name of Shareholder	As at March 31, 2022		As at March 31, 2021		% Change in holding pursuant to no. of shares (Refer Note 47.1)
	No. of Shares held (face value of INR 1 each)	% of Holding	No. of Shares held (face value of INR 2 each)	% of Holding	
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	16,28,41,754	67.10%	9,25,41,005	74.67%	(12.02%)
Usha Devi Modi*	2	0.00%	–	–	0.00%
Shilpi Modi	26,56,104	1.09%	13,57,822	1.10%	(2.19%)
Ravi Modi	16,88,136	0.70%	8,62,989	0.70%	(2.19%)
Total	**16,71,85,996**	**68.89%**	**9,47,61,816**	**76.47%**	**(11.80%)**

* Amount is below the rounding off norms adopted by the Group.

vii) 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, 2021: INR 2 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.

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

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

19 Equity Share capital (Contd.)

viii) Shares reserved for issue under options

Particulars	No. of Shares	
	As at March 31, 2022	As at March 31, 2021
Under Employee Stock Option Plan - 2018	6,39,689	2,48,774

For movement of shares issued under options and other terms and conditions, refer Note 53.

ix) 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, 2022	As at March 31, 2021
Aggregate number of fully paid bonus shares issued[1]	6,25,57,585	6,25,57,585
Shares issued for consideration other than cash	96,42,250	96,42,250
Shares bought back (Refer Note 19 (ii) & 19 (iii))	40,11,293	12,94,121

(1) The bonus shares were issued on December 5, 2017.

x) The Board of Directors of the Holding Company, at its meeting held on May 09, 2022 recommended final dividend of INR 5 per equity share (par value of INR 1 each) in accordance with section 123 of the Act to the extent it applies to declaration of dividend. This payment is subject to approval of shareholders at the ensuing Annual General Meeting (AGM) of the Holding Company.

20 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Retained earnings		
Opening balance	9,322.39	7,992.70
Profit for the year	3,149.11	1,329.03
Other comprehensive income/(loss) for the year		
– Re-measurement gains/(losses) on defined benefit obligations (net of tax)	0.25	0.66
– Changes in fair value of investments (net of tax)	(3.22)	–
Buyback of shares (including tax and buyback related expenses) (Refer Note 19 (iii))	(2,009.01)	–
Transfer to Capital Redemption Reserve on buy back of shares (Refer Note 19 (iii))	(5.43)	–
	10,454.09	9,322.39
Securities Premium		
Opening balance	1,298.87	2,383.28
Buyback of shares (including tax) [Refer Note 19 (ii) & 19(iii)]	(1,298.87)	(1,081.82)
Transfer to Capital Redemption Reserve on buy back of shares [Refer Note 19 (ii)]	–	(2.59)
Securities Premium on ESOP allotment during the year (Refer Note 53)	72.06	–
	72.06	1,298.87
Capital Redemption Reserve		
Opening balance	2.59	–
On buy back of shares [Refer Note 19 (ii) and 19 (iii)]	5.43	2.59
	8.02	2.59
Capital Reserve		
Opening balance	7.62	7.62
	7.62	7.62
Share based payment reserve (Refer Note 53)		
Opening balance	34.76	26.08
Recognition of share based payment under employee stock option plan	33.92	8.68
Share based payment reserve adjusted on ESOP allotment during the year	(25.75)	
	42.93	34.76
Total	10,584.72	10,666.23

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

20 Other equity (Contd.)

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 includes re-measurement (loss) / gain on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the 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 Group 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.

21 Financial liabilities - Non current : Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Lease liabilities	1,934.48	1,396.52
Total	1,934.48	**1,396.52**

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

22 Financial liabilities - Non current : Deposits

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Security deposits	912.09	817.90
Total	912.09	**817.90**

23 Provisions : Non-current

Particulars	As at March 31, 2022	As at March 31, 2021
Employee Benefits - Gratuity (Refer Note 44)	29.91	26.01
Total	29.91	**26.01**

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

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

24 Deferred tax liabilities (net) : Non-current

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred Tax Assets		
Expenses allowable on payment, write off, etc.	14.15	6.93
Provision for expected sales return (net)	137.11	118.34
Tax impact on profit elimination upon consolidation	2.31	3.59
Lease liabilities	654.17	504.06
Others	3.89	3.71
Total Deferred Tax Assets	**811.63**	**636.63**
Deferred Tax Liabilities		
Temporary differences in carrying value of property, plant and equipment, intangible assets and right of use assets between books of account and for tax purposes	920.20	744.42
Income taxable in future on realisation	20.00	–
Goodwill	39.54	39.54
Total Deferred Tax Liabilities	**979.74**	**783.96**
Net Deferred Tax liabilities	**168.11**	**147.33**

24.1 Particulars	As at March 31, 2022	As at March 31, 2021
Accounting profit before tax	**4,230.11**	**1,819.17**
At India's statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	1064.63	457.85
Non taxable (income) and deductible expenses for tax purposes	6.74	18.29
Deferred Tax on account of change in treatment of goodwill	–	12.51
Others	9.63	1.49
Total tax expense for the year	**1,081.00**	**490.14**

The Holding Company is carrying forward expected long term capital loss (LTCL) of INR 52.66 Million [March 31, 2021 - INR 102.11 Million (as per income tax return filed)], subject to income tax return filing /pending assessment, in respect of 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 can be carried forward till assessment year 2028-29.

25 Other liabilities : Non-current

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Deferred income	393.43	357.49
Total	**393.43**	**357.49**

25.1 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 straigt line basis over the agreement period. Interest expense, measured by the effective interest rate method is accrued.

26 Financial liabilities - Current : Lease Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Lease liabilities	852.52	707.22
Total	**852.52**	**707.22**

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

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

27 Financial liabilities - Current : Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
– Total outstanding dues of micro enterprises , small enterprises and medium enterprises (Refer Note 27.1)	158.11	121.45
	158.11	**121.45**
– Dues to related parties (Refer Note 47)	0.03	–
– Total outstanding dues of creditors other than micro enterprises , small enterprises and medium enterprises	572.00	377.48
	572.03	**377.48**
Total	**730.14**	**498.93**

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

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	158.11	121.45
(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.	1.90	0.34
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.17	1.87
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	–	0.03
Interest payable to micro, small and medium enterprises (Refer Note 28)	**0.17**	**1.90**

27.2 Trade Payables Ageing Schedule - Based on the requirements of Amended Schedule III

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
Undisputed							
Total outstanding dues of micro enterprises, small enterprises and medium enterprises	0.05	156.01	2.05	–	–	–	158.11
Total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises	326.16	211.95	19.66	0.84	0.08	0.91	559.60
Disputed							
Dues of creditors other than micro enterprises, small enterprises and medium enterprises	0.86	–	0.57	10.69	0.23	0.08	12.43
Total	**327.06**	**367.96**	**22.28**	**11.52**	**0.31**	**0.99**	**730.14**

Particulars	Outstanding as on March 31, 2021 from due date of payment						
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed							
Total outstanding dues of micro enterprises, small enterprises and medium enterprises	0.48	118.16	2.81	–	–	–	121.45
Total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises	144.27	213.73	9.55	0.12	0.88	0.24	368.79
Disputed							

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

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

27 Financial liabilities - Current : Trade payables (Contd.)

Particulars	Outstanding as on March 31, 2021 from due date of payment						
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Dues of creditors other than micro enterprises, small enterprises and medium enterprises	0.86	–	7.54	0.23	–	0.06	8.69
Total	**145.61**	**331.89**	**19.90**	**0.35**	**0.88**	**0.30**	**498.93**

(1) There are no disputed dues of micro enterprises, small and medium enterprises at the end of each year reported.

28 Financial liabilities - Current : Others

Particulars	As at March 31, 2022	As at March 31, 2021
At amortised cost		
Employees related liabilities	103.10	32.91
Security deposits	193.33	71.87
Payables to capital creditors	0.65	0.47
Interest payable on micro, small and medium enterprises (Refer Note 27.1)	0.17	1.90
At fair value through profit and loss		
Derivative contracts[1]	0.22	–
Total	**297.47**	**107.15**

(1) It represents liability arising from loss on fair valuation of derivative contracts in the nature of foreign exchange forward contracts.

29 Other liabilities : Current

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers (Refer Note 9.1)	467.59	350.64
Refund liabilities[1]	846.20	739.39
Advance received towards sale of property, plant & equipment (Refer Note 57)	13.24	–
Statutory dues	93.67	83.36
Interest payable on income tax	3.00	0.78
Deferred income (Refer Note 25.1)	70.47	64.99
Total	**1,494.17**	**1,239.16**

(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.

30 Provisions : Current

Particulars	As at March 31, 2022	As at March 31, 2021
Employee benefits - Gratuity (Refer Note 44)	4.30	3.78
Total	**4.30**	**3.78**

31 Tax liabilities (net) : Current

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax liabilities (net of advance income tax)[1]	53.53	40.94
Total	**53.53**	**40.94**

(1) Current tax liabilities is net of advance taxes paid amounting to INR 2,210.68 Million as on March 31, 2022 (March 31, 2021 - INR 1,189.89 Million).

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

32 Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products	10,392.48	5,640.75
Other operating revenue:		
(i) Scrap sales	5.73	1.31
(ii) Insurance charges recovered	7.36	4.12
(iii) Export incentives	2.84	1.98
Revenue from operations	**10,408.41**	**5,648.16**

32.1 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, 2022	For the year ended March 31, 2021
India	10,074.17	5,544.69
Outside India	318.31	96.06
Total revenue from contracts with customers	**10,392.48**	**5,640.75**

32.2 Reconciliation of revenue from sale of products with contract price

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract Price	10,330.62	5,585.60
Add: Impact of deferred income on deposits taken from customers (Refer Note 25.1)	61.86	55.15
Total revenue from sale of products	**10,392.48**	**5,640.75**

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.

33 Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on		
– Fixed deposits	9.98	41.63
– Loans	0.02	0.02
– Bonds and debentures	48.70	65.06
– Others[1]	21.05	30.26
Profit on sale of investments	65.25	47.24
Profit on fair valuation of investments carried at FVTPL	99.64	31.42
Profit on sale of investment in subsidiary Company	0.61	–
Profit on sale of property, plant & equipment (net)	0.26	7.22
Gain on foreign exchange fluctuations (net)	0.77	2.82
Liabilities/provisions no longer required written back	29.10	16.07
Insurance claim received	54.54	3.92
Rent concession on lease arrangements (Refer Note 46.1)	143.73	338.97
Gain on termination of lease arrangements (Refer Note 46)	17.49	13.52
Other miscellaneous income	8.12	3.88
Total	**499.26**	**602.03**

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

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

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

34 Cost of materials used

A. Raw materials

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	146.53	217.35
Add: Purchases during the year	1,232.73	484.03
	1,379.26	701.38
Less: Inventory at the end of the year (Refer Note 11)	227.23	146.53
Total	1,152.03	554.85

B. Accessories & packing materials

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	32.15	54.04
Add: Purchases during the year	180.06	78.92
	212.21	132.96
Less: Inventory at the end of the year (Refer Note 11)	36.48	32.15
Total	175.73	100.81

35 Purchases of stock-in-trade

Particulars	As at March 31, 2022	As at March 31, 2021
Purchases of stock-in-trade	1,706.48	707.61
Total	1,706.48	707.61

36 (Increase) / decrease in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the end of the year (Refer Note 11)		
Finished goods	467.11	409.56
Work in progress	281.75	170.00
Stock-in-trade	417.43	254.12
	1,166.29	833.68
Inventories at the beginning of the year		
Finished goods	409.56	351.11
Work in progress	170.00	268.95
Stock-in-trade	254.12	317.12
	833.68	937.18
	(332.61)	103.50
Increase in corresponding right of return assets (Refer Note 17)	(33.37)	(3.46)
Changes in inventories of finished goods, work-in-progress & stock-in-trade	(365.98)	100.04

37 Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus (including Directors' remuneration) (Refer Note 47)	520.03	354.62
Contribution to provident and other funds	8.55	7.62
Gratuity expense (Refer Note 44)	5.86	6.43
Staff welfare expenses	6.92	3.72
Share based compensation (Refer Note 53)	33.92	8.68
Total	575.28	381.07

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

38 Finance cost

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense:		
– on income tax	2.92	0.78
– on lease liabilities (Refer Note 46)	219.58	204.70
– others[1]	61.75	52.74
Total	**284.25**	**258.22**

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

39 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Property, plant and equipment (Refer Note 4)	63.30	87.13
Right of use assets (Refer Note 4)	847.73	836.31
Intangible assets (Refer Note 5)	32.53	31.85
Total	**943.56**	**955.29**

40 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Job charges	781.95	414.48
Electricity charges	10.34	12.02
Lease cost (Refer Note 46)	394.18	294.28
Advertisement, publicity and sales promotion expenses	477.65	272.15
Commission	103.15	44.02
Freight and forwarding expenses	100.69	43.25
Rates and taxes	19.42	27.61
Loss on foreign exchange fluctuations (net)	0.19	–
Insurance	30.23	27.57
Repairs and maintenance		
- Plant and machinery	–	0.01
- Others	13.22	12.01
Legal & professional fees	55.69	33.90
Travelling and conveyance	15.81	7.83
Payment to auditors (Refer Note 42)	4.39	3.75
Shop running and maintenance expenses	1.18	1.50
Directors' Fees and Commission	5.10	–
Provision for doubtful debts & advances	26.41	26.38
Bad debts/advances written off	1.49	4.20
Corporate social responsibility expenditure (Refer Note 43)	52.05	54.78
Miscellaneous expenses	113.07	93.39
Total	**2,206.21**	**1,373.13**

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

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

41 Earnings per share (EPS)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Net profit after tax for the year	3,149.11	1,329.03
Basic earnings per share (Refer Note 19)		
Weighted average number of ordinary shares (No. in Million)	244.10	248.06
Nominal value of ordinary share (INR per share) (Refer Note 19)	1.00	1.00
Basic earnings for ordinary shares (in INR per share)	**12.90**	**5.36**
Diluted earnings per share (Refer Note 19)		
Weighted average number of ordinary shares (No. in Million)	244.10	248.06
Weighted average number of ESOP options (No. in Million) (Refer Note 53)	–	0.08
	244.10	**248.14**
Nominal value of ordinary share (INR per share) (Refer Note 19)	1.00	1.00
Diluted earnings for ordinary shares (in INR per share)	**12.90**	**5.36**

42 Payment to auditors

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As statutory auditors : (audit & review of financial statements)*		
Audit fees	3.50	3.18
Tax audit fees	0.55	0.55
Reimbursement of expenses	0.02	0.02
In other Capacity :		
Other services	0.32	–
Total	**4.39**	**3.75**

* Excluding payment made related to IPO services (Refer Note 47.1)

43 Corporate social responsibility (CSR) expenditure

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Gross amount to be spent by the Group during the year	52.01	54.48
b) Amount spent during the year		
(i) Construction/ acquisition of any asset	–	–
(ii) On purpose other than (i) above	52.05	54.58
c) Amount unspent during the year	Not Applicable	0.20
d) Nature of CSR activities	Environment Sustainsblity & Animal Welfare, Healthcare, Education	Environment Sustainsblity & Animal Welfare, Healthcare, Education

(1) For details of related party transactions, refer Note 47.

For movement in CSR, refer below:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening Balance	0.20	0.30
Gross amount to be spent during the year	52.01	54.48
Actual spent during the year	(52.25)	(54.58)
(Excess) /short spent	**(0.04)**	**0.20**

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

44 Employee benefits

(I) Defined contribution plan

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

(II) Defined benefit plan - Unfunded

In accordance with the Payment of Gratuity Act, 1972, the 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, 2022	March 31, 2021
Discount rate	7.10%	6.70%
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.

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, 2022	As at March 31, 2021
Present value of defined benefit obligations	34.21	29.79
Net liability arising from defined benefit obligations	**34.21**	**29.79**

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

Particulars	March 31, 2022	March 31, 2021
Current service cost	3.90	4.70
Interest cost	1.96	1.73
Total charge to statement of profit or loss	**5.86**	**6.43**

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

Remeasurement of the net defined benefit obligation:-

Particulars	March 31, 2022	March 31, 2021
Re-measurement gains arising from changes in financial assumptions	(1.26)	–
Re-measurement losses/ (gains) arising from experience adjustments	0.93	(0.88)
Re measurement of the net defined benefit liability	**(0.33)**	**(0.88)**

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

44 Employee benefits (Contd.)

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

Particulars	March 31, 2022	March 31, 2021
Opening balance	29.79	27.23
Current service cost	3.90	4.70
Interest cost of scheme liabilities	1.96	1.73
Benefits paid	(1.11)	(2.99)
Re-measurement losses / (gains) arising from changes in financial assumptions	(1.26)	–
Re-measurement losses /(gains) arising from experience adjustments	0.93	(0.88)
Closing balance	**34.21**	**29.79**
Recognised under:		
Current provision	4.30	3.78
Non current provision	**29.91**	**26.01**

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

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) defined benefit obligation

Particulars	March 31, 2022	March 31, 2021
Discount rate		
Increase by 0.50%	32.70	28.44
Decrease by 0.50%	35.85	31.25
Expected rate of change in compensation level of covered employees		
Increase by 0.50%	35.53	30.97
Decrease by 0.50%	32.96	28.69
Mortality Rate		
Increase by 10%	34.22	29.80
Decrease by 10%	34.20	29.78
Attrition Rate		
Increase by 0.50%	34.33	29.86
Decrease by 0.50%	34.09	29.70

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

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

44 Employee benefits (Contd.)

(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.

45 Contingencies and commitments

(To the extent not provided for)

(i) Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
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	–
– Bank Guarantee given#	284.92	–
– Demand for employee state insurance (including interest)	7.15	5.16
Total	**525.62**	**6.15**
Payment made under protest against the above		
– Commercial sales tax of various states	0.43	0.43
– Demand for Income tax	46.51	–
– Demand for employee state insurance	0.84	0.84
Total	**47.78**	**1.27**

* The Income Tax department had carried out a search and seizure operation at the premises of the Holding Company in November 2018. During the 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, 2022.

Bank Guarantee amounting to INR 284.92 million given to National Stock Exchange of India Limited (NSE) in relation to Initial Public Offer (IPO) (Refer Note 47.1).

(ii) Commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account	8.95	0.24

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

46 Leases

(a) The group implemented Indian Accounting Standard for Leases ("Ind AS 116") with effect from April 1, 2019 using the modified retrospective approach without adjusting the comparative period. The right of use assets comprise of buildings taken on lease. The effective interest rate for lease liabilities is 8.40% as on March 31, 2022 (March 31, 2021 - 8.91%).

	Particulars	As at March 31, 2022	As at March 31, 2021
(b)	Carrying value of right of use assets at the end of the reporting year (Refer Note 4)	2,667.36	2,034.70

(c) Analysis of Lease liabilities:

Movement of lease liabilities	As at March 31, 2022	As at March 31, 2021
Opening Lease liabilities	2,103.74	2,427.47
Addition during the year	1,588.64	516.13
Accretion of interest during the year	219.58	204.70
Cash outflow towards payment of lease liabilities	(834.47)	(578.11)
Rent concession on lease arrangements (Refer Note 33 and Note 46.1)	(143.73)	(338.97)
Deletion during the year on account of termination of lease agreements	(146.76)	(127.48)
Closing Lease liabilities	**2,787.00**	**2,103.74**

46.1 The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covld-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 in financial year ended March 31, 2021 and year ended March 31, 2022 and hence rent concession received during the financial year 2020-21 and 2021-22 aggregating INR 338.97 Million and INR 143.73 Million respectively 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, 2022	As at March 31, 2021
Less than 1 year	1,026.99	829.22
Between 2 to 3 year	1,581.23	1,247.93
More than 3 year	603.34	316.49
Lease liabilities included in the statement of financial position		
Current	852.52	707.22
Non-Current	1,934.48	1,396.52
Total	**2,787.00**	**2,103.74**

(d) Impact on Statement of profit and loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liabilities	219.58	204.70
Depreciation on right of use assets *	847.73	836.31
Other expenses	(847.63)	(611.43)
Rent concession on lease arrangements	(143.73)	(338.97)
Gain on termination of lease arrangements	(17.49)	(13.52)
Net impact on profit before tax	**58.46**	**77.09**
Deferred Tax	14.71	19.40
Net impact on profit after tax	**43.75**	**57.69**

* includes depreciation on leasehold building.

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

46 Leases (Contd.)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Lease cost as per Consolidated Statement of profit and loss	394.18	294.28

47 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)(Refer Note 6.1)

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)
Mrs. Abanti Mitra- Independent Director	Key Managerial Person (KMP) (w.e.f. September 06, 2021)
Mr. Dalpat Raj Jain - Chief Financial Officer	Key Managerial Person (KMP) (upto December 31, 2020)
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
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 20, 2021)(Refer Note 6.1)

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

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

47 Related party disclosures (Contd.)

(B) Details of transactions with related parties

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products (net of returns) (including taxes)		
Shenayah Retail Stores Private Limited	262.25	158.88
Pranit Fashions	6.23	4.22
Vandana Enterprise	132.06	63.82
Total	**400.54**	**226.92**
Rent income (including taxes)		
Mohey Fashions Private Limited (w.e.f August 20, 2021)	0.05	–
Total	**0.05**	**–**
Recovery of expenses (including taxes) (electricity and other expense)		
Shenayah Retail Stores Private Limited	0.13	0.20
Vandana Enterprise	0.77	0.55
Pranit Fashions*	0.01	0.02
Total	**0.91**	**0.77**
Reimbursement of Expenses (advertisement expense, electricity expense, etc.)		
Pranit Fashions*	0.00	0.00
Shenayah Retail Stores Private Limited	0.20	0.24
Vandana Enterprise	0.38	0.22
Tarun Puri	0.08	
Abanti Mitra	0.13	
Total	**0.79**	**0.46**
Security Deposit Received		
Shenayah Retail Stores Private Limited	35.50	–
Vandana Enterprise	17.50	
Pranit Fashions	1.20	
Total	**54.20**	**–**
Corporate social responsibility expenditure		
Manas Foundation	30.78	38.12
Total	**30.78**	**38.12**
Buy back of shares (excluding taxes)(Refer Note 19 (ii) & 19 (iii))		
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	2,008.62	657.10
Ravi Modi HUF	431.42	141.14
Ravi Modi	18.73	6.13
Shilpi Modi	29.47	9.64
Total	**2,488.24**	**814.01**
Advances received		
Usha Devi Modi	–	0.10
Total	**–**	**0.10**
Salary to relative of KMP		
Vedant Modi	1.75	–
Ajay Modi (w.e.f. September 07, 2021)	4.35	–
Total	**6.10**	**–**
Sale of Subsidiary Company - Mohey Fashions Private Limited (Refer Note 6.1)		
Ravi Modi	0.50	–
Shilpi Modi	0.50	–
Total	**1.00**	**–**
Bank Guarantee Taken		
Shenayah Retail Stores Private Limited	2.00	–
	2.00	**–**
Bank Guarantee Refunded		
Shenayah Retail Stores Private Limited	2.00	–
	2.00	**–**
Commission to Indepndent Director (including sitting fees)		
Mr. Manish Mahendra Choksi	1.70	–
Mr. Tarun Puri	1.70	–
Mrs. Abanti Mitra	1.70	–
Total	**5.10**	**–**
IPO Expense incurred on behalf of selling shareholders [47.1]	246.97	–
Total	**246.97**	**–**

*Amount is below the rounding off norms adopted by the Group.

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

47 Related party disclosures (Contd.)

47.1 The Holding 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 to sale of 36,364,838 equity shares by selling shareholders and hence details related to utilisation of IPO proceeds is not applicable to the Group.

During the year the Holding Company has incurred expenses aggregating to INR 246.97 million towards various services availed in connection with aforesaid IPO under terms of agreements executed between the Holding Company and respective service providers. Such expenses has been reimbursed by the selling shareholders during the year and the balance amount of INR 119.29 million is being reported in these financial results as recoverable from selling shareholders.

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 financial results.

The receivables from and payables to related parties as at March 31, 2022 and March 31, 2021 are set out below:

Particulars		As at March 31, 2022	As at March 31, 2021
Receivable from:			
Pranit Fashions	Trade receivables	3.07	3.34
Shenayah Retail Stores Private Limited	Trade receivables	87.39	86.48
Vandana Enterprise	Trade receivables	36.64	33.44
Sub Total		**127.10**	**123.26**
IPO Expense Recoverable from selling share holder[47.1]	IPO Expenses Recoverable in cash or kind	119.29	–
Total		**246.39**	**123.26**
Payable to:			
Ravi Modi	Director's Remuneration payable	47.45	7.36
Shilpi Modi	Director's Remuneration payable	25.50	4.65
Usha Devi Modi	Other payables	–	0.10
Mr. Tarun Puri	Trade payables	0.03	–
Total		**72.98**	**12.11**
Deposit Taken:			
Shenayah Retail Stores Private Limited		35.50	–
Vandana Enterprise		17.50	–
Pranit Fashions		1.20	–
Total		**54.20**	**–**

(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, 2022	For the year ended March 31, 2021
Salary & Allowances*		
Ravi Modi	128.55	59.29
Shilpi Modi	89.22	29.65
Usha Devi Modi (upto September 06, 2021)	0.05	5.00
Ajay Modi (upto September 06, 2021)	4.42	8.55
Dalpat Raj Jain (upto December 31, 2020)	–	7.47
Navin Pareek	2.29	1.40
Rahul Murarka (w.e.f. May 17, 2021)	5.23	–
Total KMP Remuneration	**229.76**	**111.36**

* Salary & Allowances excludes Group's contribution towards retirement benefits and employee stock options scheme since those are ascertained for the Group as a whole.

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

47 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, 2022 and March 31, 2021.

Particulars		As at and for the year ended	
		March 31, 2022	March 31, 2021
Transaction by the Holding Company with other Group Companies			
Sale of products (net of returns) (including taxes)			
Manyavar Creations Private Limited		212.25	123.50
Rent income (including taxes)			
Mohey Fashions Private Limited		0.02	0.07
Manyavar Creations Private Limited		0.07	0.07
Recovery of expenses (including taxes) (electricity and other charges)			
Manyavar Creations Private Limited		0.92	2.41
Reimbursement of Expenses (Rent, etc) (including taxes)			
Manyavar Creations Private Limited		13.58	11.66
Mohey Fashions Private Limited		0.03	0.03
Loan given (repayable on demand)			
Manyavar Creations Private Limited		4.00	14.90
Refund of loan given			
Manyavar Creations Private Limited		4.00	14.90
Interest income on loan given			
Manyavar Creations Private Limited*		0.00	0.78
Sale of property, plant & equipment			
Manyavar Creations Private Limited		–	0.01
Receivable from:			
Manyavar Creations Private Limited	Trade receivables	6.99	93.22

Particulars	As at and for the year ended	
	March 31, 2022	March 31, 2021
Transaction by Manyavar Creations Private Limited with Holding Company		
Purchase of traded goods	212.25	123.50
Rent expense	0.07	0.07
Reimbursement of expenses	13.58	2.41
Recovery of expenses	0.92	11.66
Short term loan taken	4.00	14.90
Refund of loan taken	4.00	14.90
Interest on short term loan*	0.00	0.78
Purchase of property, plant & equipment	–	0.01
Trade payables	6.99	93.22
Transaction by Mohey Fashions Private Limited with Holding Company		
Rent expense	0.02	0.07
Recovery of expenses	0.03	0.03

*Amount is below the rounding off norms adopted by the Group.

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

48 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, 2022				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	At cost	Carrying Value
Financial Assets					
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
Total	**3,908.85**	**1,215.37**	**4,804.65**	**–**	**9,928.87**
Financial Liabilities					
Non-current 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
Total	**0.22**	**–**	**4,726.48**	**–**	**4,726.70**

Particulars	As at March 31, 2021				
	Fair value through profit or loss	Fair value through other comprehensive income	Amortised Cost	At cost	Carrying Value
Financial Assets					
Investments	4,553.97	–	801.73	–	5,355.70
Trade receivables	–	–	3,612.42	–	3,612.42
Cash and cash equivalents	–	–	66.10	–	66.10
Other bank balances	–	–	4.96	–	4.96
Other financial assets *	0.00	–	597.23	–	597.23
Total	**4,553.97**	**–**	**5,082.44**	**–**	**9,636.41**
Financial Liabilities					
Non-current deposits	–	–	817.90	–	817.90
Lease liabilities	–	–	2,103.74	–	2,103.74
Trade payables	–	–	498.93	–	498.93
Other financial liabilities	–	–	107.15	–	107.15
Total	**–**	**–**	**3,527.72**	**–**	**3,527.72**

* Amount is below the rounding off norms adopted by the Group.

49 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)

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

49 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	3,108.60	–	–	3,108.60
Investments in bonds	2,015.62	–	–	2,015.62
Total	**5,124.22**	**–**	**–**	**5,124.22**
Financial Liabilities				
Derivative instruments	–	0.22	–	0.22
Total	**–**	**0.22**	**–**	**0.22**

Particulars	Fair Value measuring at the end of the reporting year using			As at March 31, 2021
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in mutual funds	4,230.92	–	–	4,230.92
Investments in bonds	323.05	–	–	323.05
Derivative instruments *	–	0.00	–	0.00
Total	**4,553.97**	**0.00**	**–**	**4,553.97**

* Amount is below the rounding off norms adopted by the Group.

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

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

c) Trade receivables, cash and cash equivalents, other 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.

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

50 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 forsee 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

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.

The following table analyses foreign currency risk from financial instruments:

Particulars	As at March 31, 2022	As at March 31, 2021
Exposure Currency (USD)		
Trade receivables (INR in Million)[1]	80.93	23.79
Exposure Currency (CAD)		
Trade receivables (INR in Million)[2]	–	0.23

(1) For the year ended March 31, 2022 and March 31, 2021, every percentage appreciation in the exchange rate between the Indian rupee and USD, would increase the Group's profit before tax by approx. INR 0.81 Million and INR 0.24 Million respectively.

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

50 Financial Risk Management (Contd.)

(2) For the year ended March 31, 2021, every percentage appreciation in the exchange rate between the Indian rupee and CAD, would increase the Group's profit before tax by approx. INR 0.01 Million.

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 analyzes the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

Particulars	As at March 31, 2022	As at March 31, 2021
Less than 1 year		
Forward contract - to cover export receivables (Amount in USD Million)	0.51	0.02

b) 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.

c) 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.

d) 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 3,967.41 Million and INR 3,612.42 Million as at March 31, 2022 and March 31, 2021 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.

For ageing analysis of the trade receivables, refer Note 13.

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

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

50 Financial Risk Management (Contd.)

e) 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	As at March 31, 2022	As at March 31, 2021
Less than 1 year		
Trade payables	730.14	498.93
Lease Liabilities	852.52	707.22
Other financial liabilities	297.47	107.15
	1,880.13	**1,313.30**
Between 2 to 3 year		
Lease Liabilities	1,368.80	1,053.55
Other financial liabilities	174.80	228.64
	1,543.60	**1,282.19**
More than 3 year		
Lease Liabilities	565.68	342.97
Other financial liabilities	737.29	589.26
	1,302.97	**932.23**
Total	**4,726.70**	**3,527.72**

51 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 (including current maturities of long term debt and interest accrued) 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, 2022	As at March 31, 2021
Share capital	242.70	247.87
Other equity	10,584.72	10,666.23
Equity (A)	**10,827.42**	**10,914.10**
Cash and cash equivalents	36.09	66.10
Current investments	4,120.89	4,555.92
Other bank balances	2.61	4.96
Total fund (B)	**4,159.59**	**4,626.98**
Current borrowings	–	–
Lease Liabilities (F)	2,787.00	2,103.74
Total debt (C)	**2,787.00**	**2,103.74**
Net debt (D=(C-B))	**(1,372.59)**	**(2,523.24)**
Total capital (equity + net debt)	**9,454.83**	**8,390.86**
Net debt to equity ratio (E=D/A)	*	*
Net debt (excluding lease liabilities) [G=(D-F)]	(4,159.59)	(4,626.98)
Net debt to equity ratio (excluding lease liabilities)	*	*

* Net debt is negative and hence not applicable.

51.1 The Group is having cash credit facility and the same carries interest rate of 8.00% p.a as on March 31, 2021 (March 31, 2021 - 8.00% p.a to 8.95% p.a). Cash credit facility is unsecured. The facility is unutlised as on March 31, 2022 and March 31, 2021.

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

52 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, 2022	For the year ended March 31, 2021
India	10,090.10	5,552.10
Overseas	318.31	96.06
Total	10,408.41	5,648.16

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

Particulars	Carrying amount of assets*	
	As at March 31, 2022	As at March 31, 2021
India	5,857.16	5,255.93
Overseas	–	–
Total	5,857.16	5,255.93

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

(ii) Disaggregated revenue information

For disaggregation of revenue, refer Note 32.1.

53 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)	August 28, 2021	4,95,140	400

53 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)
Options exercisable as at March 31, 2020	**2,49,566**	**344**	**13,663**	**344**	**19,039**	**536**	**–**	**–**	**–**	**–**
Options granted during the year	–	–	–	–	–	–	32,193	685	–	–
Options lapsed during the year (Unvested)	(56,606)	344	(676)	344	(8,405)	536	–	–	–	–
Options exercisable as at March 31, 2021	**1,92,960**	**344**	**12,987**	**344**	**10,634**	**536**	**32,193**	**685**	**–**	**–**
Split of shares from INR 2 per share to INR 1 per share (Refer Note 19 (ii))	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
Options exercisable as at March 31, 2022	**1,16,437**	**172**	**9,292**	**172**	**–**	**–**	**56,064**	**343**	**4,57,896**	**400**

53.1 There were no vested options as on March 31, 2022 (March 31, 2021 - 76,327 (pre split) number of 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 41).

53.2 There were no options forfeited in any of the reporting year.

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 19(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, 2022	For the year ended March 31, 2021
Employee Compensation Cost pertaining to share-based payment plans (in INR Million)	33.92	**8.68**

53.3 During the year, 2,70,835 stock options were exercised by employees of the Holding 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 Holding Company has increased by INR 0.26 million and securities premium increased by INR 72.06 million.

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

54 Group Information

Particulars	Country of incorporation	Principal activities	As at March 31, 2022 % of Holding	As at March 31, 2021 % of Holding
Subsidiaries				
i) Manyavar Creations Private Limited	India	Trading of branded fashion apparel and accessories	100%	100%
ii) Mohey Fashions Private Limited (Refer Note 54.2)	India	Trading of branded fashion apparel and accessories	–	100%

54.1 As on the Balance Sheet date, there are no subsidiaries that have non-controlling interests.

54.2 The Holding Company has sold its stake in Mohey Fashions Private Limited (MFPL), a wholly owned subsidiary to Ravi Modi & Shilpi Modi (related parties) on August 20, 2021 at a total consideration of INR 1.00 Million. With effect from August 20, 2021, the Holding Company lost its control on its subsidiary Company. Consequently, net assets on the date of transfer aggregating INR 0.39 Million has been derecognised and profit of INR 0.61 Million has been recognised as profit on sale of investment in subsidiary Company. There are no operations in the subsidiary Company since incorporation.

55 Additional Information

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
Parent:								
Vedant Fashions Private Ltd	100.13%	10,841.31	97.92%	3,083.54	100.03%	(2.97)	97.92%	3,080.57
Subsidiaries:								
Manyavar Creations Private Ltd	1.78%	193.06	1.94%	61.18	(0.03%)	0.00	1.94%	61.18
Mohey Fashions Private Ltd	–	–	(0.00%)	(0.06)	–	–	(0.00%)	(0.06)
	101.91%	**11,034.37**	**99.86%**	**3,144.66**	**100.00%**	**(2.97)**	**99.86%**	**3,141.69**
Intercompany elimination and consolidation adjustments	(1.91%)	(206.95)	0.14%	4.45	–	–	0.14%	4.45
Total	**100.00%**	**10,827.42**	**100.00%**	**3,149.11**	**100.00%**	**(2.97)**	**100.00%**	**3,146.14**

Information as at and for the year ended March 31, 2021

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
Parent:								
Vedant Fashions Private Ltd	100.73%	10,993.56	98.37%	1,307.43	66.54%	0.44	98.36%	1,307.87
Subsidiaries:								
Manyavar Creations Private Ltd	1.21%	131.88	(3.37%)	(44.76)	33.46%	0.22	(3.35%)	(44.54)
Mohey Fashions Private Ltd	0.00%	0.44	(0.01%)	(0.09)	–	–	(0.01%)	(0.09)
	101.94%	**11,125.88**	**94.99%**	**1,262.58**	**100.00%**	**0.66**	**95.00%**	**1,263.24**
Intercompany elimination and consolidation adjustments	(1.94%)	(211.78)	5.01%	66.45	–	–	5.00%	66.45
Total	**100.00%**	**10,914.10**	**100.00%**	**1,329.03**	**100.00%**	**0.66**	**100.00%**	**1,329.69**

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

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:

(a) 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.

(b) The Customer/ Franchisee has legal title to the product

(c) The Group 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 Group recognises revenue when the good are delivered to the Customer/ Franchisee.

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, 2022, the amount recognised as refund liabilities for the expected returns is INR 846.20 Million and corresponding right of return asset is INR 296.47 Million (March 31, 2021: expected returns was INR 739.39 Million and corresponding right of return asset is INR 263.10 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.

56 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 44)

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.

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 53.

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 certainity of availability of adequate future long term capital gains for set off. Further details on taxes are disclosed in Note 24.

x) Current versus non-current classification

The Group 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 amounts are in INR Million, unless otherwise stated)

56 Critical estimates and judgements in applying accounting policies (Contd.)

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.

57 Assets Held For Sale

During the year ended March 31, 2022, 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 carring 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 expected to be completed in financial year ended March 31, 2023. Expected recoverable value from the transcation is INR 26.36 million (including amount received till March 31, 2022) which is more than the carring value.

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

In terms of our report attached of the even date

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

per Bhaswar Sarkar
Partner
Membership No. 055596

Place: Kolkata
Date: May 09, 2022

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)
For and on behalf of the Board of Directors

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholetime Director
DIN : 00361954

Rahul Murarka
Chief Financial Officer

Navin Pareek
Company Secretary
ICSI Membership No. F10672

Notes

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Disclaimer

VEDANT FASHIONS
— LIMITED —

Registered Office

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