

PROUD Indian

VEDANT FASHIONS LIMITED
ANNUAL REPORT 2024-25



Forward-looking statement

This document may contain statements about expected future events including financial and operating results of Vedant Fashions Limited, which may be forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management’s discussion and analysis of the Vedant Fashions Limited Annual Report 2024-25.

Contents

| | | | |
|---|----|---|-----|
| CORPORATE OVERVIEW | | STATUTORY REPORTS | |
| Corporate snapshot | 04 | Notice of AGM | 73 |
| Our awards and accolades | 08 | Board’s Report | 89 |
| Our Brands Portfolio | 10 | Management Discussion and Analysis | 109 |
| Our founder’s message | 16 | Corporate Governance Report | 114 |
| How we have performed across the years | 22 | Business Responsibility and Sustainability Report | 138 |
| Big picture | 24 | FINANCIAL STATEMENTS | |
| Chief Financial Officer’s performance overview | 36 | Financial Statements | 175 |
| Chief Revenue Officer’s review | 39 | | |
| More people are celebrating weddings with Manyavar | 42 | | |
| Chief Technology Officer’s overview | 50 | | |
| Value creation at Vedant Fashions | 52 | | |
| Stakeholder engagement | 54 | | |
| The flourishing Indian wedding industry | 56 | | |
| Excellence drivers | 58 | | |
| Environment, Social and Governance (ESG) at our Company | 63 | | |
| Vedant Fashions’ CSR commitment | 68 | | |
| Board of Directors | 70 | | |



32/

And you thought Indian wear was only about clothes...



42/

More people are celebrating weddings with Manyavar



54/

Enhancing stakeholder engagement

PROUD Indian

At Vedant Fashions, we believe that the time has come for us to wear our national identity on our sleeve.

‘Felt like expressing a different side of myself today.’

‘Went with something more relaxed today – comfort and style combined.’

‘Felt like honouring something close to home today.’

‘This felt festive and joyful – a perfect match for the energy of the occasion.’





Vedant Fashions Limited
has reimagined India's
traditional attire by
blending age-old elegance
with modern design
sensibilities.



Corporate snapshot

Vedant Fashions has carved out a strong presence for ethnic wear within the organised retail space in India.

Its brands have become synonymous with wedding and celebration wear, earning the trust and preference of customers across the nation.

The Company enjoys a global presence, with stores operating in India, USA, UAE, Canada, and UK.

The Company is spreading the spirit of Indian tradition—not just across the country, but across the world.

In doing so, the Company's brands are deepening cultural pride among a growing community of fashion enthusiasts the world over.



Our vision: Instil pride in wearing Indian

Our mission: To be a dominant player in the Indian wedding and celebration wear space across genders and age

Our values: Creating, enhancing, nurturing, inspiring and ornamenting respect.

Transparency: As one of India's most trusted apparel brands, we uphold transparency through fair and ethical business practices.

Efficiency: We pursue efficiency in every aspect—whether it's delivering high-quality products, adopting industry best practices, or offering exceptional customer service.

Use of technology and innovation:

From the very beginning, we have driven innovation by adopting technologies such as automated inventory replenishment and Warehouse Management Systems, enhancing our digital transformation.

Inclusive growth of all stakeholders:

Vedant Fashions is dedicated to fostering inclusive growth by actively engaging and enriching all stakeholders within our dynamic fashion ecosystem.

Our background

Vedant Fashions Limited (referred to as 'the Company' in this report) is a publicly listed Indian company incorporated on May 24, 2002. We specialise in designing Indian wedding and celebration wear for men, women,

and children. Through our offerings, we have played a key role in transforming the fashion landscape of Indian celebrations. The Company offers aspirational designs that combine superior value across a range of styles and budgets, addressing diverse customer preferences.

Our portfolio

The Company's portfolio caters to the celebratory wear needs of the entire family—men, women, and children.

Men's wear: Kurta sets, indo-western, sherwani sets, jackets, accessories, jodhpuris suits and short kurtas.

Women's wear: Lehengas, sarees, stitched suits, crop top lehengas, gowns, and accessories.

Children's wear: Kurta sets, jacket sets, indo-western outfits, child infant, child accessories, girls' ghagra choli, girls' gowns and girls' frock etc.

Our brands

Manyavar, the Company's flagship brand, dominates the branded Indian wedding and celebration wear segment

for men across India*. Complementing Manyavar, the Company's suite of brands—Mohey, Twamev, Diwas, and Mebaz—serve varied consumer segments with distinct identities and tailored offerings, creating a comprehensive ecosystem for celebratory Indian attire.

Our presence

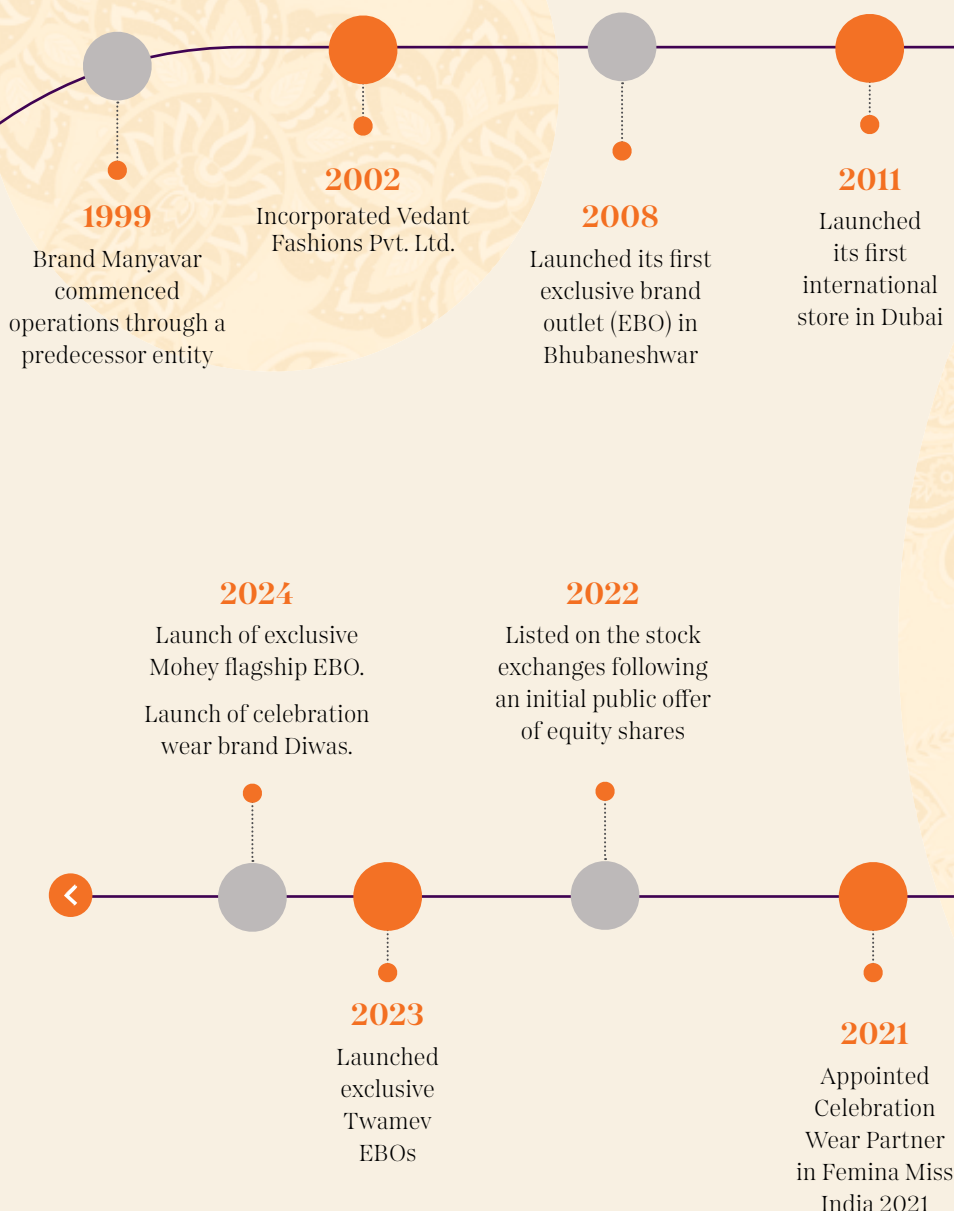
Manyavar, Mohey and Twamev have established a widespread presence across India, backed by a growing number of stores and strong marketing. This has made the brands and the Company itself widely recognised as leaders in Indian wedding and celebration wear. Internationally, the Company maintains a presence in key markets with large Indian communities. Starting with its first exclusive store in Dubai, UAE, the footprint has grown to locations like the USA, Canada, and UK.

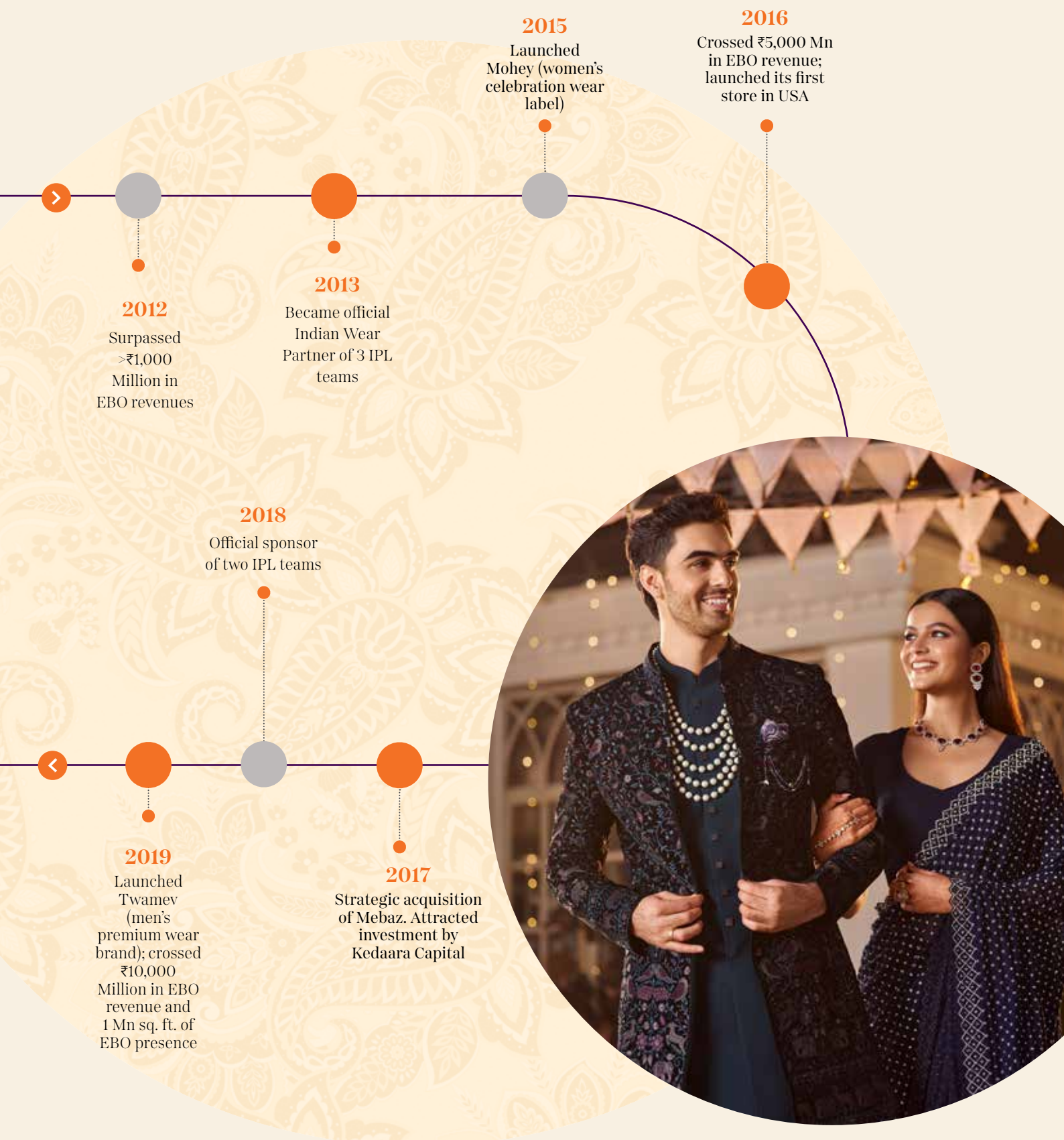
By March 31, 2025, the Company's network included 678 stores (including shop-in-shop outlets) across 244 Indian cities and 16 international stores in 12 global cities.

**As per Crisil Report 2020*

How we have evolved across the years

Milestones





Our awards and accolades



Best Men's Ethnic Wear
Brand by Central Icons



Iconic Men's Ethnic
Brand by Central Icons



Fastest Growing
Company-maximum
turnover ₹300 Crore by
ET Bengal Corporate
Award

Pioneer in Ethnic Retail
Business by ABP News



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

Excellence in Supply Chain
Management & Fulfillment by
Images Retail Tech Award

Highest Job Creator - above
₹300 Crore to ₹1,000 Crore by ET
Bengal Corporate Award



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



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



Transformational Contribution to Indian Apparel and Retail Industry by Ministry of Textiles and the Clothing Manufacturers Association of India
Times Business Award for Best Men's Ethnic Wear Brand (East) by Times Group
Retail Marketing Campaign of the Year by ET Now



Men's Indian wear by
Images Excellence Award
Retail Marketing Campaign of the Year
#TaiyaarHokarAaiye by ET Now
Excellence in Business Performance –
Turnover between ₹300 Crore and 1,000
Crore by ET Bengal Corporate Award



Most Admired Retailer of
the year Marketing and
Advertising campaign by
Mapic India
Best Employer Branding
Award by World HRD
Congress and Stars
Group



Dream Employer of the Year by
World HRD Congress
The Best of Bharat Awards by E4M
Pride of India
Most Admired Fashion Brand of
the year: Men's Indian wear by
Images Fashion Award



Entrepreneur of the Year for Consumer
Products and Retail by EY
India Retail Champions Award by
Apparel & Lifestyle category



India Retail Champions
Award for RAI Category
by Apparel & Lifestyle
category
Most Admired Fashion
Brand of the year: Men's
Indian wear by Images
Fashion Award



Merit recognition conferred
for its Mohey – Jayanagar
(Bengaluru) in the category
of Ethnic Fashion &
Accessories Specialty Store
at the VM&RD Retail Design
Awards.
Recognised in the categories
of Best Use of Influencers
on Instagram and Best Use
of Influencers at the afaqs!
Marketers' Excellence
Awards.

Our brands portfolio



Brand Manyavar

Our flagship brand. More than a brand name. A category statesman. Manyavar brand is a category leader in the branded Indian wedding and celebration wear market with a pan-India presence[#]. Respected and trusted for its mid-premium pricing.

| | | | |
|--|-------------------------------------|--|---|
| Year 1999* | Target group Men and boys | Price spectrum Mid-premium | Distribution EBOs, MBOs, large format stores and E-commerce |
| Products portfolio for men: Kurta sets, indo-western set, sherwani set, jackets, accessories, and jodhpuris etc. | | Products portfolio for children: Kurta set, jacket set, Indo-Western, accessories, kids and infant wear. | |

| | | | |
|-----------------------|--|--|---|
| Key attributes | Category leader in the branded Indian wedding and celebration wear market with a pan-India presence [#] | Manyavar maintains its brand value with no end-of-season sales or discounts. | *Brand Manyavar commenced operations through an earlier entity in 1999 [#] Crisil Report 2020 |
|-----------------------|--|--|---|



Brand Mohey

Catering to Indian women's wedding and celebration wear, Mohey has a wide EBO presence across India and is proudly endorsed by brand ambassador Janhvi Kapoor #JabAapTaiyaarHumTaiyaar.

Year
2015

Target group
Women

Price spectrum
Mid-premium

Distribution
EBOs and e-commerce

Products portfolio for women:

Lehengas, sarees, crop-top lehengas, suits, indo-westerns and accessories

Key attributes

Largest brand by the number of stores, with a pan-India presence*. Focusing on women's Indian wedding and celebration wear.

Leverages Manyavar's leadership and extensive EBO footprint across the country.

Endorsed by a celebrity brand ambassador and promoted through campaigns like #JabAapTaiyaarHumTaiyaar.

*Crisil Report 2020



Twamev

Brand Twamev

The brand targets the premium men's and women's Indian wedding and celebration wear segment, offering an upscale consumer experience. Positioned strategically between Manyavar and luxury boutique brands, it bridges the gap by delivering elevated style with greater accessibility.

| Year | Target group | Price spectrum | Distribution |
|---|--|--|---|
| 2019 | Men & Women | Premium | EBO's along with e-commerce |
| Products portfolio for men: Men's: Kurta set, sherwani set, jodhpuris, indo-western and accessories | | Women's: Sarees, lehengas, crop top lehenga, gowns, stitched suits and indo-western women wear and accessories | |
| Key attributes | Offers a premium and refined shopping experience | Expands value through premium cross-sells to Manyavar clientele | Positioned between Manyavar and luxury boutique brands in pricing |



Brand Mebaz

A regional brand with a strong presence in South India, especially in Andhra Pradesh and Telangana. It caters to men, women, and children, offering mid-premium to premium ethnic wear. Positioned as a one-stop destination, it fulfills the entire family's celebration needs.

| Year 2017** | Target group Men, women, kids | Price spectrum Mid-premium to premium | Distribution EBOs |
|---|----------------------------------|--|----------------------|
| Products portfolio for men: Kurta, indo-western, sherwani, jacket, suit, accessories | | Products portfolio for women: Lehengas, sarees, suits and kurtis | |
| Products portfolio for children: Lehengas, gowns, frocks, kurtas, suits and accessories | | Key attributes | |
| South India focused regional brand; strong presence in Andhra Pradesh and Telangana | | One-stop shop for ethnic celebration needs for entire family Renowned for its deep-rooted heritage and lasting legacy | |

**Brand Mebaz was launched in 2002 and acquired by the Company in 2017



Brand Diwas

Vedant Fashions offers uniquely sustainable styles tailored for Gen Z, blending a wide range of designs at value to mid-premium price points. With a focus on festive and celebration wear, the brand aims to cater to customers across India.

| | | | |
|---|--|--|--|
| Year 2024 | Target group Men | Price spectrum Value to Mid Premium | Distribution MBOs and E-commerce |
| Products portfolio for men: Kurtas, lowers and jacket sets | | | |
| Key attributes | Unique sustainable offerings for Gen Z | Large blend of product designs at value/ mid-premium prices | Aims to cater to festive and celebrations wear segment at PAN-India level |



Our founder's message

Redefining Strength: Outperforming in a Challenging Market

The last financial year was a period of transition and reflection for our Company.

Overview

Our Company went into business two-and-a-half decades ago around a dream: That Indians would discover a deeper pride in Indian wear.

The odds were stacked against. Most Indians across genders had by then discovered that wearing a shirt and pairs of trousers across locations, communities, events, festivals and time represented the simplest wardrobe solution.

At Vedant Fashions, we believed that there would come a time when a counter reality emerged: from 'Some Indian wear in the wardrobe' to 'Only Indian wear in every wardrobe.' This would happen, we felt, when Indian pride would emerge, and the confident global Indian would seek to wear national colours. When this transpired, Indian wear would no longer just be festive attire; it would become an everyday expression of identity, elegance, and confidence.

In the last quarter of a century of our existence, our conviction has been vindicated. Indian wear has indeed made a structural shift: from Boardrooms to brunches, Indian wear is shedding its 'occasion-only' tag and emerging as a versatile, modern wardrobe essential. India's new generation is reclaiming handloom, heritage, and drape — not as nostalgia, but as a bold, contemporary fashion statement. The result is that Indian wear is moving from the margins of ethnic fashion to the center stage of global style conversations.

During the course of this momentous journey, we recognised upfront that there would be market environments when we would be tested, when it would be necessary to keep faith and even more necessary to keep reinvesting in the business: not as much to widen our leadership market share as much as to inspire more Indians to turn to their rich apparel heritage.



Ravi Modi
*Chairman and
Managing Director*

The last financial year was marked by a unique set of challenges. Consumer sentiment remained subdued mostly across the year, starting with an exceptional and one-off first quarter marked by the lowest number of wedding dates nationally. Although consumer sentiment remained cautious, business performance gradually improved in the subsequent quarters. During the nine-month period from July to March FY 2024-25, retail sales grew by 9.3%, with like-to-like (LTL) sales growing by 2.9%. Despite these challenges, the Company successfully maintained its strong financial margins and profitability metrics, reflecting resilient business fundamentals.

Your Company also perceived this sectorial sluggishness as an opportunity to implement a range of initiatives to strengthen the business model. Your Company implemented focused initiatives that are expected to strengthen competitiveness and leadership.

Your Company launched Diwas, its first D2C brand focused on festive and celebration wear. I am happy to communicate that this brand generated a positive consumer response and is likely to do even better from the current financial year.

Your Company launched the VFL Parivaar app, an AI-driven learning

management platform that was rolled out across more than 3,000 frontline fashion advisors. This is expected to unify and standardise the manner in which we respond to consumers in our stores anywhere across the national footprint.

Your Company added around 85K sq.ft. of net retail area during the last financial year, leading to an aggregate 1.79 Million sq. ft. by the close of the year.

I believe that our best days lie ahead.

At our Company, we are more optimistic than ever of the health of the Indian wear category. This category will not just grow; it will grow faster. What gives me optimism is that the rise of Indian wear is not about traditions being preserved; it is about traditions being reinvented for a new century of consumers. What was once considered ceremonial is now becoming aspirational, with Indian wear brands capturing hearts across geographies and generations. Indian fashion is being redefined by designers who blend ancient crafts with modern silhouettes, creating a category that feels rooted and revolutionary. More importantly, Indian wear's rise mirrors a larger cultural shift: pride in origin, need for authenticity, and the desire to wear one's story with confidence. The result is that Indian wear market is evolving from export to expression — where what

we wear becomes integral to how we narrate who we are.

At our Company, we will remain opportunity-focused. We will launch more stores across the country in under-represented pockets; we will focus on enhancing same store sales growth; we will customise digital promotions around hyperlocal messaging; we will accelerate promotions to stay high on consumer recall; we will continue to engage in good business practices without compromising our operating metrics.

I am optimistic that the factors beyond our control will become increasingly conducive for our business. The personal income tax break announced in the last Union Budget could be complemented by a probable decline in interest rates. As India grows economically, there will be a deeper pride in wearing Indian.

If there is a singular message that I would like to communicate is that even as much appeared to change within our sector during the last financial year, little changed within our Company. It is this calm within the storm that we expect will deepen our competitiveness and translate into superior numbers across the foreseeable future.

Our best is yet to come.

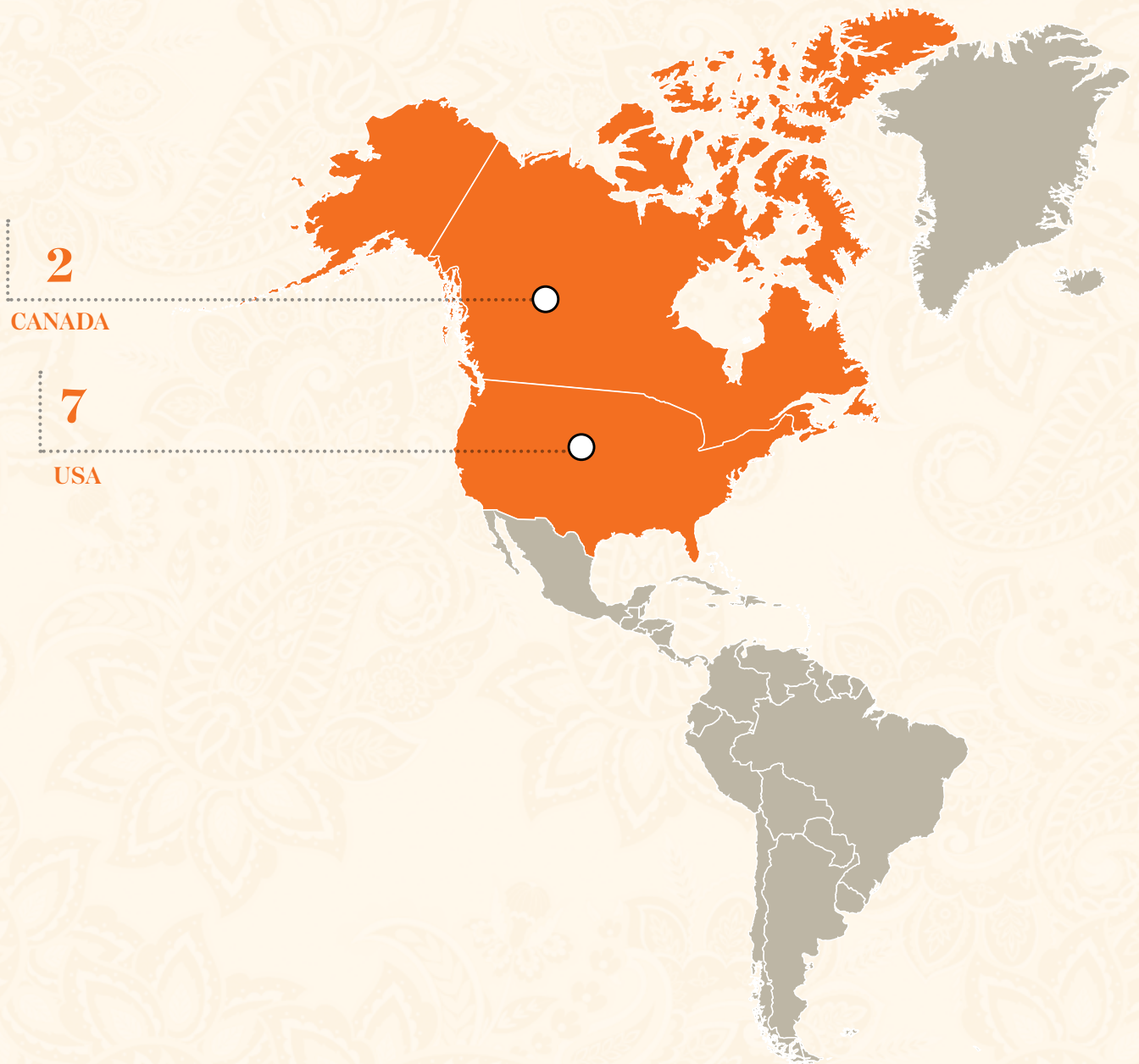
Ravi Modi

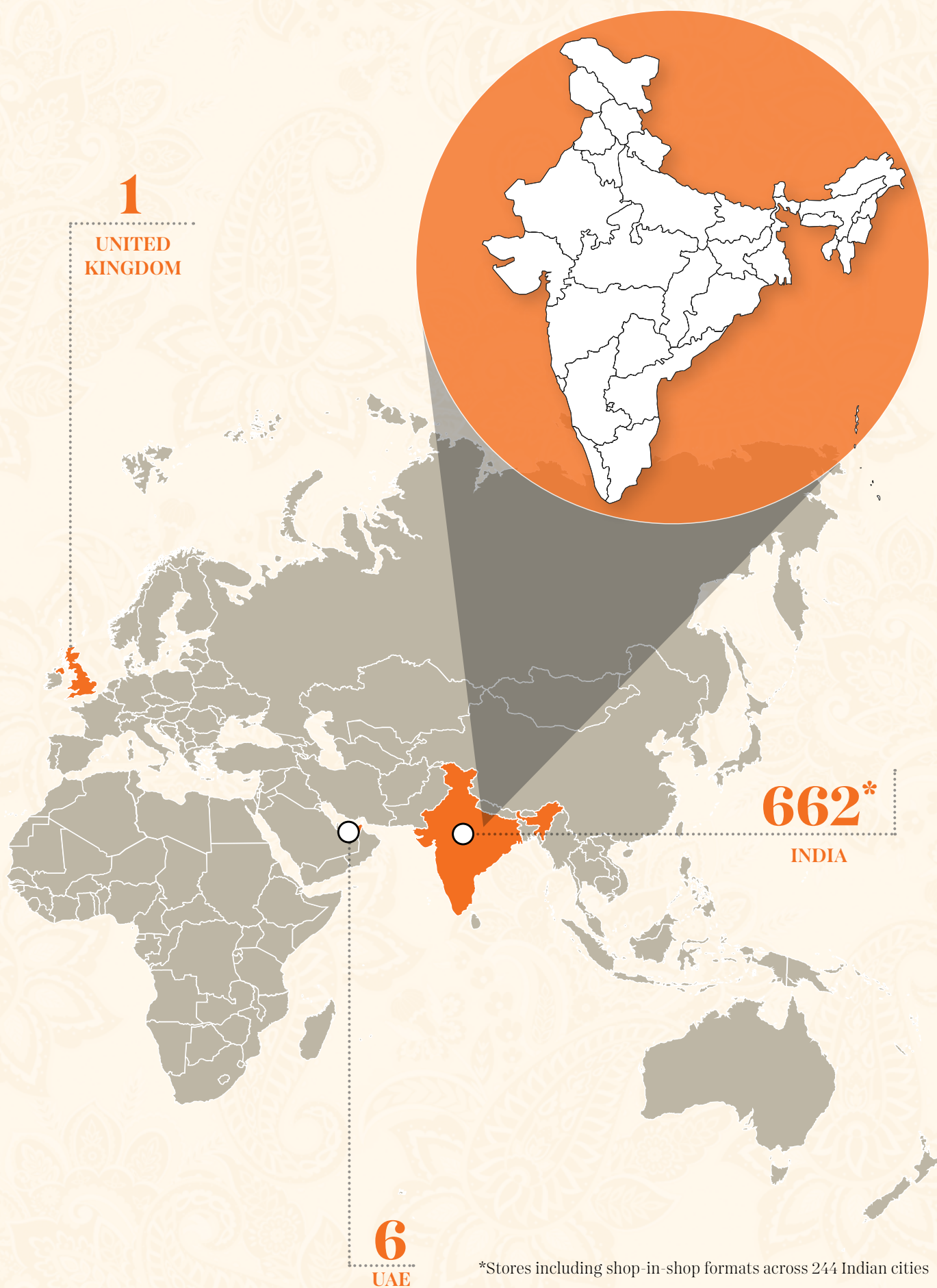
Chairman and Managing Director



Vedant Fashions:

A widening and deepening presence within India and across the world





How we have performed across the years

Revenue
(in ₹ Million)



Gross profit
(in ₹ Million)



Gross profit margin
(%)



EBITDA
(in ₹ Million)



EBITDA margin
(%)



Profit before tax
(in ₹ Million)



Profit before tax margin
(%)



Profit after tax
(in ₹ Million)



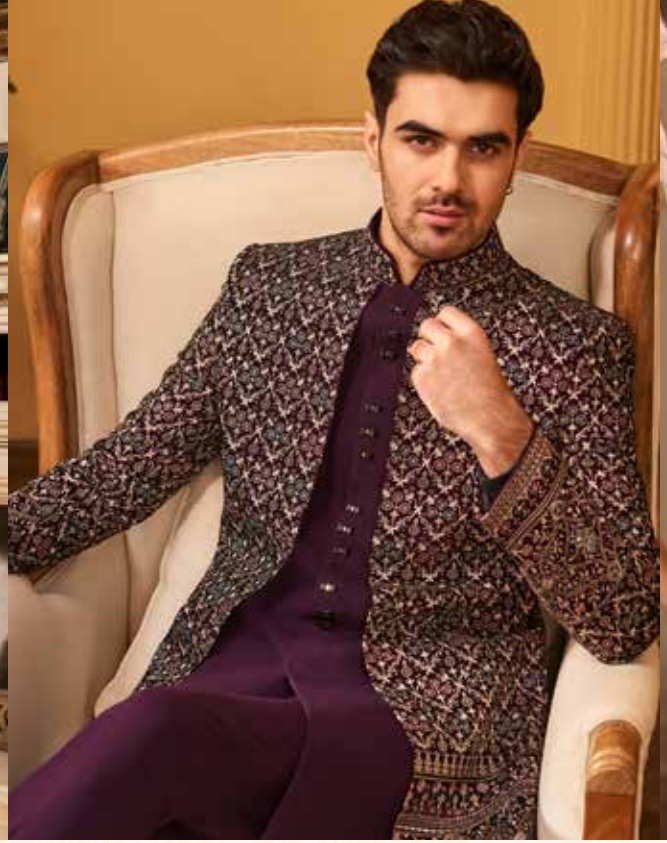
Profit after tax margin
(%)



Big
picture

Proud

Indian



Proud Indian.

There are a number of things
transpiring to make the average
Indian proud.

World-beating achievements.
New benchmarks.

We had foreseen such a time
and day.

And concluded that this sense
of pride would one day reflect in
the way Indians dressed.



1.46 Billion people.

India. The most populous
nation in the world.

And it was an irony that such a
large slice of humankind would
wear clothes of designs that
were not Indian.

Pride.

At Vedant Fashions, we created
a business around this one word.

We believed that pride in Indian
wear would re-assert.

We believed that pride in what we are
and what we stand for would prevail.

We believed that pride would make Indians
rediscover their identity.

‘Old fashioned.’

We encountered these two words when our Indian wear company went into business.

People said it reminded them of their forefathers and sepia pictures.

We adapted Indian wear. We modernised Indian wear. We branded Indian wear.

We did not create anything new. We only presented our rich tradition in a new avatar.

That made all the difference.



‘Hep’ and ‘Hip.’

More Indians are using modern words -
unthinkably - for Indian wear.

More Indians are asking for
‘Kuch *apna* dikhaiyye.’

More Indians are insisting
‘I want to dress like my mother did.’

More Indians are quietly conceding
that ‘Nothing beats tradition.’

The erstwhile boring is the new cool -
and likely to remain so.



‘Inflection point.’

At Vedant Fashions, we have begun using these words with increased frequency.

Because our Indian wear space has graduated to mainstream.

Because the Indian wear space is attracting a larger number of players.

Because Indian wear is extending from festivals and marriages to everyday wear.

And you thought Indian wear was only about clothes...

We entered the business of Indian wear not because it was the most convenient. But because it was the most under-rated.

What we saw: Most dismissing Indian wear as out of sync with the modern era.

What we observed: Extraordinary diversity, craftsmanship, symbolism, and continuity that had survived hundreds of years.

Exceptional handcraft and textile heritage

- India is home to some of the world's oldest textile traditions – the handloom (Banarasi,); dyeing techniques (Bandhani, Leheriya,); embroidery (Zardozi, Mirror Work); silk traditions.
- The artisanship for each has often passed through the generations, the techniques remaining unchanged for centuries.

Rich symbolism and meaning

- Clothing is symbolic in Indian culture—color, fabric, drape, and design all carry meaning: Red for brides (symbol of fertility and purity), white for peace and purity (in many regions),

yellow for spring or spirituality and gold thread (zari) for prosperity and status.

- Clothes are often worn based on occasion, astrological time, caste, religion, or season.

Fusion of function and festivity

- Indian attire blends daily utility with ceremonial grandeur.
- The same garment (say, saree) can be styled for daily chores in cotton, for rituals with temple motifs and for weddings in heavily embroidered silks

Civilisational continuity

- Indian garments like the kurta, sherwani, dhoti, saree, or turban

have been worn in similar forms for thousands of years — as is visible in ancient sculpture and frescoes.

- Indian wear is living history: not just preserved in museums, but worn by millions every single day.


Global influence and modern adaptation

- Indian styles have influenced world fashion.
- Paisley patterns, tie-dye, kaftans, and turbans have been adopted by the West.
- Indian designers and weaves have been launched on global runways.
- Bollywood fashion sets trends across South Asia, the Middle East, and the Indian diaspora.



At Vedant Fashions, 'Proud Indian' runs deeper than design, apparel and merchandise.

At our Company, 'Proud Indian' is not about clothes.
It is about the best we can be.



Big picture: We are in business for a larger purpose – a pursuit of excellence - than apparel.

Pride: We seek to enhance pride across every role and initiative so that responsible pride leads to sustainable out performance

Positioning: We own the responsibility of projecting the image of an achieving Indian who makes the world a better place

Technology: We invest in cutting-edge technologies to achieve benchmarks and outcomes unmatched in our space across the world

Maximisation: We sweat all available resources with the responsibility to maximise their use

Stakeholder: We seek to enhance outcomes for every stakeholder we touch

Living our role as a 'Proud Indian'



4 Priorities we have consistently lived at our Company

We do not just design, make and market Indian wear; we champion Indian wear

We do not use the term 'ethnic'; we refer to what we make as 'Indian wear'

We practice what we preach

Our dream: Only Indian wear in every wardrobe.

Chief Financial Officer's performance overview

A financial perspective into our business



Rahul Murarka
Chief Financial Officer

In FY 2024-25, we retained a strong discipline on our operating metrics to protect our fundamentals.

Big picture: The big picture message is that your Company was able to protect its key financial and operational fundamentals, despite broader macro-economic headwinds. The fact that your Company could generate strong profitability and margin metrics during the last financial year validated business resilience.

Financial comfort: The Company protected its key fundamentals during the year under review. This was reflected in its sizable net worth accretion and the continued absence of debt.

| Year | FY23 | FY24 | FY25 |
|-----------------------|--------|--------|--------|
| Net worth (₹ Million) | 13,999 | 16,019 | 17,863 |

Revenues: The Company generated a majority of its revenues from franchised stores and alternative sales channels (multi-brand outlets, large format stores, and e-commerce etc.).

| Year | FY23 | FY24 | FY25 |
|----------------------|--------|--------|--------|
| Revenues (₹ Million) | 13,549 | 13,675 | 13,865 |

Margins: During the last financial year, the Company continued to report healthy gross margins, EBITDA and PAT margins. The sustained margins were on account of a consistent focus on cost efficiency, value-added products and stringent working capital management. The attractive margins validated the Company's value-driven approach.

| As on 31 March | FY23 | FY24 | FY25 |
|------------------|------|------|------|
| Gross margin (%) | 67.4 | 67.2 | 67.2 |
| EBITDA margin % | 50.1 | 48.6 | 46.6 |
| PAT margin % | 31.7 | 30.3 | 28.0 |

17,863
₹ Million, Net worth
Financial comfort, FY25

13,865
₹ Million Revenues,
FY25



Credit rating: The highlight of the Company's performance was how it was perceived by credit rating agencies. Your Company's credit rating remained at AA/Stable for its long-term bank facilities as appraised by CRISIL Ratings Limited, a wholly owned subsidiary of CRISIL Limited ('CRISIL'). This rating stability validates the Company's resilience and ability to rebound once macro-economic conditions revive.

| Year | FY23 | FY24 | FY25 |
|---------------|-------------------|------------------|------------------|
| Credit rating | CRISIL AA-/Stable | CRISIL AA/Stable | CRISIL AA/Stable |

Liquidity: Over the years, the Company has placed a premium on liquidity, preferring to remain cash rich across market cycles. This was reinforced through value-added products, cost leadership, informed merchandising, relatively high inventory turns and negligible dead stock. This approach was validated during the last financial year, as the Company closed the year with cash and cash equivalents on books of ₹10,681 Million*, despite a challenging macro environment. The Company consistently focused on the use of net worth in growing the business; there was no debt on the Company's books during the last financial year. This strengthened a virtuous cycle that deepened the Company's cost leadership. The Company invested its liquid cash in debt financial instruments that delivered safety and returns, enhancing its annuity income.

| Year | FY23 | FY24 | FY25 |
|--|-------|-------|--------|
| Cash and cash equivalents* (₹ Million) | 7,971 | 9,809 | 10,681 |

* Includes investments value



The management's perspective

“In a challenging year, your Company validated its business model robustness. Even in a subdued environment, your Company maintained healthy margins and stable revenues, reinforcing confidence in its operating model. This performance inspires the optimism that as the macro-environment improves, the Company will be positioned to capture emerging growth opportunities.”

Rahul Murarka, Chief Financial Officer



Performance analysis

The Company remained committed to its overarching goal of sustainable, high-ROI growth, with an emphasis on retail quality, customer experience, and long-term value creation.

Introduction

In fiscal year 2025, Vedant Fashions reinforced its position as a leader in the wedding and celebratory apparel segment through a disciplined and strategic focus on operational excellence, and brand building.

The Company's unwavering focus on enhancing customer experience, retail training, data-driven merchandising, omni-channel platforms, and monitoring key performance indicators (KPIs) yielded improvements across essential retail metrics. This concerted effort has strengthened the foundation for sustainable, long-term value creation.

Vedant Fashions adopted a strategic approach to store expansion, driven by comprehensive market evaluation, operational prudence, and demand-based insights. During the year, the Company placed an increased emphasis

on quality-focused rollouts, prioritising retail locations that aligned with local demand patterns and long-term market viability. Given that expansion decisions are shaped by various factors—such as long-term lease obligations, store productivity, and evolving market conditions, expansion remains a key business metric. The Company continued to explore high-potential locations, ensuring that rollouts were carefully balanced and aligned with long-term strategic and operational sustainability.

Marketing strategies during FY 2025 underscored Vedant Fashions' commitment to strengthening brand visibility and relevance in an increasingly digitalised landscape. The Company leveraged influencer collaborations and launched digitally focused campaigns across its key brands including Manyavar, Mohey, Twamev,

and Diwas amplifying its reach among a broad audience. The introduction of Diwas represents an innovative foray into building festive dressing as a culturally significant movement rooted in regional expressions. With city-specific campaigns designed to resonate with local traditions, Diwas seeks to expand the category and increase the total addressable market, positioning Indian festive wear as an accessible, everyday cultural expression.

Product innovation and strategic merchandising played a critical role in enhancing customer conversion metrics. The range of offerings was diversified to appeal to evolving consumer preferences and emerging fashion trends. Simultaneously, marketing pivoted towards agile, high-virality digital campaigns that fostered engagement and increased brand resonance. Underpinning

these initiatives was a robust focus on operational excellence fostered by technological advancements — particularly investments in omni-channel platforms and the VFL Parivaar app. This facilitated continuous staff training, real-time performance tracking, and seamless customer engagement, elevating the overall customer experience.

A key strategic pivot during FY 2025 was the reorientation of Mohey from a primarily bridal-focused brand to a broader, more inclusive wedding wear brand that offers versatile occasion wear. This repositioning contributed to growth that outpaced the Company's average, reflecting the successful broadening of the brand's appeal. Concurrently, Twamev advanced its positioning within the bridge-to-luxury segment, offering premium products at competitive prices across India's top metropolitan and other key wedding markets. Diwas, launched as a festive-oriented brand, aimed to make Indian

celebratory attire more accessible and a part of everyday cultural life, transforming festival dressing into an enduring category. Collectively, these three brands — Mohey, Twamev, and Diwas — are central to Vedant Fashions' long-term strategic vision, reinforcing its commitment to product differentiation and market expansion.

Customer retention remained a core pillar of the Company's growth strategy. Vedant Fashions utilised its extensive customer database of over 90 Lakh individuals to foster a deeper engagement repeat footfalls. The Company enhanced its in-store experience by implementing curated store layouts, investing in staff training, and offering targeted product assortments. These initiatives aim to increase average transaction value, basket size, and overall conversion rates, driving sustained revenue growth over the long-term.

Marketing investments were front-loaded during the fiscal year to harness

early demand cycles and reinforce the future readiness of the brand portfolio. While brand configurations continued to evolve, the Company maintained gross margin stability through strategic pricing and merchandising initiatives. This disciplined approach helped balance business robustness and stabilise revenue, positioning Vedant Fashions for sustained financial health.

The Company actively expanded in markets demonstrating favorable demographic and economic momentum while simultaneously consolidating underperforming formats for better business operational sustainability.

In doing so, the Company remained committed to its overarching goal of sustainable, high-ROI growth, with an emphasis on retail quality, customer experience, and long-term value creation.

Vedant Modi, *Chief Revenue Officer*



Institutionalisation at Vedant Fashions

- Cultivating a self-reliant and sustainable organisational structure
- Minimising reliance on individual contributors by fostering broader team capabilities
- Strengthening the middle-management tier for effective leadership and operational continuity
- Implementing a transparent and robust succession planning framework
- Promoting a culture of collective ownership and shared accountability
- Encouraging collaboration and teamwork to drive innovation and efficiency
- Building and maintaining a strong, reputable brand identity
- Developing strategic alliances and expanding professional networks
- Focusing on long-term growth and stability in strategic planning
- Embracing change with agility and a proactive mindset to adapt to evolving market dynamics

“

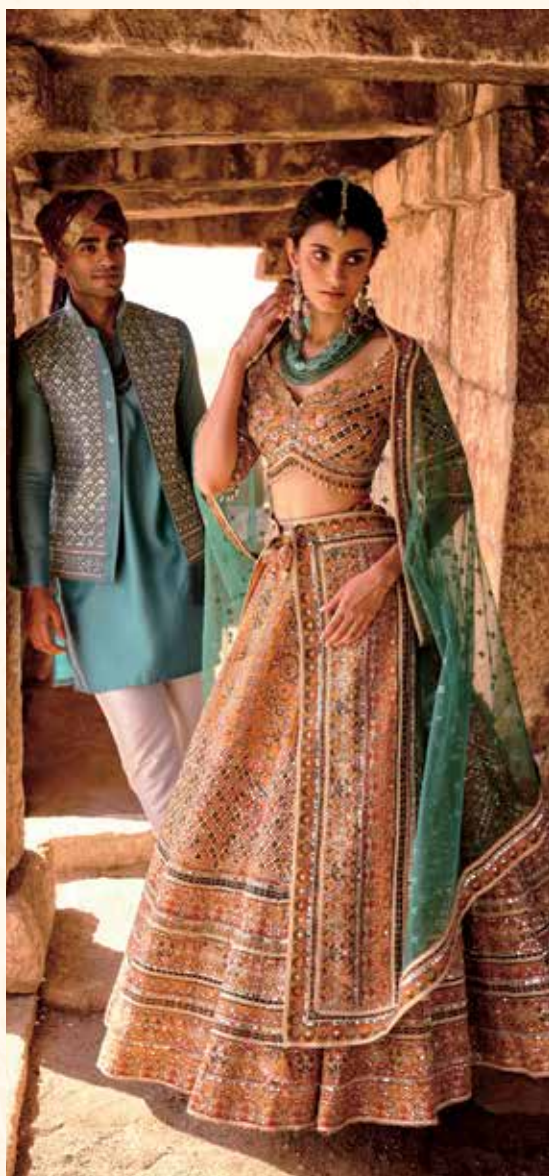
At Vedant Fashions, we adopt a dynamic and iterative style of creating products. Fresh concepts are brought to the market rapidly, with decisions on scaling driven by live performance insights. This fusion of creativity and data-driven judgment lies at the heart of how we evolve and enhance our collections.

Amar Sethia, *Chief Product Officer*

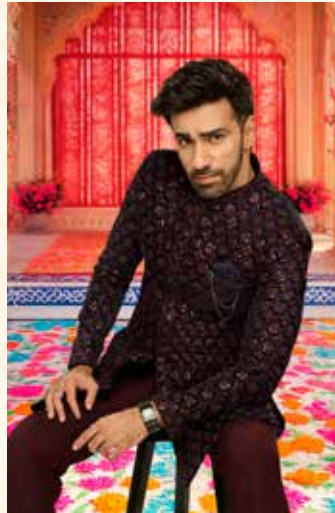
“

Twamev occupies the space between our core Manyavar brand and upscale designer labels. It appeals to a growing group of consumers seeking aspirational fashion. We effectively introduced premium offerings to Manyavar's existing customer base. With rising affluence and evolving tastes, this segment presents significant growth opportunities.

Raghav Agarwal, *Twamev Head*

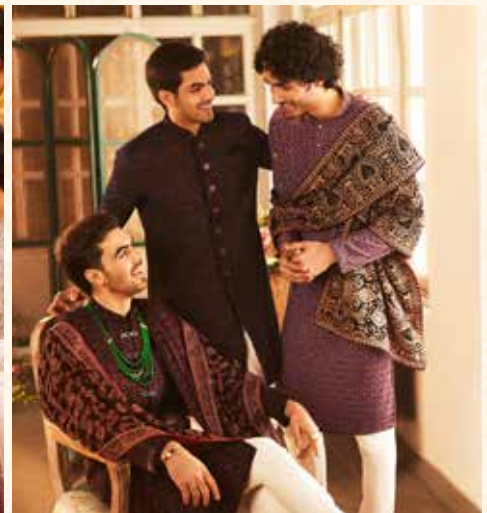


More people are celebrating weddings with Manyavar



Manyavar's wedding campaign

Our films captured the defining moments when a boy transformed into a Manyavar—a change felt by him and seen by those around him. Through these stories, we posed a compelling question to every prospective groom: When will you become a Manyavar?



Manyavar's social campaign

Our social campaign showcased Manyavar's wedding collection through key moments like Roka, Haldi, Sangeet, Shaadi, and Reception. Focused on groom and groom squad looks, we used trending reel formats and styling content to refresh our social feed while highlighting the versatility of our offerings.



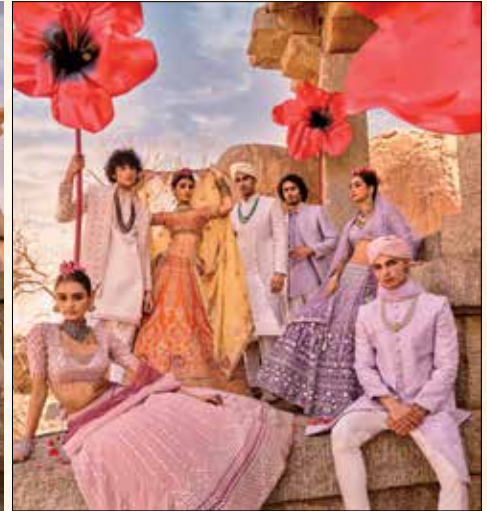
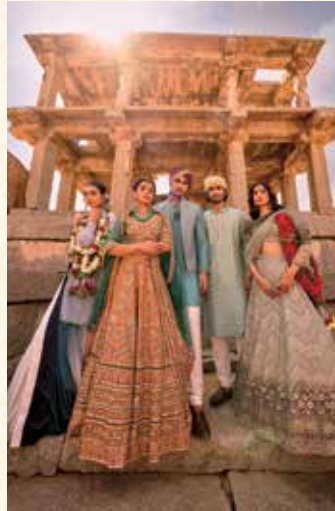
Manyavar's short kurta campaign

Manyavar introduced short kurtas to fill a gap in everyday ethnic wear—offering a stylish, comfortable alternative to shirts for casual, office, and college settings. This range helps us extend beyond festive wear and position Manyavar in the modern work wear space.



Diwas' social campaign

Diwas by Manyavar aims to tap into the high-potential festive wear market by offering styles tailored for celebration moments. To build relevance, we created campaigns around key festivals like Durga Puja, Diwali, Holi, and Eid, including various scenarios like *Eid ka daawat*, *Diwali evening party* or the *Holi office party* etc., as well as other occasions like convocations, house-warming and family gatherings—positioning Diwas as a go-to brand for year-round festive dressing.



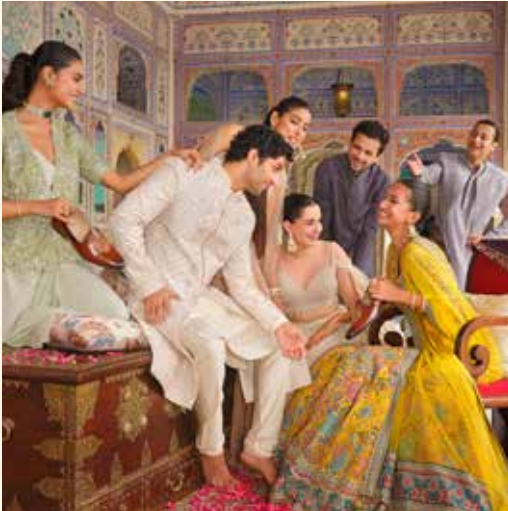
Twamev's summer collection launch

In the first quarter of FY 2024-25, Twamev unveiled its Summer Collection with a campaign that celebrated every moment of a wedding—from Haldi and Mehendi to cocktails and the wedding itself. The collection showcased a versatile range of lehengas and sherwanis, along with lighter, occasion-ready pieces crafted around effortless elegance.



Twamev's Drapes & Drama shoot

This social shoot campaign was aimed at highlighting the lighter segment of Twamev's collection, showcasing effortlessly elegant pieces designed for intimate celebrations and everyday festive moments.



Twamev's wedding campaign – 'Truly You'

Today's couples are assuming charge of their wedding journeys, infusing each moment with personal flair. These bold, unapologetic to-be brides and grooms are redefining age-old rituals in ways that reflect their individuality—without compromising tradition. Twamev's wedding campaign celebrated this spirit of self-expression, honouring the uniqueness of every bride and groom on their special day. Rooted in the belief that one's wedding attire should be a true reflection of who they are, the campaign captured their stories in all their authenticity and glory.



Mohey's 2024 wedding campaign with Janhvi Kapoor redefined the readiness for marriage

'Jab Aap Taiyaar, Hum Taiyaar' marked a shift in Mohey's positioning—from bridal wear to complete wedding wear. Featuring Janhvi Kapoor, the promotion challenged societal timelines around marriage and celebrated emotional readiness. Through honest, relatable conversations, it reinforced Mohey's role as a companion in every woman's personal journey to marriage.



Extending the conversation: #TaiyaarWhenYouAre

Extending the conversation: #TaiyaarWhenYouAre

Extending the core message, #TaiyaarWhenYouAre brought together inspiring voices – Rakul Preet, Manika Batra, PV Sindhu, Shibani Dandekar, Priya Malik and others—sharing their personal stories of when they felt ready for marriage. These real, diverse perspectives sparked meaningful conversations across social platforms and strengthened Mohey's connect with modern women.



Mohey's social campaign

Our social campaign brought Mohey's wedding collection to life through vibrant moments across the wedding journey—from Mehendi and Haldi to the wedding and reception. With modern styling, trending formats, and a focus on brides and bridesmaids, the use of thematic content pieces refreshed our digital presence while showcasing Mohey's versatility across wedding occasions.

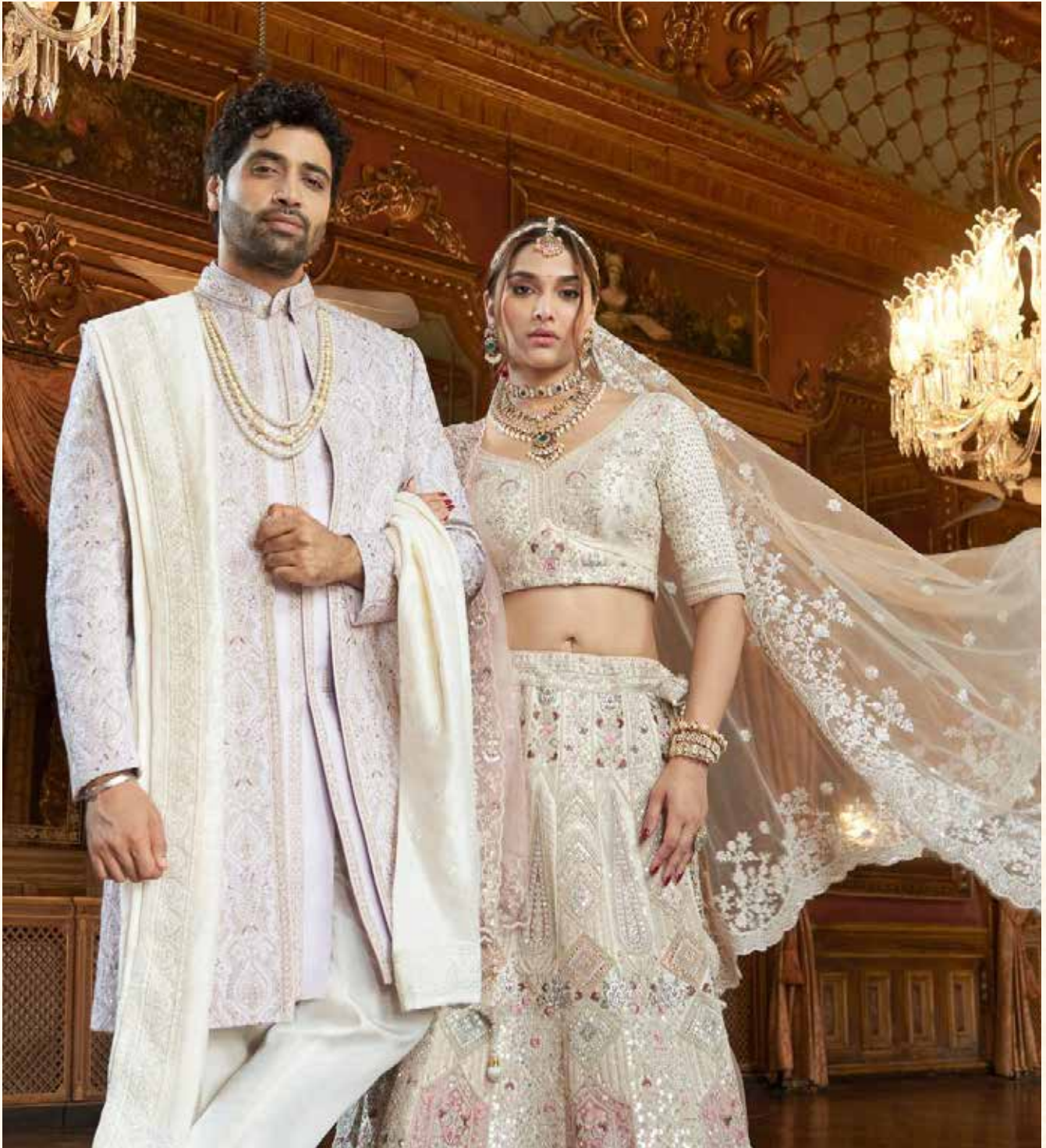
Our Mebaz campaign – 'You Are The Occasion'

In the second quarter of FY 2024-25, we introduced a fresh narrative for the Mebaz brand with the launch of our new campaign — 'You Are The Occasion'. The journey began with a mini-campaign rooted in South Indian aesthetics, designed to drive regional relatability and emotional connection.

As the wedding season unfolded, we graduated our storytelling by onboarding Sai Manjekar and Adivi Sesh as brand ambassadors. We unveiled three films shot at the iconic Falaknuma Palace, blending grandeur with emotion.

The campaign built anticipation and curiosity around our new launch, placing the spotlight on the belief that celebration begins with you.





The management's perspective



“Vedant Fashions advanced its leadership through innovation in digital, marketing, and omni-channel retail. With personalised experiences, AI-powered tools, and expanded product offerings, the Company deepened its consumer engagement. Brand campaigns across Manyavar, Mohey, Twamev, Diwas,

and Mebaz strengthened category presence. Strategic store expansion and hyperlocal activations drove footfalls and festive sales. Positioned as a house of occasion-led lifestyle brands, Vedant Fashions is poised for sustained growth.”

– **Anand Narang**, Chief Marketing and Digital Officer



Technology

We integrated Artificial Intelligence deeper into the organisation

We have created a nimbler organisation connected to market realities in real time



Arjun Roy,
Chief Technology Officer

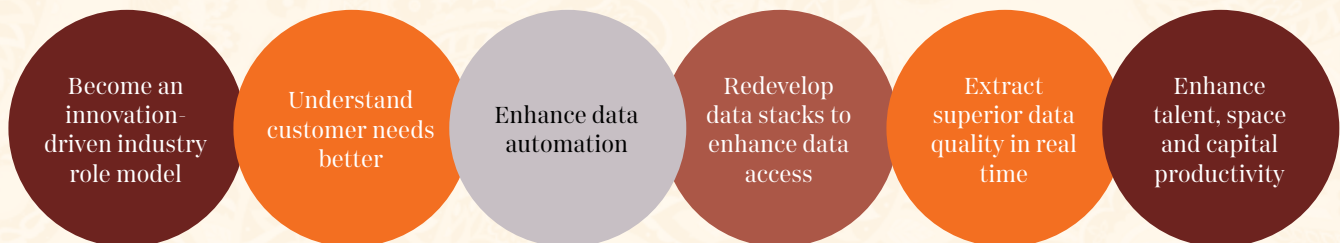
The management's perspective

Vedant Fashions evolved into a tech-driven organisation by integrating AI and Large Language Models (LLMs) to enable real-time, data-led decisions. LLMs replaced traditional dashboards, allowing teams to extract insights and plan dynamically using natural language.

By democratising data access and automating conversation analysis, Vedant Fashions improved customer

targeting and ensured no sale was missed. The Company also replaced legacy ERP systems with proprietary middleware, gaining real-time visibility into unsold inventory. These changes enhanced merchandising, logistics, and planning efficiency. Vedant Fashions now operates as a technology-first company that also makes textile products, poised to deliver greater value.

Our growing technology focus



The financial upsides of our technology application

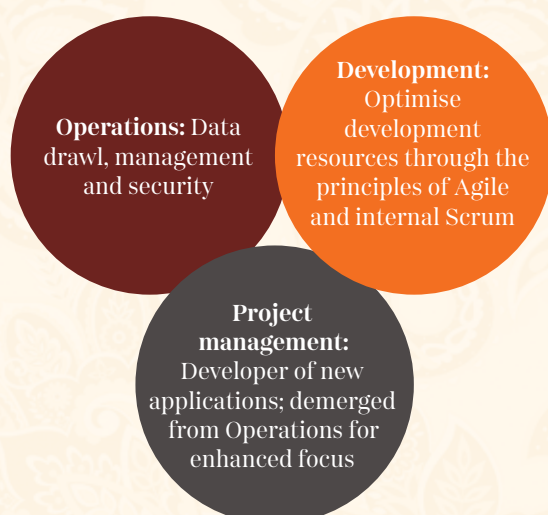




The operational upsides of our technology application



Strengths of our technology function



“My journey with Vedant Fashions began during my time at Ginesys. Back then, the Company made a bold move to implement an ERP system. Since then, we have evolved that foundation into something far more advanced—infusing AI, tailoring the ERP framework to fit specific operational needs, and enabling innovation through capable teams. With robust data at our fingertips, the Company has been able to leverages its systems more intelligently, resulting in a sharper and effective performance.”

- **Arjun Roy**, Chief Technology Officer

Value creation at Vedant Fashions

How Vedant Fashions enhances stakeholder value through its core capitals

Vedant Fashions' sustained growth over the decades has been shaped by the dynamic synergy between its foundational strengths and strategic capabilities.

Our value-creating capitals

Sustainable growth stems from the effective deployment of multiple interconnected resources—what we refer to as our Capitals. At Vedant Fashions, these foundational elements have worked in harmony to drive progress. By channeling focused investments into each, we have transformed potential into measurable impact and enduring value.

Financial capital

| | |
|-----------------------------|--|
| Investors | <ul style="list-style-type: none"> ▪ Shareholders' payout: ₹2,064 Million |
| Customers | <ul style="list-style-type: none"> ▪ Aspirational brand, yet value for money ▪ Continuously enriching the customer journey through exceptional service and an expansive, diverse product selection |
| Employees | <ul style="list-style-type: none"> ▪ Competitive wages and benefits ▪ Safe and healthy work environment |
| Value chain partners | <ul style="list-style-type: none"> ▪ Fair and timely payments, enhancing engagement stability ▪ Collaboration and innovation |
| Communities | <ul style="list-style-type: none"> ▪ CSR expenditure: ₹100.3 Million |

Manufacturing capital

| | |
|-----------------------------|--|
| Investors | <ul style="list-style-type: none"> ▪ Consistent healthy margins and profitability. ▪ Industry-leading gross margins with robust profitability indicators |
| Customers | <ul style="list-style-type: none"> ▪ Enhanced product quality and performance standards ▪ Diversified and expanded product portfolio ▪ Seamless and engaging customer experience across physical stores and digital platforms |
| Employees | <ul style="list-style-type: none"> ▪ Focused investment in employee up skilling and development ▪ Progressive and inclusive workplace practices ▪ Safer, more efficient, and supportive working conditions |
| Value chain partners | <ul style="list-style-type: none"> ▪ Culture of collaboration, creativity, and innovation ▪ Job creation, ecosystem development, and contribution to broader economic growth |
| Communities | <ul style="list-style-type: none"> ▪ Emphasis on local sourcing to support community employment ▪ Commitment to clean, eco-friendly, and responsible manufacturing processes |
| Regulatory bodies | <ul style="list-style-type: none"> ▪ Strict adherence to regulatory norms and compliance standards |

Intellectual capital

| | |
|-----------------------------|--|
| Investors | <ul style="list-style-type: none"> Established brand equity and sustained competitive edge |
| Customers | <ul style="list-style-type: none"> Accelerated product off take and market responsiveness Visually appealing products offering strong value-for-money |
| Employees | <ul style="list-style-type: none"> Culture of knowledge exchange and cross-functional collaboration Structured up skilling and capability enhancement initiatives Recognition of innovative ideas and contributions Robust recognition and reward mechanisms |
| Value chain partners | <ul style="list-style-type: none"> Integrated research and development across products and processes Ongoing knowledge transfer and institutional capacity building |
| Communities | <ul style="list-style-type: none"> Public engagement through open knowledge sharing and collaboration platforms |

Human capital

| | |
|-----------------------------|---|
| Customers | <ul style="list-style-type: none"> Exceptional customer service delivery Skilled, qualified, and experienced sales personnel Trend insights and fashion cues derived from direct customer engagement |
| Employees | <ul style="list-style-type: none"> Culture of empowerment, accountability, and ownership Emphasis on work-life balance and employee well-being Structured career progression and professional growth pathways |
| Value chain partners | <ul style="list-style-type: none"> Cross-functional collaboration and continuous knowledge exchange Access to development tools, mentoring, and learning support |
| Communities | <ul style="list-style-type: none"> Strong commitment to diversity, equity, and inclusion Employee-led volunteer initiatives and active community engagement Sustainable livelihood generation through inclusive employment practices |

Social and Relationship capital

| | |
|-----------------------------|---|
| Investors | <ul style="list-style-type: none"> Stronger investor engagement, boosting visibility and trust. Robust governance and ethical leadership culture. Agile investment strategies, aligned with market shifts and stakeholder needs. |
| Customers | <ul style="list-style-type: none"> Strong brand reputation and customer loyalty |
| Employees | <ul style="list-style-type: none"> Engaged workforce with a positive, connected culture Strong employee recognition and advocacy Reinforced employer brand through internal alignment |
| Value chain partners | <ul style="list-style-type: none"> Trusted and collaborative partnerships Ethical culture with best practices Commitment to sustainable sourcing |
| Communities | <ul style="list-style-type: none"> Advocacy for positive change |

Natural capital

| | |
|-----------------------------|---|
| Investors | <ul style="list-style-type: none"> Sustainability and efficient resource use Transparent ESG reporting aligned with investor expectations |
| Customers | <ul style="list-style-type: none"> Customised products with superior design Sustainable labelling for informed choices |
| Employees | <ul style="list-style-type: none"> Environmental awareness and eco-friendly practices |
| Value chain partners | <ul style="list-style-type: none"> Sustainable sourcing and supply chain management |
| Communities | <ul style="list-style-type: none"> Environmental stewardship and conservation efforts |

Stakeholder engagement

Enhancing stakeholder engagement

Overview

Vedant Fashions' inclusive, collaborative, and responsive approach has helped foster stronger stakeholder relationships. Through active engagement, the Company gains valuable insights into stakeholder expectations. A well-defined engagement framework ensures timely communication, seamless information flow, as well as consistent, meaningful interactions.



| Stakeholder group | Channels of communication | Frequency of engagement | Purpose and scope of engagement including key topics |
|--|--|---|---|
| Customers  | <ul style="list-style-type: none"> ▪ Sustained brand advertising ▪ Stakeholder engagement events ▪ In-store floor interactions ▪ Regular brand audits ▪ Participation in exhibitions, fairs, and salon channels | Regularly | <ul style="list-style-type: none"> ▪ Diverse and high-quality product offerings ▪ Prompt and effective response to feedback ▪ Well-crafted products with superior design features ▪ Reliable and efficient service delivery |
| Employees and Workers  | <ul style="list-style-type: none"> ▪ Performance reviews and feedback sessions ▪ Onboarding, induction, and internal training programs ▪ Outbound team-building exercises ▪ Employee wellness initiatives ▪ Monitoring and resolution of employee grievances ▪ Regular safety meetings ▪ Celebrations and interactions marking individual, organisational, and national occasions | Regularly and need-based as applicable | <ul style="list-style-type: none"> ▪ Upholding human rights ▪ Ensuring workplace health and safety ▪ Providing career growth and advancement opportunities ▪ Offering training and development programs ▪ Implementing rewards and recognition initiatives ▪ Conducting POSH training |
| Vendors  | <ul style="list-style-type: none"> ▪ One-on-one meetings with suppliers and vendors ▪ Email communications ▪ Vendor assessments and performance reviews ▪ Discussions focused on material quality and ethical compliance | Periodically and need based as applicable | <ul style="list-style-type: none"> ▪ Timely receipt of materials and payments ▪ Effective safety management ▪ Commitment to ethics and transparency |
| Investors and Shareholders  | <ul style="list-style-type: none"> ▪ Investor and analyst presentations, along with conference calls ▪ Participation in domestic and international conferences throughout the year, engaging with diverse investor groups ▪ Organising store visits for investors and funds across India ▪ Conducting one-on-one virtual meetings with investors throughout the year ▪ Quarterly presentations and publication of financial results ▪ Hosting Annual General Meetings ▪ Maintaining a dedicated investor section on the corporate website ▪ Providing a designated email ID and system for registering and addressing investor complaints ▪ Conducting roadshows and investor conferences | Quarterly, annual and need-based | <ul style="list-style-type: none"> ▪ Discussion on business performance, market dynamics, and the evolving industry landscape ▪ Highlighting performance through key financial metrics, retail footprint, and KPIs ▪ Asset security, ethical investment stewardship, and robust corporate governance ▪ Transparent disclosures and enhanced ESG reporting |
| Local Communities  | <ul style="list-style-type: none"> ▪ Community needs assessment ▪ Frequent community visits ▪ CSR centres | Need based | <ul style="list-style-type: none"> ▪ Healthcare access ▪ Hygiene and sanitation facilities ▪ Quality education opportunities ▪ Student counselling and teacher training ▪ Livelihood development ▪ Improving rural infrastructure |

Landscape

The flourishing Indian wedding industry...

How Vedant Fashions is attractively placed to capitalise

India: World's largest wedding market

In terms of weddings by number, India leads the world. This provides a company like Vedant Fashions with a large opportunity canvas on which to build its business.

The wedding industry stood as the fourth-largest sector in India in 2025.

(Source: SOIC)

Weddings are increasingly defined by elegance and style, shaped by expert services and advancements in technology.

There are about 80 Lakh to 1 Crore weddings a year in India.

(Source: Voyagers World)

Of the USD 84 billion apparel retail market, 11% is led by wedding and celebration wear.

(Source: SOIC)

| Countries | Weddings / year (Million) |
|-----------|---------------------------|
| India | 10 |
| China | 8 |
| USA | 2.1 |

(Source: Story Amour)

Second largest by wedding spending

India may be the fifth largest economy but when it comes to the wedding market, it is the second largest and nearly twice the size of what it is in USA, the world's largest economy. This secures the market for a focused organised and apparel-driven company like Vedant Fashions.

| Country | Market (USD Billion) |
|---------|----------------------|
| China | 170 |
| India | 130 |
| USA | 70 |

(Source: CDC, The Knot, CEIC, Ministry of Civil Affairs (China), Confederation of All India Traders (CAIT), Jefferies)

| Countries | Wedding expense / GDP per capita (x) |
|-----------|--------------------------------------|
| India | 5.1 |
| Spain | 0.7 |
| Brazil | 0.6 |

| Countries | Wedding expense / GDP per capita (x) |
|-----------|--------------------------------------|
| Italy | 0.6 |
| Australia | 0.6 |
| Mexico | 0.6 |
| Canada | 0.4 |
| UK | 0.4 |
| France | 0.4 |
| USA | 0.4 |

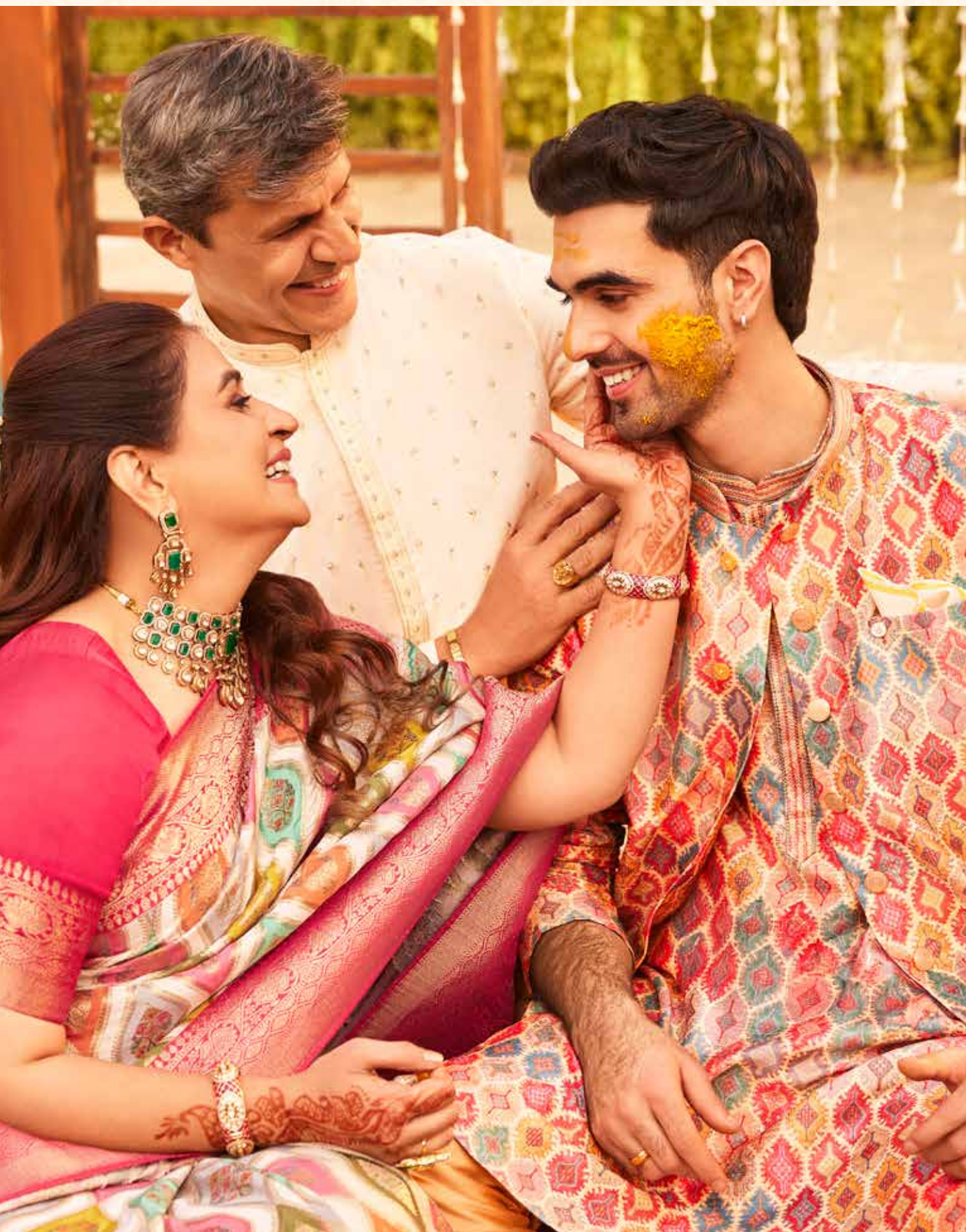
(Source: The Knot Worldwide, Company Report (2022), Australian Securities and Investments Commission (ASIC), IMF, Jefferies)

Branded celebrations on the rise

At Vedant Fashions, we see a growth in the market and an accelerating transition from the unbranded to the branded (of which Vedant Fashions is a part).

| Year | Branded (%) | Unbranded (%) |
|-------|-------------|---------------|
| FY15 | 10 | 90 |
| FY20 | 15-20 | 80-85 |
| FY25E | 28-32 | 68-72 |

(Source: Vedant Fashions Limited DRHP)



Excellence driver

Our design and innovation competence

Overview

At Vedant Fashions, we prioritise design innovation to deliver a diverse and distinctive product range.

This innovation is derived from a blend of data analytics, market research,

and continuous feedback from store managers, artisans and vendors, creating a well-rounded understanding of fashion trends and consumer preferences.

This intelligence feeds into our merchandising strategy, helping us

assess market-specific performance and guide design development.

A structured, multi-stage evaluation process, backed by a robust analytics framework, allows us to monitor design success and continuously enhance our men's and women's wear collections.

Product

At Vedant Fashions, we endeavour to lead from the front, setting trends rather than following them.

As modern grooms and brides seek fresh expressions of ethnic wear, we have taken bold strides to present new styles.

Our product universe continues to evolve through the interplay of creative intuition and data-driven market intelligence. This empowers us to respond nimbly to changing preferences.

The result is that a seamless collaboration across our design,

merchandising, marketing, production, and retail functions ensures that early trend signals are swiftly converted into collections that resonate across regions and seasons.

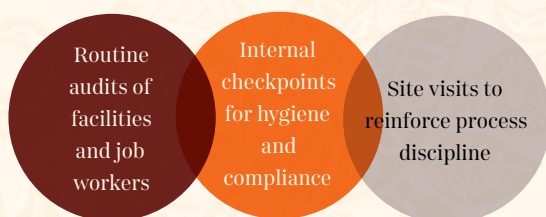
Innovation

We view fashion as an art and science where design instincts guide creativity and technology while data grounds decision making.

Our proprietary systems provide pin-code-level visibility into product performance and consumer choices, empowering quicker experimentation and a timely scaling of winning designs.

With Gen Z and late millennials becoming key consumers, we stay attuned to emerging patterns, drawing trend insights from cultural, regional, and lifestyle shifts.

Quality



Design



Trend

Our design team draws inspiration from a wide canvas—tracking colour forecasts, fashion movements, cultural events, celebrity influences, and socio-economic trends. We interact periodically with vendors, participate in design forums, and benchmark against domestic cum global peers. Advanced design tools help visualise, prototype, and accelerate our creative cycle.

Consumer engagement

We do not just respond to market demand; we anticipate it. Our ability to sense early shifts and build related capsule collections enables us to stay ahead of the curve. By merging our cultural sensitivity with a regional understanding, we create products that resonate before they become mainstream, reinforcing our trendsetting position.

Outlook, FY 2025-26

In the year ahead, we aim to accelerate idea-to-launch speed and shorten lead times, advance our premiumisation journey without losing a volume focus, and broaden our product portfolio with new categories aligned to our core. These priorities are expected to reinforce our Indian wear leadership.

Excellence driver

Our manufacturing competence

Overview

Vedant Fashions operates around a structured asset-light model, relying on a trusted network of external production partners. The majority of operations (from fabric cutting and embroidery to stitching and finishing) are executed by skilled job workers.

This decentralized production approach is reinforced by enduring collaborations with experienced external vendors who represent the backbone of our supply ecosystem. These partnerships have gradually evolved into a dependable framework that empowers us to scale with flexibility and efficiency.

Vedant Fashions oversees key aspects of the production lifecycle — design development, fabric procurement, quality assurance, testing protocols, and regular performance assessments of job orders and vendors. This layered oversight ensures that our garments address the refined expectations of our customers.

Track record

We scaled our manufacturing capabilities to address growing demand.

We addressed stock-outs through a strong coordination between retail offtake and timely shelf replenishment and production.

Outcome

Balanced inventory management strengthened our capital efficiency.



Excellence driver

Our supply chain

Overview

We source fabrics, accessories, packaging materials, and select finished products directly from manufacturers. Our consistent success stems from standardising inputs and suppliers, ensuring a steady resource flow and minimised stock-out risk.

A broad-based multi-region supplier base empowers us to moderate vendor concentration risks.

Discipline

Our supply chain capability is built around select partnerships, anchored in trust, quality, consistency and cost-efficiency.

Through data-driven insights, we anticipate demand trends that influence our procurement.

Integrated digital systems facilitate a seamless data exchange between the Company and suppliers, leading to real-time communication and responsiveness.

Competent inventory management is structured around an automated replenishment mechanism that operates independently, minimising manual intervention.

A broad-based multi-region supplier base empowers us to moderate vendor concentration risks and widen sourcing flexibility.

Competencies

Our merchandising strategy for men's and women's wear is guided by data-driven insights.

We leverage accurate forecasting and planning systems to optimise operations.

Systems-driven procurement

We utilise automated systems for stock replenishment and inventory control.

Our vendor partnerships are built around long-term trust and collaboration.



Excellence driver

Our retail network

Overview

Vedant Fashions operates across India and the world through exclusive brand outlets, multi-brand stores, large-format retailers, e-commerce channels, brand-owned websites, quick commerce and online marketplaces.

This scalable franchise model is integrated into the Company, capturing transactional data that feeds our information systems and empowers the Company with informed decision-making.

Presence

As of March 31, 2025, the Company operated 678 exclusive brand outlets (EBOs*) across 256 cities worldwide.

The Company's exclusive brand outlets* spanned a total retail area of 1.79 Million square feet in FY 25.

E-commerce and omni-channel initiatives

The Company launched an integrated omni-channel platform, bridging physical stores with digital commerce to offer a convenient shopping experience. This initiative enhanced customer convenience and revenue streams. A Salesforce-powered customer interface optimised digital touch points, improved service personalization, and delivered a superior customer experience.

Technology and automation

Technology adoption remained central to the Company's retail transformation. A footfall monitoring platform was introduced at certain stores to measure and analyse conversion rates across stores, providing data that now informs strategic decisions. The manual

store visit reporting process was also automated, reducing resolution times for recurring issues and enabling retail teams to act on targeted store-level insights. These digital tools streamlined operations and enhanced store management outcomes.

The Endless Aisle project represented a standout digital solution addressing the challenge of a limited local inventory. By offering consumers access to the complete digital catalogue within physical stores, the Company plugged the demand and availability gap, particularly in Tier-2 and Tier-3 markets.

Capability building and customer experience

To foster continuous learning and front-end associate capabilities, the Company introduced a Learning Management System. This ensured that training was no longer a one-time intervention but ongoing. The introduction of a new music platform enriched in-store ambiance with fresh trendy music, enhancing the sensory retail experience.

* EBOs include shop-in-shops

As of March 31, 2025, the Company operated 678 exclusive brand outlets (EBOs*) across 256 cities worldwide.



The Company's exclusive brand outlets spanned a total retail area of 1.79 Million square feet in FY 25.*

Excellence driver

Talent management

Big numbers

646

Male employee
headcount

124

Female employee
headcount

770

Total employee
headcount

Track record

We continue to be a preferred employer in the sector, attracting talent through our market leadership, promising career growth opportunities, and strong financial foundation. Our organisation fosters a culture of empowerment, enabling employees to contribute meaningfully and drive success.

Talent catalyst

The HR team adopted an inside-out approach, prioritising the enhancement of internal capabilities through focused learning programs and strategic recruitment.

Guided by leadership clarity, all departments aligned their functions with set targets, emphasising measurable outcomes.

The team demonstrated agility and transparency, allowing for swift adaptation to changing market conditions and ensuring HR strategies stayed in sync with the Company's objectives.

Outcomes

These efforts culminated in fostering a performance-driven culture and enhancing the Company's ability to withstand market fluctuations.

The initiatives not only helped in capability development but also reinforced the collective strength of the workforce, ensuring high retention and continuity of legacy knowledge within the organisation.

We are in total an employer of 770 individuals as on March 31, 2025.

Outlook

At Vedant Fashions Limited, the idea of being one 'Parivar' (family) continues to shape the HR vision. The Company places a strong emphasis on developing its people, with a majority of leadership being groomed over the years. As it moves into FY 2025-26, the HR function will focus on deepening employee capabilities through strategic learning, creating an agile workforce that is resilient and future-ready.

Employees

| FY22 | FY23 | FY24 | FY25 |
|------|------|------|------|
| 704 | 744 | 754 | 770 |

Employees by gender

| | FY22 | FY23 | FY24 | FY25 |
|--------|------|------|------|------|
| Male | 617 | 644 | 637 | 646 |
| Female | 87 | 100 | 117 | 124 |

Responsibility

Environment, Social and Governance (ESG) at our Company

Overview

At Vedant Fashions, we have built our business around a simple belief — that what is good for the customer should also be good for the world.

Our core philosophy is straightforward: to deliver apparel that offers the best price-value proposition, benefiting both the customer and the planet, directly or indirectly.

Environmental responsibility was embedded in our business model from the outset, not as an afterthought, but as a founding principle. In an era increasingly defined by climate change, our commitment to minimising our carbon footprint has only strengthened, even as we continue to prioritise value for our customers.

At Vedant Fashions, we operate on the principle of 'holistic cost'. This means designing products using optimised resources, through carefully selected vendors, to ensure the lowest possible life cycle cost, for the consumer and the planet.



Measuring our commitment

At Vedant Fashions, what the corporate world now recognises as holistic responsibility has been a cornerstone of our business philosophy since inception. Our guiding principle has always been simple yet profound: equitable treatment of all stakeholders.

This inclusive approach has shaped the way we engage with everyone connected to our ecosystem. By addressing the interests of our stakeholders with care and responsibility, we have fostered stronger relationships and created

a more stable, resilient business environment.

As ESG (Environment, Social, Governance) emerged as the benchmark for responsible business, we found that Vedant Fashions was already operating in alignment with these principles. From analysts and governance bodies to communities and financial institutions, we are proud to be regarded as a company that upholds responsibility and integrity in all aspects of our operations.

The Environmental aspect of our business focuses on reducing our carbon footprint through the mindful

use of finite resources and adherence to regulatory compliances. This includes the use of environmentally responsible materials, moderation in resource consumption, waste recycling and efforts to build resilience against climate change.

The Social component encompasses our relationships with key stakeholders — vendors, employees, customers, and communities. We believe in investing in these relationships to build a dependable value chain, one that shields us from supply, demand, or production-related disruptions.

The Governance pillar reflects our commitment to transparency, accountability, and strong management systems. It is embedded in the way we operate, through robust processes, ethical practices, and structured oversight.

Together, these ESG elements form the foundation of how we conduct business. In an unpredictable world, our unwavering ESG commitment enables us to reduce downside risks and strengthen long-term value creation for all stakeholders.

Vedant Fashions and ESG

At Vedant Fashions, our commitment to people and the planet is embedded in our purpose, vision, and long-term business goals. Sustainability is not a parallel initiative — it is integral to how we grow and operate.

Aligned with our vision of sustainable growth through customer delight, we adopt responsible practices across every facet of our business. Our ESG strategy is focused on the issues that matter most to our operations and stakeholders, with emphasis on areas where we can make the greatest impact. This strategy rests on three key pillars: community support, environmental stewardship, and responsible sourcing.

Our aim is to generate lasting value for a broad base of stakeholders by embedding socially responsible practices into our operations and throughout our supply chain. We are

pursuing ambitious environmental goals, promoting sustainable sourcing, enhancing the impact of our products, and driving meaningful change in the communities we serve, all underpinned by a culture of transparency and open dialogue.

This responsible approach defines our journey forward.

Community support

A core element of our corporate strategy is a deep commitment to people, to improving lives in meaningful and lasting ways. We are advancing this commitment through continuous enhancement of our product portfolio, transparent and responsible marketing, timely communication, and the creation of employment opportunities.

Environmental stewardship

Our commitment to environmental stewardship begins with our own operations, where we actively work to conserve energy, reduce emissions, minimise waste, and make our packaging more sustainable.

Addressing climate change: We recognise the urgency of combating climate change and mitigating environmental risks. Our efforts focused on two key areas: waste management and emission reduction, aiming to reduce our environmental impact and contribute to a more sustainable future.

Digital interventions: To support our environmental objectives, we adopted digital tools such as e-agreements and e-invoicing, significantly reducing paper usage and contributing to waste minimisation.

Energy-efficient systems: We installed energy-efficient lighting and air conditioning systems across our facilities to reduce energy consumption and improve operational efficiency.

Electric vehicles: As part of our transition to cleaner mobility, certain company vehicles have been replaced with electric alternatives, reducing our carbon emissions.

Promoting sustainable consumer behaviour: We encourage conscious fashion consumption, where garments are valued as timeless pieces that can be passed across generations. This approach helps extend product life cycles and supports the principle of material circularity.

Responsible sourcing: At Vedant Fashions, our commitment to responsibility extends beyond our own operations. We actively engage with our entire value chain to drive continuous improvement in social and environmental aspects. As a part of this commitment, we contribute meaningfully to local communities through initiatives in healthcare, education, and developmental programs, reinforcing our role as integral to the social fabric.

Advanced inventory management system: We have adopted an algorithm-based inventory management system that provides real-time monitoring across all locations. This system optimises inventory replenishment, reduces overstocking and minimises waste generation, aligning with our sustainability goals.

In FY 2024-25, we purchased 850 Tonnes of carbon credit to offset

our total scope 1 & 2 emission of 822.25 tCO₂e in FY 2023-24. In the ongoing year, we have increased our efforts by purchasing 950 Tonnes of carbon credit to cover our total scope 1 & 2 emission of 913.87 tCO₂e in FY 2024-25. Additionally, our waste management programs emphasised the 3Rs: Recycling, Reusing, and Reducing materials, aligning with our goal to minimise waste sent to landfill.

At Vedant Fashions Limited, we believe that sustainable growth is not just an aspiration but a responsibility. Together, we can build a better, more sustainable future, preserving the essence of our heritage while embracing the possibilities of tomorrow.

Our environment protection initiatives comprised the following:

Waste management: The Company enhanced its waste management practices by reviewing and upgrading resources, technologies, and operational processes. In line with its Plastic Extended Producer Responsibility (Plastic-EPR) obligations, it partnered with an authorised recycler to manage post-consumer plastic packaging waste. Through this initiative, 55,000 Kg

of plastic waste was collected and recycled in FY 2024-25.

The Company established a compliant e-waste management system, working with certified recyclers to ensure safe and responsible disposal. Approximately 0.996 MT of e-waste was responsibly recycled during the fiscal year under review.

Waste management

55,000

Kg of plastic waste recycled in FY2024-25

13,180

Kg of plastic waste recycled in FY2023-24

Plastic bag elimination: As part of its commitment to sustainability, the Company phased plastic bags out at the store level and introduced paper bags

in their place. This shift reduced plastic waste and encouraged the adoption of environmentally friendly materials. Beyond advancing the Company's

environmental objectives, the initiative offered customers a more sustainable shopping experience.

ESG highlights, FY 2024-25

| Environment | Social | Governance |
|--|---|---|
| Total GHG emission 913.87 tCO ₂ e | Total workforce: 770 | Committees: 5 Committees to drive corporate governance within the organisation |
| GHG intensity 0.07 tCO ₂ e/₹ Million | Diversity and inclusion 16% women in our total workforce | |
| Water intensity 0.867 Kilolitres/₹ Millions | Occupational Health & Safety Zero-fatality at our premises | |
| Waste management 55,000 Kilogram of plastic waste recycled | Learning and development 100% insurance coverage for employees and workers Supply chain 47% input materials/products sourced from MSMEs/small producers. | |



Social commitment

At Vedant Fashions, we believe that strong, enduring relationships are central to our continued success. These connections form the foundation of our stability and have been instrumental in driving consistent performance. Our achievements reflect the dedication and energy of our people seasoned professionals and young talent.

Employees: We continued to invest in hiring, retention, training, and workplace safety, aiming to boost operational

efficiency and maintain high safety standards.

Customers and vendors: We deepened our engagement with key customers and vendor partners, especially those supplying diverse raw materials. To support this variety, we partnered a broad base of resource providers.

Community: Through focused initiatives aligned with the Sustainable Development Goals, we engaged with local communities to broaden the reach of prosperity and create meaningful impact.

Big numbers

4,328.88

₹ Million,
Procurement from
vendors in FY 24-25

3,436.43

₹ Million,
Procurement from
vendors in FY 23-24

Governance commitment

Overview

At Vedant Fashions, our ability to navigate economic fluctuations, policy shifts, and evolving consumer preferences is anchored in a strong foundation of governance.

Guided by principles, not just processes: Governance at Vedant Fashions is rooted in a values-first approach—doing what is right rather than simply following the rules. This philosophy defines how we engage with stakeholders and what they can consistently expect from us.

Strategic clarity: Our focus is clear: to design, manufacture, and market Indian wedding and celebration wear. The vast and growing demand for Indian wear guides our ambition—to place Indian attire in every wardrobe.

Driven by process and merit: We prioritise ‘how’ we work over ‘what’ we achieve. Vedant Fashions blends promoter-led vision with professional management, fostering a merit-based culture where qualified professionals lead with competence. This is reinforced by robust systems—audits, IT investments, checks, and controls—that ensure operational discipline and enable scalable, low-risk growth.

Board strength and vision: We value a well-rounded Board, made up of accomplished individuals who offer not just governance but also strategic insight. With 4 out of 6 Directors being Non-Executive, the Board structure

ensures a healthy flow of independent ideas and balanced oversight.

Uncompromising ethics: Integrity is non-negotiable. We ensure unbiased recruitment, nurture talent fairly, and remain committed to environmental responsibility. Our ethical stance shapes a culture of professionalism and progressive growth.

Built for the long haul: Our growth strategy is long-term and value-oriented. We avoid short-term gains that compromise future stability, focusing instead on sustainable value creation across every facet of the business.

Value for every stakeholder: We aim to create shared value by delivering quality and service to customers, providing fulfilling careers for employees, ensuring steady returns for investors, fostering long-term partnerships with vendors, contributing to community development, and

supporting national progress through taxes and job creation.

Deepening customer relationships: We aim to be more than just a retail brand. By integrating deeply into customer journeys—offering tailored products, responsive service, and a seamless experience—we move closer to becoming an irreplaceable part of life’s special moments.

Disciplined, sustainable growth: We grow with intent—scaling only as much as our brand strength and Balance Sheet allow. By reinvesting accruals and maintaining quality, we preserve liquidity and ensure healthy profitability.

A culture of responsible governance: Our governance model reflects our values—ethical, transparent, and stakeholder-centric. It shapes our culture, defines our priorities, and supports meaningful, sustainable relationships across the ecosystem.

Governance commitment



“ At Vedant Fashions, Environmental, Social, and Governance (ESG) represents a commitment to responsible and inclusive growth, aimed at creating long-term value while safeguarding stakeholder interests. Our social responsibility efforts focus on broadening the reach of our prosperity to benefit more stakeholders. Together, these priorities strengthen both our business sustainability and our standing in society.

At our Company, compliance and governance form the bedrock of our ethical and operational framework. We are committed to upholding the highest

standards of corporate governance, guided by transparency, accountability, and integrity in every aspect of our functioning. Under the leadership of Navin Pareek, Company Secretary and Compliance Officer, the Company ensures strict adherence to regulatory norms, robust internal controls, and timely disclosures. Our governance practices not only mitigate risks but also build trust among stakeholders, reinforcing our reputation as a responsible and future-ready organisation.”

Navin Pareek, *Company Secretary and Compliance Officer*

Employee health and safety

Overview

At Vedant Fashions, employee health and safety remain integral to our existence. This commitment was marked by a range of initiatives to ensure workforce well-being across all locations.

Operational health risks

The Company's manufacturing process comprises cutting, embroidery, stitching, and finishing. There are no high-risk activities or processes that can impact employee health and safety. However, low-risk tasks such as operating electrical equipment, prolonged sitting, use of sewing machines, and material handling may pose minor health risks, which are proactively monitored.

Implemented health and safety measures

- Engaged in fire detection, protection, and prevention measures
- Invested in an ambulance to shift employees to the nearest hospital during emergencies across all locations
- Implemented emergency response protocols
- Conducted mock drills of emergency-like situations
- Launched health insurance and wellness programs (advisory sessions, health camps, and fitness initiatives)

Health facilities and insurance coverage

The Company's comprehensive health insurance policy - Group Mediciam Policy or ESIC as per eligibility - covered all team members. The policy provided robust family floater coverage, ensuring that all team members and their families were covered under Mediciam or ESIC.

Differentiated health and safety measures

- Behaviour-based safety programs
- Awareness campaigns
- Safety committee meetings across locations
- Thoughtfully designed workspaces with clear safety signage
- Installation of advanced firefighting systems to ensure rapid response and minimise potential risks to life and property

Monitoring and performance

- Training and awareness of individuals in EHS guidelines and processes
- Conducting expert talks and sessions on lifestyle management, health, and wellness medical camps
- Behaviour-based safety cultural assessments
- Comprehensive fire and life safety audits using a standardised checklist

Vedant Fashions' CSR commitment

CSR vision

We strive to uplift communities and enable them to live with dignity by actively contributing to healthcare, education, and the holistic development of individuals in need.

Overview

There is a growing recognition that sustainable corporate growth must go hand-in-hand with the well-being of the communities businesses serve. Corporate Social Responsibility (CSR) has evolved into a crucial element of organisational success, with increasing emphasis on mandatory and transparent disclosures regarding CSR initiatives. In response, companies are focusing their efforts on impactful areas such as healthcare, education, and rural development to drive meaningful societal change.

Vedant Fashions remains committed to its role as a responsible corporate citizen. The Company's CSR initiatives

are directed towards fostering inclusive growth, with a focus on enhancing healthcare, supporting education, and facilitating the development of underprivileged communities. During the year under review, the Company spent ₹100.30 Million towards its CSR obligation. All initiatives were undertaken in accordance with the recommendations of the CSR Committee and were approved by the Board of Directors. Vedant Fashions continues to integrate social responsibility into its core values, ensuring a long-term positive impact on society through focused and sustainable interventions.



Vedant Fashions' long-term CSR impact

- Generated employment opportunities, helping reduce the unemployment rate
- Lowered school dropout rates
- Increased enrollment of female students
- Provided residential facilities for students in marginalised situations
- Enhanced healthcare services
- Reduced mortality rates
- Elevated the standard of living
- Supported marginalised communities, including SCs, STs, and minorities, by addressing their health and education needs

Lives impacted

640

Parivaar Education Society

2,757

Sunbird Trust

130

Narayana Hrudalaya Ltd –
RTHICS

68

Eastern Indian Healthcare
Foundation

82

Meridian Medical
Research & Hospital Ltd.

1,918

MUKTI

334

Kalinga Institute of Social
Sciences

53

Ashoka University

4,012

Friends of Tribal Society

1,00,250

Akhand Jyoti Eye Hospital

1,200

Navjyoti India Foundation

100

Help Us Help Them

CSR initiatives, FY 2024-25

Healthcare Support

- Enabled the cancer treatment of 68 needy patients at Medica Superspeciality Hospital (now Manipal Hospitals) EM Bypass, Kolkata.
- Supported the cardiac and non-cardiac treatment/surgeries of 130 under-privileged patients at Rabindranath Tagore Institute of Cardiac Sciences (RTICS), Mukundapur, Kolkata.
- Sponsored the cardiac and non-cardiac treatment/surgeries of 82 underprivileged patients at Narayana Superspeciality Hospital, Andul Road, Howrah.
- Partnered with Yugrishi Shriram Sharma Acharya Charitable Trust (Akhand Jyoti Eye Hospital) to:
 - Conduct free cataract surgeries of 250 indigent rural people from Bihar
 - Provide free eye screening and primary care for 1,00,000 rural patients.

Education and youth empowerment

- Extended financial support via sponsoring education cost of 334 poor tribal students studying at the Bhubaneswar Campus of Kalinga Institute of Social Sciences.
- Financially supported 19 Mukti Support Schools in the Sundarbans region of West Bengal, enabling coaching support to 1,918 underprivileged students

- Provided scholarships to 53 deserving students studying undergraduate programs at Ashoka University through tuition fees waivers.
- Funded the residential education and holistic support for 640 children from economically vulnerable backgrounds at Parivaar Residential Institutions near Kolkata in West Bengal.
- Continued support to Sunbird Trust:
 - Covered the tuition and nutrition fees of 246 students at Alpha Friendship School (AFS) - built by Vedant Fashions Limited
 - Sponsored the tuition and hostel fees of 2,506 students across partner schools.
 - Supported 5 college students with higher education sponsorships.
- Partnered Navjyoti India Foundation to uplift the youth living in Bawana Resettlement Colony and North West Delhi and supported:
 - Remedial Education Programme for 700 students
 - Skill Upgradation Programme for 500 students
- Extended financial support to Help Us Help Them to empower 100 rural girls (aged between 6 to 16) through education and life skills.
- Funded 184 One Teacher Schools (OTS) through Friends of Tribal Society, supporting the education of 4,012 children from tribal and remote communities



Board of Directors



Ravi Modi

Chairman and Managing Director

Mr. Ravi Modi, the Chairman and Managing Director of our Company, has been the cornerstone of our consistent growth and continued success. An alumnus of St. Xavier's College, Kolkata, with a background in commerce, Mr. Modi has been associated with the Company since its inception. He brings with him over two and-a-half decades of rich industry experience and a sharp strategic vision.

As part of his key responsibilities, Mr. Modi oversees the design and marketing operations of the Company.

Working closely with the senior management team, he plays a pivotal role in steering the execution of strategic initiatives across these critical functions.

Under his dynamic leadership, the Company has significantly accelerated its digital transformation journey. This includes the establishment of a robust online presence through our own proprietary e-commerce platform, as well as through strategic alliances with leading third-party online marketplaces.

Mr. Modi's entrepreneurial acumen and leadership excellence have been widely recognised over the years. He was honoured with the prestigious EY Entrepreneur of the Year 2022 award in the Consumer Products and Retail category. His earlier accolades include the Entrepreneur of the Year Award in Trading Business – Retailer at the Entrepreneur Awards 2016 by ET Now and Franchise India, and recognition as a finalist at the 2016 Entrepreneur of the Year Awards by Ernst & Young. In 2015, he received the 'Bravery and Entrepreneur Award' and Certificate of Honour as one of the Top Entrepreneurs of India from Parwaz Media Group, along with the Emerging Leader Award at the CMA Management Excellence Awards.

Further adding to his accomplishments, Mr. Modi was presented the Retail Leadership Award at the Asia Retail Congress by ET Now in 2013. In 2012, he received the Jewels of Rajasthan award by Maneesh Media Agency and was honoured as the Young Retailer of the Year at the Asia Retail Congress. In 2019, he was acknowledged as one of the Retail Icons of India by the Images Group.

Beyond the business realm, Mr. Modi is deeply committed to social impact and education. He is a co-founder and trustee of Ashoka University and a trustee of the Manas Foundation. His unique approach to entrepreneurship has also been recognised by Forbes India, listing him among 'Bootstrapped Bosses', a group of visionary leaders who have built large businesses without external funding. His leadership has been profiled and lauded by platforms such as the International Retail Forum, YourStory, and CEO Insights India.

Through his innovative thinking and strategic foresight, Mr. Modi has not only established our Company as a leading player in the Indian celebration and wedding wear segment but has also elevated it as a benchmark of excellence and customer-centricity in the global retail arena.



Shilpi Modi

Whole-time Director

Mrs. Shilpi Modi serves as the Whole-time Director of our Company and has been an integral part of the organisation since its inception. A commerce graduate from Allahabad University, she brings with her nearly 26 years of rich experience in the garment industry. With a deep understanding of fashion trends and consumer preferences,

Mrs. Modi oversees the management of the Company's entire product lifecycle. She works closely with the senior leadership team to drive and implement strategic initiatives across key operational areas. Her domain expertise and commitment have significantly contributed to the growth and evolution of our brand.



Sunish Sharma
Non-Executive Director

Sunish Sharma is a seasoned private equity professional with over 28 years of industry experience. He serves as a Non-Executive Director on the Company's Board, bringing deep expertise in investment strategy, business transformation, and value creation across sectors. He holds a bachelor's degree in commerce (Hons.) from the University of Delhi, is a qualified cost accountant, and earned his MBA as a Gold Medallist from the Indian Institute of Management, Calcutta (Kolkata). His investment experience spans financial service, consumer, business service and technology, health and industrial sector, across both private and public markets.

Sunish is the Founder and Managing Partner of Kedaara Capital, a leading

private equity firm in India. The firm advises and manages over USD 6 billion in AUM, partnering with entrepreneurs and management teams to build long-term value in growth-oriented businesses. Prior to founding Kedaara in 2012, Sunish held senior leadership positions at General Atlantic (GA) and McKinsey & Co. He currently serves as a Director for Avanse Financial Services Ltd., Spandana Spoorthy Financial Limited and Care Health Insurance Limited. He has also served on several other boards/led investments in Lenskart, Impetus, Neurealm, Porter, R1, Dairy Day, K12, Purple, Mahindra Logistics, Manjushree, Bill Forge, Hexaware Limited, IndusInd Bank, Jubilant Lifesciences, Cyient Limited and IBS Software Service Limited.



Abanti Mitra
Independent Director

Abanti Mitra is a seasoned professional with over 24 years of experience and currently serves as an Independent Director on the Company's Board. She holds a bachelor's degree in business management from Andhra University and a postgraduate diploma in Rural Management from the Institute of Rural Management, Anand. She is a Director at Positron Consulting Services Private Limited, a boutique

firm that supports clients—including large private equity and venture capital firms, development finance institutions, and startups—in improving their performance. She also serves as an Independent Director on the boards of Spandana Spoorthy Financial Limited and Criss Financial Limited. Previously, she held managerial roles at ICICI Bank Limited and Micro-Credit Ratings International Limited.

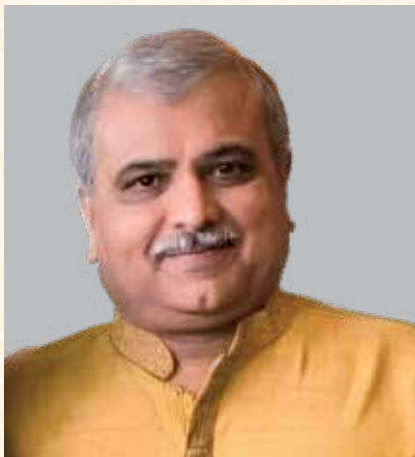


Tarun Puri

Independent Director

Tarun Puri is an accomplished business leader with over 30 years of global experience, currently serving as an Independent Director on the Company's Board. He holds a Bachelor's Degree (Honours) in Mechanical Engineering from Birla Institute of Technology and Science, Pilani, and a Postgraduate Diploma in Management from the Indian Institute of Management, Calcutta (Kolkata). He is the Senior Operating Partner at Lighthouse AMC Private Limited, where he advises on investments

and supports portfolio companies in achieving long-term growth. His work spans across sectors such as retail, consumer durables, FMCG, and footwear. Prior to this, he held senior leadership roles at Unilever PLC and Nike Inc., focusing on sustainable growth, business turnarounds, and team development. His most recent role at Nike was as Vice President, Global Women's Sales, based in Portland, USA. At Unilever, he served as Regional Vice President for Haircare across South Asia and Southeast Asia.



Manish Mahendra Choksi

Independent Director

Manish Choksi is an accomplished business leader and technology strategist with over three decades of entrepreneurial and leadership experience. He serves as an Independent Director on the Board of the Company. He is a Bachelor of Chemical Engineering and an MBA with specialisation in Entrepreneurial Management and MIS Program from the University of Houston, USA.

He is currently the Non-Executive Vice-Chairman of Asian Paints Limited, where he has been associated since 1992. Over the years, he has held leadership roles across key functions including Sales, Information Technology, Supply Chain, Chemicals, International Business, and Human Resources of Asian Paints Limited. Beyond Asian Paints, he serves as an

Independent Director on the boards of Torrent Pharmaceuticals Limited, Birlasoft Limited and MSL Driveline Systems Limited and is a Director in several unlisted companies and also serves on advisory boards of several startups. He has been a leader in the IT community and is an active angel investor with particular interest in investing in companies that champion cross leverage of physical and e-commerce models with a focus on consumers and artificial intelligence / data / analytics.

Additionally, Manish is a member of the Global Advisory Board of Chiratae Ventures (formerly IDG Ventures), one of India's largest technology-focused venture capital firms and also on Boards of several startups in both advisory and fiduciary roles.

VEDANT FASHIONS LIMITED

CIN: L51311WB2002PLC094677

Email: secretarial@manyavar.com | Website: www.vedantfashions.com | Phone: 033-61255353

Notice of the Twenty-Third Annual General Meeting of the members of Vedant Fashions Limited

Notice is hereby given that the **Twenty-Third (23rd) Annual General Meeting ('AGM')** of the Members of Vedant Fashions Limited ("the Company") will be held on **Thursday, the 4th day of September, 2025, 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 Financial Statements of the Company for the financial year ended March 31, 2025 and the Reports of the Board of Directors and Auditors thereon

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors and the Auditors thereon.

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

"RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 and Rules thereunder, the Audited Financial Statements of the Company for the Financial Year ended March 31, 2025, comprising the Balance Sheet as on March 31, 2025, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended as on that date, together with the Annexures / Schedules / Notes thereon and the Reports of Directors and Auditors thereon, as circulated to the Members, be and are hereby approved and adopted."

2. Declaration of Dividend

To declare a Dividend for the financial year ended March 31, 2025. The Board of Directors has recommended a Dividend of ₹8.00/- (Indian Rupees Eight only), per fully paid-up equity share of ₹1/- (Indian Rupees One only) each.

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

"RESOLVED THAT pursuant to the provisions of Section 123 and other applicable provisions of the Companies Act, 2013, read with Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force)

and as per the power entrusted in the provisions of the Articles of Association of the Company, the members of the Company do hereby approve a final dividend at the rate of ₹8/- (Indian Rupees Eight only) per equity share of ₹1/- (Indian Rupee One only), to be paid out of the surplus in the profit and loss account or out of the profits of the Company for the year ended March 31, 2025, 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 Mr. Ravi Modi, as a Director liable to retire by rotation

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

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, read with rules made thereunder, Mr. Ravi Modi (DIN: 00361853), Director of the Company who retires by rotation at this meeting and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company, in the same capacity and at the same terms and conditions, liable to retirement by rotation."

SPECIAL BUSINESS:

4. Appointment of Secretarial Auditor

To approve the appointment of M/s. M & A Associates, a Firm of Company Secretaries (FRN: P2019WB076400), as the Secretarial Auditor of the Company for a term of 5 (Five) consecutive years, i.e. from financial year

2025-26 to financial year 2029-30 and to fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the provision of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable laws, rules and regulations (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), including any circulars issued thereunder and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company (‘the Board’ at their respective meetings held on June 25, 2025, consent of the members

of the Company be and is hereby accorded for the appointment of M/s. M & A Associates, a Firm of Company Secretaries (FRN: P2019WB076400), who have confirmed their eligibility as per the requirements of Regulation 24A of the SEBI Listing Regulations and circulars issued thereunder, as the Secretarial Auditor of the Company for a term of five (5) consecutive financial years, commencing from FY 2025-26 up to FY 2029-30, at such remuneration as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Chairman & Managing Director, the Chief Financial Officer and the Compliance Officer of the Company, be and are hereby severally authorized to vary, alter, enhance or widen the annual remuneration, plus applicable taxes and out-of-pocket expenses, payable to the Secretarial Auditor for the said tenure, from time to time and to do all such acts, deeds, matters, and things as may be considered necessary, desirable, incidental or expedient to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

Date: July 30, 2025
Place: Kolkata

By Order of the Board of Directors,
VEDANT FASHIONS LIMITED

Registered Office:
A501-502, 4th Floor, SDF-I,
Paridhan Garment Park,
19, Canal South Road, Kolkata 700015, West Bengal (INDIA)
CIN- L51311WB2002PLC094677
Phone - 033 6125 5353
Website - www.vedantfashions.com
Email – secretarial@manyavar.com

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

NOTES:

1. **Explanatory Statement:** The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item No. 4 of the accompanying Notice, are annexed hereto.
2. **Holding of AGM through VC/OAVM:** The Ministry of Corporate Affairs ("MCA") has vide its circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022, December 28, 2022, September 25, 2023 and September 19, 2024 and the Securities and Exchange Board of India ("SEBI") vide its circulars dated May 12, 2020, January 15, 2021, May 13, 2022, January 5, 2023, October 7, 2023 and October 3, 2024 (collectively referred to as "Applicable Circulars") permitted holding of the Annual General Meeting through VC/OAVM, without the physical presence of the Members at a common venue till September 30, 2025.

In compliance with the applicable provisions of the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") read with the Applicable Circulars, the Company has decided to convene the 23rd AGM as an e-AGM and the Members can attend and participate in 23rd AGM through VC/OAVM through log in credentials provided to them for the same. The deemed venue for 23rd 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" or "KFintech" or "RTA") to provide facility for voting through remote e-Voting, e-Voting during e-AGM and for participation in 23rd AGM through VC/OAVM Facility.
5. **Re-appointment of Director:** 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 Director seeking re-appointment at the AGM is attached as an Annexure and forms an integral part of this Notice.
6. **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 the MCA Circulars and Regulation 36(1)(a) of the Listing Regulations, the Annual Report

for the Financial Year 2024-25 including the Notice of the 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.

Further, in compliance with Regulation 36(1)(b) of the Listing Regulations, a letter providing the web-link, including the exact path, where Annual Report for the financial year 2024-25 is available is being sent to those members whose e-mail address are not registered with the Depositories/not submitted to the RTA.

In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or contact Mr. Anandan, at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

Further, the Annual Report 2024-25 including Notice of 23rd 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>.

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

7. **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 23rd 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.

8. 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 fifteen minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
- C. As per the Applicable Circulars up to 2,000 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.

9. 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>.

10. Electronic voting: In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

11. Procedure for 'remote e-voting' and 'e-voting at the AGM' ("Insta Poll"):

A. Remote E-Voting Facility:

The Company is providing to its members, facility to exercise their right to vote on the resolutions proposed to be passed at the AGM by electronic means ("e-voting"). Members may cast their votes remotely, using an electronic voting system on the dates mentioned herein below ("remote e-voting").

The remote e-voting period commences on Monday, September 01, 2025 from 9.00 a.m. IST and ends on Wednesday, September 03, 2025, at 5.00 p.m. IST and Members holding shares 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.

B. Instructions for Voting through electronic means (Remote e-voting)

The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access to KFinTech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3 : Access to join virtual meeting (e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

| Type of shareholders | Login Method |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | 1. User already registered for IDeAS facility: <ol style="list-style-type: none"> Visit URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. |
| | 2. User not registered for IDeAS e-Services <ol style="list-style-type: none"> To register click on link : https://eservices.nsdl.com Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in points 1 |
| | 3. Alternatively by directly accessing the e-Voting website of NSDL <ol style="list-style-type: none"> Open URL: https://www.evoting.nsdl.com/ Click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e.KFinTech. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period. |

| Type of shareholders | Login Method |
|---|--|
| Individual Shareholders holding securities in demat mode with CDSL | <p>1. Existing user who have opted for Easi / Easiest</p> <p>I. Visit URL: https://web.cdslindia.com/myeasitoken/home/login OR URL: www.cdslindia.com</p> <p>II. Click on New System Myeasi</p> <p>III. Login with your registered user id and password.</p> <p>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p> <p>2. User not registered for Easi/Easiest</p> <p>I. Option to register is available at https://web.cdslindia.com/myeasitoken/home/login OR URL: www.cdslindia.com</p> <p>II. Proceed with completing the required fields.</p> <p>III. Follow the steps given in point 1</p> <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <p>I. Visit URL: www.cdslindia.com</p> <p>II. Provide your demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP, i.e KFintech where the e- Voting is in progress.</p> |
| Individual Shareholder login through their demat accounts / Website of Depository Participant | <p>I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.</p> <p>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</p> <p>III. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.</p> |

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

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|---------------------------|--|
| Securities held with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000 |
| Securities held with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- (A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech 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 (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your 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 you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Vedant Fashions Limited - 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, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the 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 accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your 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 you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. Together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id info@mandaassociates.in with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ Even No."

- (B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

Details on Step 3 are mentioned below

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFinTech. 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/KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. 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 above.
- ii. Facility for joining AGM through VC/OAVM shall open 15 minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members 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.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id. Questions / queries received by the Company till 24 hours before the AGM date shall only be

considered and responded during the AGM.

- vi. Facility of joining the AGM through VC / OAVM shall be available for at least 2000 members on first come first served basis.
- vii. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

C. Instructions for e-voting at the AGM (Insta Poll)

- i. 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.
- ii. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- iii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- iv. 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.
- v. The Voting Rights shall be in proportion to their shares in the paid-up equity shares capital of the company as on the cut-off date i.e., Thursday, August 28, 2025. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the cut-off date, i.e., Thursday, August 28, 2025 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.

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. The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option in the window provided. 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: The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will be opened during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

C. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session and/ or limit the number of Speakers at its discretion, hence shareholders are encouraged to send their questions etc. in advance as provided hereinabove. Please note that, Members' questions will be answered only if they continue to hold shares as on the cut-off date.

13. Dividend Related Information

The dividend, as recommended by the Board of Directors, if approved at the AGM, will be paid on or after Friday, September 05, 2025 to those Members, whose names are registered in the Company's Register of Members as Beneficial Owners as at the end of business hours on Thursday, August 28, 2025 as per the lists to be furnished by NSDL and CDSL in respect of the shares held in electronic form, which are maintained with KFin (RTA) having their address at

Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana – 500032 (India).

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/RTA shall dispatch the dividend warrant/cheque to them by post.

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

(A) Resident Shareholders

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

| Particulars | TDS Rate |
|--|----------|
| Members having valid Permanent Account Number (PAN) | 10% |
| Members not having PAN* / invalid PAN* / inoperative PAN** | 20% |

** As per Section 206AA of the IT Act, TDS will be deducted at 20%, regardless of dividend amount, if PAN of the member other than individual is not registered with the Company / KFinTech / Depository Participant. In case of individual members, if PAN is not registered with the Company / KFinTech / Depository Participant & cumulative dividend payment to an individual member is more than INR 10,000/- during the financial year 2025-26, TDS / Withholding tax will be deducted at 20% under Section 206AA of the IT Act.*

*** As per Section 139AA of the IT Act read with Rule 114AAA of the Income Tax Rules, 1962 ("IT Rules"), every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid/inoperative and he shall be liable to all consequences under the IT Act and tax shall be deducted at the higher rates as prescribed under the IT Act.*

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by them during the financial year 2025-26 does not exceed INR 10,000. Also, no TDS shall be deducted if the Resident Individual

Shareholder provides duly signed Form 15G or Form 15H (as applicable), provided that form is accurately filled, and it meets the prescribed eligibility conditions under the IT Act and IT Rules.

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

With respect to shareholders being Life Insurance Corporation ("LIC"), General Insurance Company ("GIC"), Other Insurer for whom Section 194 of the IT Act is not applicable, self-attested copy of registration / exemption certificate substantiating applicability of section 194 of the IT Act along with PAN card will be required for non-deduction of TDS.

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

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

In case of any other entity exempt from withholding tax under the provisions of Section 197A of the IT Act and entities as provided in Circular No.18 of 2017, the authorized signatory shall submit a self-declaration duly signed with stamp affixed for the purpose of claiming exemption from TDS along with self-attested copy of PAN card.

With respect to shareholders mentioned under Section 196 of the IT Act such as Government, Reserve Bank of India and/or any corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income, self-declaration along with any documentary evidence that the person is covered under section 196 of the Act and a self-attested copy of the PAN card.

(B) Non-Resident Shareholders

Non-resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio

Investors(FPIs)] are subject to TDS @ 20% (plus applicable surcharge and cess) or rates specified under Double Taxation Avoidance Agreement, whichever is lower.

Non-resident shareholder can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents –

- (i) Self-attested copy of PAN Card. In case of persons not having a PAN, Tax Identification Number of the shareholder in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the shareholder is identified by the Government of that country or the specified territory of which he claims to be a resident.
- (ii) Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident.
- (iii) Copy of Form 10F as per the rules prescribed in the Income Tax Rules, 1962 filed electronically on the Indian Income Tax Portal ***
- (iv) Self-declaration from Non-resident shareholders, primarily covering the following:
 - Non-resident is eligible to claim the benefit of respective tax treaty;
 - Non-resident will continue to remain a tax resident of the country of your residency during the Financial Year 2025-26;
 - Non-resident receiving the dividend income is the beneficial owner of such income.
 - Dividend income is not attributable / effectively connected to any Permanent Establishment (PE) or Fixed Base or Business Connection or Place of Effective Management in India.
 - Non-resident complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI').

*** Furnishing Form 10F on the Indian Income Tax Portal is mandated by Notification No. 03/2022, dated 16-07-2022. Shareholders shall need to login into the Income Tax Portal and file the Form 10F online and share the final copy with us.

Note - The Company is not obligated to automatically apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of DTAA rates shall depend upon the

completeness of the documents submitted by the Non-Resident shareholders and review to the satisfaction of the Company.

Declaration under Rule 37BA

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file a declaration with the company in the manner prescribed in the Rules.

For this purpose the shareholder may submit the above documents (PDF / JPG Format) by uploading with KFin at <https://ris.kfintech.com/form15> or email to einward.ris@kfintech.com or complianceofficer@manyavar.com. The aforesaid declarations and documents need to be submitted by the shareholders by Friday, August 29, 2025.

Kindly note any forms, declarations and documents that are incomplete and/or unsigned or submitted after Friday, August 29, 2025 (7.00 pm I.S.T.) will not be considered by the Company.

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

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by the Shareholder(s), such Shareholder(s) will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

Unclaimed Dividend: The details of members who have not claimed their dividend for the financial year 2021-22, 2022-23 and 2023-24 are made available on the Company's website at <https://www.vedantfashions.com/>. Members who have not encashed/claimed their dividend pertaining to the financial year 2021-22, 2022-23 and 2023-24 are advised to write to the Company or KFin immediately, claiming dividends declared by the Company. Pursuant to the provisions

of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016, the amount of dividend and the underlying shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the Investor Education and Protection Fund (IEPF) Authority as notified by the Ministry of Corporate Affairs.

14. 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 despatch of the Notice and holding shares as of the cut-off date i.e., Thursday, August 28, 2025, 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
 - 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.
- III. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, August 28, 2025, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

General Information

15. **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.

16. 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.
17. 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.
18. 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, as also displayed in the Notice Board at the Registered Office of the Company, within 2 working days from the conclusion of the meeting. The Results on resolutions shall be declared not later than 2 working days from the conclusion of the meeting of the Company and subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the meeting date i.e., Thursday, September 04, 2025.
19. **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.

20. **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
21. Shareholders who hold shares in dematerialized form and wish to update their PAN, KYC and nomination details are requested to contact their respective Depository Participants.
22. **Nomination:** Pursuant to Section 72 of the Act read with the Rules made thereunder, Members holding shares in electronic form may contact their respective DPs for availing the facility of nomination in respect of shares held by them. The Nomination form can be downloaded from the Company's website at <https://www.vedantfashions.com/assets/pdf/Form-ISR-1.pdf> or KFin's website at <https://ris.kfintech.com/clientservices/isr/sh13.aspx>.
23. SEBI has established a common Online Dispute Resolution Portal ('ODR Portal') vide Circular dated July 31, 2023 (updated as on December 20, 2023), introduced the Online Dispute Resolution (ODR) Portal, for resolution of disputes arising in the Indian Securities Market. Pursuant to this, post exhausting the option to resolve their grievance with the RTA / Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>) and the same can also be accessed through the Company's Website.
24. **Online application for Investor Query:** Members are hereby notified that our RTA, KFin Technologies Limited, basis the SEBI Circular (SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72) dated Jun 08, 2023, has launched an online application which can be accessed at [https://ris.kfintech.com/default.aspx# > Investor Services > Investor Support](https://ris.kfintech.com/default.aspx#>Investor%20Services%20>Investor%20Support). Members are requested to register / signup, using the Name, PAN, Mobile and email ID. Post registration, user can login via OTP and execute activities like, raising Service Request, Query, Complaints, check for status, KYC details, Dividend, Interest, Redemptions, e-Meeting and e-Voting details.

Quick link to access the signup page : <https://kprism.kfintech.com/signup>

25. Senior Citizens - Investor Support:

As part of the initiative, our RTA, in order to enhance the investor experience for Senior Citizens, has newly formed a Senior Citizens investor cell to assist exclusively Senior Citizens in redressing their grievances, complaints, and queries. The special cell closely monitors the complaints coming from Senior Citizens through this channel and handholds them at every stage of the service request till closure of the grievance.

Senior Citizens wishing to avail this service can send the communication with the below details to the email id, senior.citizen@kfintech.com. Senior Citizens (above 60 years of age) have to provide the following details :

1. ID proof showing Date of Birth
2. Folio Number
3. Company Name
4. Nature of Grievance

A dedicated Toll-free number for Senior Citizens can also be accessed at 1-800-309-4006 for any queries or information

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 item of special business mentioned in this AGM Notice:

Item No. 4:

In terms of the provisions of Section 204 of the Companies Act, 2013 (“the Act”) read with the Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“the Rules”), and pursuant to the provision of Regulation 24A of the Listing Regulations, 2015, every listed company is required to undertake Secretarial Audit by a Peer Reviewed Company Secretary in practice and annex with its Board Report, the secretarial audit report given by the secretarial auditor, who shall be appointed by the shareholders of the Company, on the recommendation of the Board of Directors, for a period of five consecutive years.

The Members may please note that SEBI vide its notification dated December 12, 2024, amended Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”). The Amended regulation read with the SEBI circular no. SEBI/HO/CFD/CFDPoD-2/CIR/P/2024/185 dated December 31, 2024 (“the SEBI Circular”) have inter-alia prescribed the term of appointment/ re-appointment, eligibility, qualifications and disqualifications of Secretarial Auditor of a Listed Company

After evaluating and considering various factors such as audit experience, list of clientele and size of the firm, independent assessment and in fulfilment of the eligibility criteria and qualification prescribed under the Listing Regulations and SEBI Circular and based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on June 25 2025, has approved and recommended to the Members of the Company, the appointment of M/s. M & A Associates, a Firm of Company Secretaries (FRN: P2019WB076400) a peer reviewed firm, as Secretarial Auditor of the Company for a period of (5) five consecutive financial years, commencing from the Financial Year 2025-26 to Financial Year 2029-30.

The Company has received written consent from M/s M & A Associates confirming their eligibility and willingness to be appointed as the Secretarial Auditor of the Company and a certificate that they satisfy the qualification criteria provided under the SEBI Circular and that the appointment, if made, shall be in accordance with the

applicable provisions of the Act, Rules framed thereunder, Listing Regulations, SEBI Circular and other applicable circulars, if any, in this regard. They have further confirmed that they are hold a valid certificate issued by the Peer Review Board of ICSI and that they have not incurred any of the disqualifications as specified by the SEBI and also confirmed that their appointment, if made, would be within the limit specified by the ICSI.

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 Secretarial Auditor:** ₹0.21 million, plus applicable taxes, out of pocket expenses (if any) at actuals in connection with the secretarial audit for the financial year ending March 31, 2026. For the subsequent years, audit fees will be determined by the Chairman & Managing Director or the Chief Financial Officer or the Compliance Officer in consultation with the Secretarial Auditor and as per the recommendations of the Audit Committee.
- B. Terms of appointment:** Appointment as Secretarial Auditor of the Company commencing from the Financial Year 2025-26 till Financial Year 2029-30.
- C. Basis of recommendation for appointment:** The recommendations are based on the evaluation and consideration of various factors such as audit experience, list of clientele and size of the firm, independent assessment and fulfilment of the eligibility criteria prescribed in the Act, Rules and Listing Regulations.
- D. Credentials of the Secretarial Auditor proposed to be appointed:** Established in 2019 and headquartered in Kolkata, M&A Associates has a presence across India. The firm is led by experienced partners and supported by a competent team of professionals and associates. It offers compliance support and strategic solutions to provides businesses and corporates to help them manage regulatory and operational challenges. M&A Associates is a peer-reviewed firm, known for maintaining high professional standards and brings deep expertise across a range of practice areas—from strategic advisory to legal representation.

None of the Directors or Key Managerial Personnel and their relatives to the extent of their shareholding interest in the Company, if any, are concerned or interested financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice.

Annexure

Details of Director seeking appointment / re-appointment / fixation of remuneration at the meeting

(including information pursuant to Regulation 36(3) of the Listing Regulations)

| Particulars | Mr. Ravi Modi |
|--|---|
| Category of Director / Designation / Position in the Company | Chairman & Managing Director / Executive. |
| DIN | 00361853 |
| Date of Birth / Age | March 13, 1977 / 48 years |
| Profile / Background Details, Recognition or awards Qualifications | Please refer to the detailed profile of the Directors given in the Annual Report. The same should be read as part of this explanatory statement/ details of Director. |
| Experience and Expertise in specific functional areas | Ravi Modi is the Chairman and Managing Director of our Company. He has studied commerce from St. Xavier's College, Calcutta University. He has more than two decades of experience in the garment industry. He oversees the design and marketing functions of our Company. His areas of expertise are General management, Sales and Marketing management, Interpersonal Relations management, Design etc. |
| Terms and conditions of appointment or reappointment | Mr. Ravi Modi retires by rotation and being eligible, offers himself for re-appointment. |
| Remuneration last drawn by such person, if applicable | ₹34.80 Millions in the financial year 2024-25 |
| Remuneration sought to be paid | It will be same as the existing remuneration as mentioned below: (a) Fixed salary of ₹30.00 million per annum; payable on monthly basis. (b) Variable salary will be ₹6.00 million per annum, payable in the manner as may be decided by the Board. |
| Date of first appointment on the Board | May 24, 2002 |
| Membership / Chairmanship of Committees of the Board of the Company | Member of Audit Committee and Stakeholders Relationship Committee; Chairperson of Risk Management Committee and Corporate Social Responsibility Committee of the Company. |
| Directorships in Unlisted Companies (excluding foreign companies) | <ul style="list-style-type: none"> Modi Fiduciary Services Private Limited |
| Directorships in Other listed Companies (excluding foreign companies) | None |
| Membership / Chairmanship of Committees of such other Companies | None |
| Listed Entities from which resigned as Director in past 3 years | None |
| No. of shares held in the Company | 16,88,134 equity shares of 1/- each, representing 0.69% of the paid-up share capital of the Company |
| Relationship with other Directors, Manager and other KMP of the Company | He is the spouse of Mrs. Shilpi Modi, Wholetime Director of the Company. |
| No. of Meetings of the Board attended during the FY 2024-25 and FY 2025-26 | During FY 2024-25: 6 out of 6 meetings. During FY 2025-26 (till AGM date): 4 out of 4 meetings. |

Mr. Ravi 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.

Date: July 30, 2025

Place: Kolkata

By Order of the Board of Directors,
VEDANT FASHIONS LIMITED

Registered Office:

A501-502, 4th Floor, SDF-I,
Paridhan Garment Park,
19, Canal South Road, Kolkata 700015, West Bengal (INDIA)
CIN- L51311WB2002PLC094677
Phone - 033 6125 5353
Website - www.vedantfashions.com
Email – secretarial@manyavar.com

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

Board's Report

for the Financial Year ended March 31, 2025

To,
The Members,
Vedant Fashions Limited

The Board of Directors of the Company hereby have pleasure in presenting the Twenty-Third Annual Report and the audited Annual Accounts on the business and operations of the Company for the year ended March 31, 2025 ("year under review" / "FY 24-25").

Financial Highlights

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

(INR in Million)

| Particulars | For the Year Ended March 31, 2025 | For the Year Ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Income: | | |
| I. Revenue from operations | 13,864.83 | 13,675.32 |
| II. Other income | 851.57 | 696.71 |
| III. Total income (I+II) | 14,716.40 | 14,372.03 |
| IV. Expenses: | | |
| Cost of materials consumed | | |
| - Raw Materials | 1,584.84 | 1,292.09 |
| - Accessories & packing materials | 177.74 | 156.97 |
| Purchases of stock-in-trade | 2,552.49 | 2,057.12 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | (623.94) | 285.95 |
| Employee benefits expense | 597.99 | 567.78 |
| Finance costs | 552.08 | 445.00 |
| Depreciation and amortisation expense | 1,530.61 | 1,348.54 |
| Other expenses | 3,149.63 | 2,734.52 |
| Total expenses | 9,521.44 | 8,887.97 |
| V. Profit before tax (III-IV) | 5,194.96 | 5,484.06 |
| VI. Tax expense: | | |
| - Current Tax | 1,260.98 | 1,318.40 |
| - Deferred tax | 49.26 | 23.94 |
| Total Tax Expense | 1,310.24 | 1,342.34 |
| VII. Profit for the year (V-VI) | 3,884.72 | 4,141.72 |
| VIII. Other Comprehensive Income/(Loss) | | |
| (i) Item that will not be reclassified to profit or loss. | | |
| (a) Re-measurement losses on defined benefit obligations | (2.95) | (5.16) |
| (b) Income tax effect on above | 0.74 | 1.29 |
| (ii) Item that will be reclassified to profit or loss. | | |
| (a) Fair value changes in debt instruments through Other Comprehensive Income | (2.37) | 7.34 |
| (b) Income tax effect on above | 0.60 | (1.85) |
| Other comprehensive income/(loss) for the year, net of tax | (3.98) | 1.62 |

(INR in Million)

| Particulars | For the Year Ended March 31, 2025 | For the Year Ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| IX. Total comprehensive income for the year | 3,880.74 | 4,143.34 |
| Paid up equity share capital [face value of INR 1 each (PY: INR 1 each)] | 242.94 | 242.87 |
| Other Equity | 17,620.16 | 15,775.93 |
| X. Earnings per equity share (EPS) (face value of share of INR 1 each) | | |
| Basic (in INR per share) | 15.99 | 17.06 |
| Diluted (in INR per share) | 15.98 | 17.04 |

State of the Company's Affairs

During the year under review, the Company recorded Turnover of INR 13,864.83 million as against INR 13,675.32 million in the previous Financial Year 2023-24 (FY 23-24'). The profit before tax (PBT) was INR 5,194.96 million in FY 24-25 as against INR 5,484.06 million in FY 23-24. The Company reported strong profit after tax (PAT) margin of 28.02% and the PAT stood at INR 3,884.72 million during FY 24-25.

During FY 24-25, the Company continued its retail footprint expansion and successfully rolled out approximately 85 thousand square feet of net retail area. As of March 2025, the Exclusive Brand Outlets (EBOs) area, which is the dominant channel for the Company, stood at 1.79 million square feet, spanning 678 stores (including SIS) in 256 cities and towns globally. The Company continued to enhance customer experience through its omni channel presence supported by online (own website) and offline retail channels.

These brand-building efforts are underpinned by strong retail marketing, visual merchandising, and a customer-first orientation. Technology platforms such as Salesforce, Adobe Experience Cloud, and proprietary in-house solutions are enabling more personalized engagement, operational efficiency, and enhanced customer experience.

Your directors remain optimistic that this integrated and culturally attuned approach will continue to attract new customers, deepen loyalty, and strengthen brand equity, supporting the company's long-term growth trajectory.

The Company have been able to effectively maintain strong financial margins and profitability metrics. Your directors are happy to share that the fundamentals of the business have been sound and robust.

The National Company Law Tribunal, Kolkata Bench ('NCLT') vide order dated November 11, 2024 has sanctioned the Scheme of Amalgamation of Manyavar Creations Private Limited ('MCPL' or 'Transferor Company'), a wholly owned subsidiary, with the Company and their respective shareholders and creditors under Section 230 to 232 of the Act. The Transferor Company was dissolved without winding-up and merger was effected from November 30, 2024, upon filing of certified copy of NCLT Order dated

November 26, 2024, in Form INC-28. Consequently, as at March 31, 2025, the Company has no subsidiary.

Amounts Transferred to Reserves

The Board of the Company has decided to retain the entire amount of its profit earned in FY 2024-25 in the Retained Earnings account only.

Dividend

Your Company has a dividend policy that balances the dual objectives of rewarding shareholders through dividends, whilst also ensuring the availability of sufficient funds for the growth of the Company. The Dividend Distribution Policy of the Company is available on the following weblink on the Company's website: <https://www.vedantfashions.com/investors-category/corporate-governance/policies-practices/>

The Board of Directors of your Company, after considering the above-mentioned objectives, has decided to recommend a final dividend of INR 8/- (Indian Rupees Eight only) per equity share of INR 1/- (Indian Rupee One only) each fully paid-up for the FY 2024-25. This dividend is subject to the approval of the shareholders at the ensuing annual general meeting and shall be subject to a deduction of tax at source.

Material Changes affecting the Financial Position of the Company

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

Capital Structure of the Company

During the year under review, there was a change in the authorised share capital of the Company, resulting from the Final Order passed by the National Company Law Tribunal, Kolkata Bench, dated 11th November 2024, owing to the amalgamation of Vedant Fashions Limited and Manyavar Creations Private Limited. The authorised share capital of the Company is ₹35,10,00,000 (Indian Rupees Thirty-Five Crores Ten Lakhs only), divided into 35,10,00,000 (Thirty-Five Crores Ten Lakhs only) equity shares of ₹1 (Indian Rupee One only) each.

During FY 24-25, the Company has allotted equity shares of ₹1 each as follows:

| Date of Allotment | No. of Shares Allotted | Cumulative Paid-up Capital (after allotment) |
|--------------------|------------------------|--|
| April 30, 2024 | 2,745 | 24,28,72,608 |
| May 25, 2024 | 2,683 | 24,28,75,291 |
| June 26, 2024 | 545 | 24,28,75,836 |
| July 29, 2024 | 10,588 | 24,28,86,424 |
| August 14, 2024 | 12,183 | 24,28,98,607 |
| September 16, 2024 | 9,759 | 24,29,08,366 |
| October 29, 2024 | 4,266 | 24,29,12,632 |
| December 17, 2024 | 9,741 | 24,29,22,373 |
| February 17, 2025 | 2,906 | 24,29,25,279 |
| March 26, 2025 | 18,730 | 24,29,44,009 |

These allotments were made against the exercise of options by 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 did not issue equity shares with differential voting rights or any sweat equity shares during the year under review. As of 31st March 2025, the paid-up equity share capital of the Company stood at ₹24,29,44,009, divided into 24,29,44,009 equity shares of ₹1 each, fully paid up.

Particulars of Employee Stock Option Scheme

Employees' Stock Options represent a reward system based on overall performance of the individual employee and the Company. The Company has framed an Employees Stock Option Plan with a view to attracting and retaining the best talent, encouraging employees to align individual performance with Company's objectives, and promoting increased participation by them in the growth of the Company. In accordance with the said Plan, the Company has introduced VFL Employee Stock Option Scheme 2018 ("the Scheme Pratham"), pursuant to the approval of the shareholders of the company at their extra-ordinary general meeting held on September 03, 2018, the amendment made in the same at their general meeting held on September 04, 2021 and ratified by passing a resolution in their annual general meeting held on September 08, 2022. No change was made in Scheme Pratham during the year under review and the said Scheme is in compliance with the relevant provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI (SBEB & SE) Regulations"]. The detail of Employees' Stock Options forms part of the Notes to accounts of the Financial Statements for the year under review.

The disclosures as required under Regulation 14 of SEBI (SBEB & SE) Regulations have been placed on the website of the Company: <https://www.vedantfashions.com/investors-category/reports-results/esop/>

Changes in Directors and Key Managerial Personnel

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

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

The information prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') in respect of the above-named Director shall be given in the Notice of Twenty Third AGM.

Number of Board Meetings & Attendance

During the financial year 2024-25, 6 (Six) meetings of the Board of Directors of the Company were held, as per the details provided in the Corporate Governance Report forming part of Annual Report.

Number of Committee Meetings & Attendance

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

Composition of Audit Committee

The Audit Committee constituted by the Board has Ms. Abanti Mitra as the Chairperson, Mr. Manish Mahendra Choksi and Mr. Ravi Modi as the members as on March 31, 2025. 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 Nomination & Remuneration Committee carried out the evaluation of its own performance and that of its committees and the individual Directors, which was noted and taken on record by the Board. The performance evaluation of Non-Independent Directors, the Board as a whole and the Chairperson was 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 Nomination & Remuneration Committee 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., which was also noted by the Board.

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

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 along with Section 164 and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they comply with the Code of Conduct for Independent Directors as laid down under Schedule IV of the Companies Act, 2013. In the opinion of the Board, the Independent Directors hold highest standard of integrity and possess the requisite qualifications, experience, expertise, and proficiency.

Nomination and Remuneration Policy

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

Remuneration of directors and employees

Disclosure pertaining to Remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules) is annexed and marked as **Annexure I**. The information pursuant to Rules 5(2) and 5(3) of the Rules not annexed to this Report, is readily available for inspection by the members at the Company's Registered Office between 10:30 A.M. to 1:30 P.M. on all working days up to the date of ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, on complianceofficer@manyavar.com, whereupon a copy would be sent.

Human Resources

The Company has a workforce of 770 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 March 31, 2025, the applicable IND-AS have been followed and there is no notable material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of March 31, 2025 and of the profit of the Company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls for the Company which are adequate and are operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively. This has been done by identifying significant laws that are applicable to the Company.

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

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

The Company has also appointed an Internal Auditor as per the provisions of the Companies Act, 2013. The 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. The Statutory Auditor of the Company also gives their opinion on annual basis in their Audit Report regarding the adequacy and effectiveness of the Company's internal financial control with reference to financial statements.

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 of the company under subsection (12) of Section 143 of the Companies Act, 2013.

Details of Subsidiary, Joint Venture, or Associate

The Company had a wholly owned Subsidiary Company, namely Manyavar Creations Private Limited (MCPL) during the year under review, which has been amalgamated with the Company pursuant to a scheme of amalgamation ("Scheme") approved under Sections 230 to 232 of the Companies Act, 2013. The Scheme was sanctioned by the Hon'ble National Company Law Tribunal, Kolkata Bench ("Hon'ble NCLT"), vide an order dated November 11, 2024. Further, there are no Associates or Joint Ventures during the year ended March 31, 2025.

Therefore, 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 is not applicable.

Deposits

The Company did not accept any deposits covered under Chapter V of the Companies Act, 2013 during the financial year ended March 31, 2025. Thus, there were no deposits which were unpaid or unclaimed and due for repayment, hence, there has been no default in repayment of deposits or payment of interest thereon.

Particulars of Loan, Guarantees and Investments under Section 186

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

Particulars of Contracts or Arrangements with Related Parties

The particulars of contracts or arrangements entered into with related parties, referred to in Section 188(1) of the Companies Act 2013 during the FY 24-25 in the prescribed format (i.e., AOC-2) is attached with this report as **Annexure II**.

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 III** to this Report. The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the Financial Year under review are inter-alia set out therein. CSR Policy is available on the website of the Company at <https://www.vedantfashions.com/csr>.

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

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

- **Conservation of Energy and Technology Absorption:**

The various details under this head are as follows –

(A) Conservation of energy-

- (i) the steps taken or impact on conservation of energy: The Company is endeavouring to reduce the GHG emissions from its own operations. It has energy efficient lighting and air conditioning system in place at their own premises. Moreover, in FY 2024-25, the Company purchased 850 verified carbon units (VCUs) to offset the total Scope 1 and 2 GHG emissions of 822.25 tCO₂e in the FY 2023-24.
- (ii) the steps taken by the company for utilising alternate sources of energy: The Company has reduced the number of vehicles which consume petrol/ diesel and have initiated the process of converting all its vehicles into electric vehicles.
- (iii) the capital investment on energy conservation equipment: There has been no significant investment in this.

(B) Technology absorption-

- (i) the efforts made towards technology absorption:

Our adoption of technology is driven by the need to improve efficiency, enhance customer experience, and stay competitive in a rapidly evolving market landscape. We are collaborating with the best technology providers to implement innovative solutions tailored to our needs.
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

We prioritize using technology to optimize our supply chain management, inventory control, and customer relationship management systems, leading to improved efficiency and reduced expenses. It also allows us to leverage data analytics, enabling us to make data-

driven decisions that can lead to cost savings and increased profitability.

(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 35,85,07,104/- |
| Outgo | INR 1,38,28,206/- |

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/investors-category/corporate-governance/policies-practices/>.

The Risk Management Committee of the Board of Directors overviews the process of identification, monitoring, and review of all the elements of risk(s) associated with the Company. The detail of Committee and its terms of reference are elaborated in the Report on Corporate Governance which forms a part of this Report. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviours together form the Risk Management System that governs how the Company conducts its business and manages associated risks. The Company has adequate risk management infrastructure in place capable of addressing those risks. The Company has also designated an employee as 'Risk Manager' for the purpose of effective coordination of the risk management mechanism.

Disclosure on Establishment of a Vigil Mechanism

The Company has framed a Policy on Reporting Concerns so that Directors and employees can report their genuine concerns or grievance as and when they think fit. The Policy assures adequate safeguard against victimization of employees and directors who avail of the vigil mechanism policy. It also provides for action against frivolous complaints. This policy was communicated to all staff members of the Company for their knowledge

and information and was made available on Company's website in the name and style of "Vigil Mechanism Policy (or Whistle Blower Policy)" -

<https://www.vedantfashions.com/investors-category/corporate-governance/policies-practices/>

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 B S R & Co. LLP, Chartered Accountants (FRN: 101248W/W-100022), were appointed as the Statutory Auditors of the Company at the 20th AGM of the Company held on 8th September, 2022 to hold such office for a period of five years till the conclusion of the 25th AGM.

The Auditor's Report on the financial statement for the year ended 31st March, 2025 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 2024-25, has been placed at the Company's website in the following URL - <https://www.vedantfashions.com/investors-category/corporate-governance/annual-return/>.

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

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

Internal Auditors

In terms of the provisions of the Companies Act, 2013 and Rules made thereunder, Grant Thornton Bharat LLP, Chartered Accountants, Kolkata, were reappointed as the Internal Auditors of the Company. During the year under

consideration, the Company continued to implement their suggestions and recommendations to improve the control environment.

Secretarial Auditor

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

Listing fees

The listing fees for the financial year ending on March 31, 2026 have been duly paid.

General Disclosures

During the year under review:

- (i) There has been no change in the nature of business of the Company and the Company continues to carry on its existing business.
- (ii) There has been no voluntary revision of Financial Statements or the Board's Report.
- (iii) No significant and material orders were passed against the Company by any regulators, courts or tribunal which impact Company's going concern status and its operations in future.
- (iv) Maintenance of cost records, as specified by the Central Government under section 148(1) of the Companies Act, 2013, was not applicable to the Company. Hence, the provisions related to the appointment of the Cost Auditor are not applicable.
- (v) No application has been made or any proceeding is pending under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the Financial Year is not applicable.
- (vi) The requirement to disclose the details of difference between the amount of the valuation done at the time of onetime settlement and the valuation done while taking loans from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

Acknowledgment

The Board of Directors extend their heartfelt gratitude for the invaluable assistance and cooperation received from our esteemed stakeholders, including financial institutions, bankers, government and semi-government authorities, customers, and shareholders, during the year under review.

We also wish to formally acknowledge and deeply appreciate the dedicated services rendered by the Company's executives, staff, and workers.

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

Place: Kolkata
Date: May 06, 2025

Ravi Modi
Chairman & Managing Director
DIN 00361853

Shilpi Modi
Whole-time Director
DIN 00361954

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 | 96.72 |
| | | b | Mrs. Shilpi Modi, Wholetime Director | 64.48 |
| (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 | -22.38% |
| | | b | Mrs. Shilpi Modi, Wholetime Director | -22.38% |
| | | c | Mr. Rahul Murarka, CFO | 14.55% |
| | | d | Mr. Navin Pareek, Company Secretary | 8.29% |
| (iii) | The percentage increase in the median remuneration of employees in the financial year | | | 16.47% |
| (iv) | The number of permanent employees on the rolls of the Company | | | 770 |
| (v) | Average percentiles 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 9.98%. | | |
| (vi) | It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company. | | | |

Note:

- The Non-Executive Directors of the Company are entitled to sitting fee and commission/other fees as per the statutory provisions of the Companies Act, 2013 and as per terms approved by the Board and Members of the Company. The details of remuneration paid to them have been provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for the Non-Executive Directors' Remuneration is, therefore, not considered for the purpose above.
- For calculation of median remuneration of employees for the current and previous year, the remuneration (average remuneration of entire year) of employees who were on the payroll as on 31st March of each year respectively, have only been considered.

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

Place: Kolkata
Date: 06.05.2025

Ravi Modi
Chairman & Managing Director
DIN: 00361853

Shilpi Modi
Whole-time Director
DIN: 00361954

Annexure II of the Board's Report

Form No. AOC-2

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

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

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

Although the Company has not entered into any such transaction covered in point 1 and 2 above, however, to ensure better and transparent disclosure to all its members, the Company is disclosing hereinbelow the following particulars of certain contracts/arrangements/transactions entered with its related parties on a voluntary basis:

Particulars of contracts/arrangement entered into by the Company with its related parties during Financial Year 2024-25

Sale of Products

| | |
|---|---|
| (a) Name(s) of the related party and nature of relationship | Shenayah Retail Stores Private Ltd. Enterprises owned or significantly influenced by relative of KMP |
| (b) Nature of contracts / arrangements / Transactions | Sale of products (net of returns) (including taxes) |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹415.95 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

| | |
|---|---|
| (a) Name(s) of the related party and nature of relationship | Pranit Fashions Enterprises owned or significantly influenced by relative of KMP |
| (b) Nature of contracts / arrangements / transactions | Sale of products (net of returns) (including taxes) |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹5.22 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

| | |
|---|--|
| (a) Name(s) of the related party and nature of relationship | Vandana Enterprise Enterprises owned or significantly influenced by relative of KMP |
| (b) Nature of contracts / arrangements / transactions | Sale of products (net of returns) (including taxes) |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹203.06 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

Rental Income

| | |
|---|--|
| (a) Name(s) of the related party and nature of relationship | Mohey Fashions Private Ltd Enterprises owned or significantly influenced by KMP |
| (b) Nature of contracts / arrangements / transactions | Rental income (including taxes) |
| (c) Duration of the contracts / arrangements / transactions | Monthly |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹0.07 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

Recovery of Expenses (including Taxes)

| | |
|---|---|
| (a) Name(s) of the related party and nature of relationship | Shenayah Retail Stores Private Ltd. Enterprises owned or significantly influenced by relative of KMP |
| (b) Nature of contracts / arrangements / transactions | Recovery of expenses (including taxes) |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹0.27 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

| | |
|---|--|
| (a) Name(s) of the related party and nature of relationship | Vandana Enterprise Enterprises owned or significantly influenced by relative of KMP |
| (b) Nature of contracts / arrangements / transactions | Recovery of expenses (including taxes) |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹1.55 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (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: | ₹0.02 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

Reimbursement of Expenses

| | |
|---|---|
| (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: | ₹0.06 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (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: | ₹0.15 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

| | |
|---|--|
| (a) Name(s) of the related party and nature of relationship | Tarun Puri Non-Executive Independent Director |
| (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: | ₹0.02 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

Interest Income

| | |
|---|---|
| (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 | Interest Income |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹0.10 Millions |
| (e) Date(s) of approval by the Board, if any: | 29 th October, 2024 |
| (f) Amount paid as advances, if any: | Nil |

Others

| | |
|---|---|
| (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 | Others |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹0.02 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (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 | Others |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹0.003 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

Security Deposits

| | |
|---|---|
| (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 | Security deposit taken (net of repayment) |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹3.50 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (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 | Security deposit taken (net of repayment) |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹0.50 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

Remuneration of KMP

| | |
|---|--|
| (a) Name(s) of the related party and nature of relationship | Ravi Modi Chairman and Managing Director, KMP |
| (b) Nature of contracts / arrangements / transactions | Remuneration |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹34.80 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

| | |
|---|--|
| (a) Name(s) of the related party and nature of relationship | Shilpi Modi Wholetime Director, KMP |
| (b) Nature of contracts / arrangements / transactions | Remuneration |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹23.20 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

| | |
|---|--|
| (a) Name(s) of the related party and nature of relationship | Rahul Murarka Chief Financial Officer, KMP |
| (b) Nature of contracts / arrangements / transactions | Remuneration |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹9.00 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 & 29 th July, 2024 |
| (f) Amount paid as advances, if any: | Nil |

| | |
|---|--|
| (a) Name(s) of the related party and nature of relationship | Navin Pareek Company Secretary, KMP |
| (b) Nature of contracts / arrangements / transactions | Remuneration |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹3.95 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 & 29 th July, 2024 |
| (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: | ₹5.28 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 & 29 th July, 2024 |
| (f) Amount paid as advances, if any: | Nil |

Remuneration of Non-Executive Directors

| | |
|---|---|
| (a) Name(s) of the related party and nature of relationship | Sunish Sharma Non-Executive Non-Independent Director |
| (b) Nature of contracts / arrangements / transactions | Remuneration (except reimbursements which has been paid at actuals) |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹3.0 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

| | |
|---|---|
| (a) Name(s) of the related party and nature of relationship | Abanti Mitra Non-Executive Independent Director |
| (b) Nature of contracts / arrangements / transactions | Remuneration (except reimbursements which has been paid at actuals) |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹3.0 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

| | |
|---|---|
| (a) Name(s) of the related party and nature of relationship | Manish Mahendra Choksi Non-Executive Independent Director |
| (b) Nature of contracts / arrangements / transactions | Remuneration (except reimbursements which has been paid at actuals) |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹3.0 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

| | |
|---|---|
| (a) Name(s) of the related party and nature of relationship | Tarun Puri Non-Executive Independent Director |
| (b) Nature of contracts / arrangements / transactions | Remuneration (except reimbursements which has been paid at actuals) |
| (c) Duration of the contracts / arrangements / transactions | Multiple transactions during the year |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | ₹3.0 Millions |
| (e) Date(s) of approval by the Board, if any: | 23 rd March, 2024 |
| (f) Amount paid as advances, if any: | Nil |

Annexure III of the Board's Report

Annual Report on Corporate Social Responsibility Activities for Financial Year 2024-25

1. Brief outline on CSR Policy of the Company:

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

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

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

2. Composition of the CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|------------------|--------------------------------------|--|--|
| 1. | Mr. Ravi Modi | Chairperson | 2 | 2 |
| 2. | Mrs. Shilpi Modi | Member | 2 | 2 |
| 3. | Mr. Tarun Puri | Member | 2 | 2 |
| 4. | Ms. Abanti Mitra | Member | 2 | 2 |

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

Composition of CSR Committee is available at the following URL –

<https://www.vedantfashions.com/corporate-governance/company-committees>

Company's CSR Policy is available at the following URL –

https://www.vedantfashions.com/assets/pdf/CSR_Policy-V1.pdf

brief on CSR Projects is available at the following URL –

<https://www.vedantfashions.com/wp-content/uploads/2024/06/CSR-Annual-Action-Plan-FY-24-25.pdf>

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

5. (a) Average net profit of the company as per Section 135(5): **₹4961.46 Millions**

(b) Two percent of average net profit of the company as per Section 135(5): **₹99.23 Millions**

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

(d) Amount required to be set off for the financial year, if any - **₹0.02 Millions**

(e) Amount required to be set off for the financial year, if any arising out of amalgamated entity Manyavar Creations Private Limited, (MCPL)- **₹0.04 Millions**

(f) Additional CSR Liability of the amalgamated entity, MCPL **₹1.04 Millions**

(g) Total CSR obligation for the financial year (5b+5c-5d-5e+5f): **₹100.21 Millions**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other then Ongoing Project): **₹100.30 Millions**

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

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

(d) Total amount spent for the Financial Year (6a+6b+6c): **₹100.30 Millions**

(e) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (in ₹) | Amount Unspent (in Million) | | | | |
|--|---|------------------|---|--------|------------------|
| | 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 |
| 100.30/- | NOT APPLICABLE | | | | |

(f) Excess amount for set off, if any

| Sl. No. | Particular | Amount (in Million) |
|---------|---|---------------------|
| (i) | Two percent of average net profit of the company as per Section 135(5) | 99.23/- |
| | Less - Amount set-off from the excess amount paid in FY 2024 of the Company | 0.02* |
| | Less- Amount set-off from the excess amount paid in FY 2024 arising out of amalgamated entity- MCPL | 0.04** |
| | Add - CSR Liability of the Amalgamated Entity (MCPL) | 1.04*** |
| | Net CSR Obligation Amount | 100.21 /- |
| (ii) | Total amount spent for the Financial Year | 100.30/- |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 0.09/- |
| (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)] | 0.09/- |

*The Company has availed a set-off of INR 0.02 million/- being the excess CSR amount spent by Vedant Fashions Limited during the previous Financial Year 2023-24.

**Pursuant to the scheme of arrangement approved by NCLT vide order dated November 11, 2024, the Company has availed a set-off of INR 0.04 million/- being the excess CSR amount spent by MCPL, transferor company during the previous Financial Year 2023-24.

*** The CSR Liability amounting to INR 1.04 million/- has been added to the CSR obligation amount of the Company pursuant to amalgamation of MCPL with the Company.

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

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under Section 135 (6) (in INR) | Balance Amount in Unspent CSR Account under Section 135(6) (in INR) | Amount spent in the reporting Financial Year (in INR). | Amount transferred to a fund specified under Schedule VII as per Section 135(5), if any. | Amount remaining to be spent in succeeding financial years. (in INR) | Deficiency, if any |
|---------|--------------------------|--|---|--|--|--|--------------------|
| | | | | | Amount (in INR) | Date of transfer | |
| 1 | 2021-22 | | | | Not Applicable | | |
| 2 | 2022-23 | | | | Not Applicable | | |
| 3 | 2023-24 | | | | Not Applicable | | |

8. Whether any capital asset has been created or acquired through CSR amount spent in the financial year – **No**.

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

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

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

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

Place: Kolkata
Date: May 06, 2025

Ravi Modi
CMD & Chairperson of CSR Committee
DIN 00361853

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

Annexure IV of the Board's Report Form No. MR-3

Secretarial Audit Report

For the Financial Year ended March 31, 2025

[Pursuant to the Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and pursuant to the Regulation 24A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

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

1. 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** bearing **CIN: L51311WB2002PLC094677** (hereinafter to be referred as “the Company”) for the financial year ended March 31, 2025. The Secretarial Audit was conducted on test check basis, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. 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, 2025, 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, 2025, 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, wherever applicable;
 - 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; **(Not Applicable to the Company during the year under review)**
 - (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;
 - (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 year under review)**
 - (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 year under review)**
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **(Not Applicable to the Company during the year under review)**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/ trading companies, the following laws/acts are also inter alia applicable to the Company:
 1. The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982
 2. The Water (Prevention & Control of Pollution) Act, 1974 read with Water (Prevention & Control of Pollution) Rules, 1975;
 3. Environment (Protection) Act, 1986 read with the Environment (Protection) Rules, 1986;
 4. Factories Act, 1948 & the Central Rules, or Concerned State Rules, made thereunder and allied State Laws
 5. The Employees' State Insurance Act, 1948 & its Central Rules/ State Rules.
 6. The Minimum Wages Act, 1948 & its Central Rules/ State Rules/ Notification of Minimum Wages applicable to various class of industries/ trade.
 7. The Payment of Wages Act, 1936 & its Central Rules/ State Rules if any.
 8. The Payment of Bonus Act, 1965 & its Central Rules/ State Rules if any.
 9. The Payment of Gratuity Act & its Central Rules/ State Rules if any.
 10. The Maternity Benefit Act, 1961 & its Rules.
 11. Information Technology Act, 2000 and the rules made thereunder
 12. The Indian Copyright Act, 1957
 13. The Patents Act, 1970

14. The Trade Marks Act, 1999

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118(10) of the Companies Act, 2013 with respect to Board Meeting (SS-1) and General Meeting (SS-2) and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the provisions of Section 118(10) of the Companies Act, 2013 during the aforementioned audit period.
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable during the audit period and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the secretarial functions and board processes to comply with the applicable provisions thereof, during the aforementioned audit period.

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

5. We further report that

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

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

- i. M/s. B S R & Co. LLP, Chartered Accountants were reappointed as the Tax Auditors of the Company to carry out the Tax Audit of the company for the Financial Year ended March 31, 2025, in the Board Meeting of the Company held on April 30, 2024.
- ii. M/s. Vivek Mishra & Co., A Firm of Company Secretaries, Kolkata, were reappointed as the Secretarial Auditor of the Company, for conducting Secretarial Audit of the Company for the Financial Year 2024-25 in the Board Meeting of the Company held on April 30, 2024.
- iii. M/s. Grant Thornton Bharat LLP were reappointed as the Internal Auditors of the

Company for the Financial Year 2024-25 in the Board Meeting of the Company held on June 26, 2024.

- b. Adequate notice was given to all Directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except where consent of directors was received through resolutions by circulations at various point of time. Further, 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.
- c. None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.
- d. 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.
- e. 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. In the meeting of the Nomination and Remuneration Committee of the Company held on June 26, 2024, the approval for the revision in remuneration of Mr. Rahul Murarka, Chief Financial Officer, Mr. Navin Pareek, Company Secretary and Mr. Vedant Modi, Chief Marketing Officer, was accorded in line with the Nomination & Remuneration Policy of the Company.
 - ii. In the meeting of the Nomination and Remuneration Committee of the Company held on June 26, 2024, the approval for the revision in remuneration of Mr. Anand Narang, Chief Marketing & Digital Officer, Mr. Amar Sethia, Chief Product Officer and Mr. Ajay Modi, Chief Supply Chain Officer was accorded.
 - iii. The Board at its meeting held on July 29, 2024, took note of the circular resolution passed on July 19, 2024, approving the appointment of Mr. Arunangshu Chatterjee as the Chief Human Resources Officer of the Company.
 - iv. The Company in its Annual General Meeting dated August 30, 2024, declared dividend of INR 8.50/- per fully paid-up equity share of INR 1/- each for the financial year ended March 31, 2024, as the final dividend which was duly credited in the respective shareholders' accounts on September 05, 2024.
 - v. The Board at its meeting held on January 30, 2025, took note of the order of Hon'ble National Company Law Tribunal (NCLT), Kolkata bench dated November 11, 2024, sanctioning the scheme ('the Scheme') for amalgamation of Manyavar Creations Private Limited (MCPL), a wholly owned subsidiary (Transferor Company) with the Company, Vedant Fashions Limited (Transferee Company).
 - vi. Pursuant to the VFL Employee Stock Option Scheme 2018 - Scheme Pratham, the Company has allotted 74,146 equity shares of INR 1/- each to the Eligible Employees/Participants during the Financial Year 2024-25.

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

Vivek Mishra

Partner

FCS 8540

CP No.: 17218

UDIN: F008540G000275653

Peer review: 1720/2022

Place: Kolkata

Date: 06.05.2025

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 Secretarial Audit Report of M/s. Vedant Fashions Limited for the financial year ended March 31, 2025)

To,
The Members,
Vedant Fashions Limited
19 Canal South Road, Paridhan Garment Park,
SDF-1, 4th Floor, A501-A502 Kolkata 700015

Our Secretarial Audit Report for the financial year ended 31st March 2025 of even date is to be read along with this letter.

Management’s Responsibility

1. It is the responsibility of the Management of the Company to maintain secretarial record, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor’s Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. 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.
5. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
6. 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.

Disclaimer

7. 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.
8. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
9. 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.
10. 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

Place: Kolkata

Date: 06.05.2025

UDIN: F008540G000275653

Peer review: 1720/2022

Management Discussion and Analysis

A. Overview of apparel retail market in India

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

The revenue in the apparel market in India is projected to reach US\$109.45 bn in 2025.¹

Factors contributing to the growth in domestic apparel retail market.



Source: CRISIL Research

B. An overview of the Indian wedding and celebration wear market in India²

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

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

¹ <https://www.statista.com/outlook/cmo/apparel/india>

² (Source: CRISIL Research ‘2020)

C. Economic Overview:

The National Statistical Office (NSO), in its second advance estimate of Annual Gross Domestic Product for 2024-2025, expects Indian economy to have GDP growth rate of 6.5% in FY 2024-25 as compared to 9.2% growth rate in FY 2023-24³. India is expected to rank 4th in world's GDP rankings in 2025 as per International Monetary Fund.⁴

D. Business performance review:

During the year under review, the Company recorded turnover of INR 13,864.83 million as against INR 13,675.32 million in the previous financial year 2023-24 (FY 23-24). The profit before tax (PBT) was INR 5,194.96 million in FY 24-25 as against INR 5,484.06 million in FY 23-24. The Company reported strong profit after tax (PAT) margin of 28.02% and the PAT stood at INR 3,884.72 million during FY 24-25.

The Company's performance in FY25 was impacted by subdued consumer sentiment and severely impacted Q1 FY25 with extremely low / negligible wedding dates nationally. However, in the nine-month period from July to March FY25, retail sales grew by +9.3%, with like-to-like (L2L) sales growing by +2.9%.

Despite these challenges the company was able to maintain strong financial margin and profitability metrics, reflecting resilient business fundamentals.

Our Company maintains a strong and diversified retail footprint, ensuring brand availability across key geographies and enhancing both visibility and accessibility. In FY25, we added a net retail area of 84,770 sq. ft., bringing our total retail footprint to 1.79 million sq. ft. During the year, we expanded our brand presence by launching three exclusive brand outlets for Twamev and introduced a flagship Exclusive Brand Outlet (EBO) for our Mohey brand.

New initiatives: Our Company prioritized strategic innovation and operational efficiency to adapt to changing market dynamics and evolving customer expectations.

i) Product portfolio:

To better meet the evolving needs of today's consumer, the company implemented several key changes to its design approach, placing greater emphasis on continuous innovation, relevance, and responsiveness. Apart from seasonal or periodic updates, the design process was reoriented toward more regular and agile innovation cycles, ensuring that products consistently reflect

current aesthetics and functional expectations. This shift allowed the company to introduce designs that resonate more deeply with modern consumer sensibilities, balancing visual appeal with practicality and cultural relevance. To stay aligned with rapidly shifting customer preferences and design trends, we successfully expanded our design portfolio with a diverse range of new patterns and styles across categories, tailored to reflect regional tastes and varying market demands. This strategic diversification also extended to multiple price points, allowing for broader accessibility. These new offerings were not only visually appealing but also featured enhanced performance characteristics and superior quality. This combination delivered greater value to customers and significantly improved the overall user experience, reinforcing our brand's position as both trend-conscious and reliability-focused.

We also continued to diversify our product portfolio with the expansion of certain categories, including the expanded range of Jodhpuri sets and short/mid length kurtas in the men's category as well as Stitched Suits in the women's category, these extensions were strategically aligned with evolving customer preferences and market trends.

As part of our broader cross-selling strategy to enhance customer experience and drive incremental revenue, we introduced new product categories such as perfumes under the label 'Essence' by Manyavar.

We have successfully **launched our first D2C brand, Diwas**, featuring distinctive sustainable offerings. Positioned as a "Joy to Wear" brand, Diwas is designed to cater to the festive and celebration wear segment across India. The brand has been well-received by customers and is steadily gaining strong traction in the market.

ii) Marketing initiatives:

The Company continued to strengthen its brand portfolio through strategic advertising and high-impact promotional initiatives. Collaborations with celebrities such as Ram Charan, Janhvi Kapoor, and Avinash Tiwary have enhanced brand visibility and consumer resonance across aspirational and style-conscious segments.

Manyavar has increased and expanded its range of offerings, adopting a broader approach that has enabled the brand to reach a wider customer base and strengthen its presence in the wedding

³ https://www.mospi.gov.in/sites/default/files/press_release/PRESS-NOTE-ON-SAE-2024-25-Q3-2024-25-FRE-2023-24-and-FE-2022-23-M1.pdf

⁴ As per Forbes India report published on 26th Feb. 2025 (<https://www.forbesindia.com/article/explainers/top-10-largest-economies-in-the-world/86159/1>)

wear market. This refined positioning has helped capture a larger share of the wedding wear market. The “Aap Kab Ban Rahe Hain Manyavar” campaign, led by Avinash Tiwary, was deployed across digital platforms, in-store displays, lounges, and trial rooms to create emotional impact and drive conversion. A region-specific campaign featuring Ram Charan promoted traditional South Indian attire such as Panchakacham and Veshti Dhoti, strengthening the brand’s cultural relevance in southern markets. Concurrently, a national campaign encouraged brides and grooms to also shop for their parents—who are often overlooked in wedding preparations—reinforcing Manyavar’s inclusive, family-first brand ethos.

Mohey has expanded beyond bridal lehengas to become a complete wedding wear destination for brides and bridesmaids, tapping into the growing trend of curated trousseaus and coordinated ensembles. This shift has broadened the brand’s appeal and addressable market. The refreshed positioning was brought to life through the “Jab Aap Taiyaar, Hum Taiyaar” campaign featuring Janhvi Kapoor, and supported by the “Taiyaar When You Are” influencer series. This campaign included PV Sindhu, Manika Batra, Rakulpreet Singh, Shibani Dandekar, Laxmi Pilot, and real-world working professionals on LinkedIn - showcasing authentic consumer stories. Media integrations with Indian Idol, Bigg Boss, and Sa Re Ga Ma Pa, a curated Spotify wedding playlist, and immersive content properties further embedded Mohey into the broader wedding narrative. Hyperlocal influencer marketing, targeted digital campaigns, and OOH activations drove store traffic and awareness in key catchments.

These brand-building efforts are underpinned by strong retail marketing, visual merchandising, and a customer-first orientation. Technology platforms such as Salesforce, Adobe Experience Cloud, and proprietary in-house solutions are enabling more personalized engagement, operational efficiency, and enhanced customer experience.

iii) Focus on Omni-channel experience: seamless, scalable, instant

As an organization, we recognize the importance of **digital interventions and transformations** at various touchpoints in a customer’s pre-sales & post-sales journey, so we continuously plan to revamp and upgrade the digital experience. In this context, we have taken significant strides in integrating and upgrading online and offline touchpoints including social commerce to enhance customer engagement and operations.

We have advanced our omni-channel ecosystem by integrating online and offline journeys, allowing customers to order across channels, return to any store, and opt for home delivery.

The launch of new features such as **“Book an Appointment,” “Wedding Closet,”** and **“Book a Video Call”** is designed to elevate the online customer experience by seamlessly integrating personalized concierge services with digital browsing. These innovations support easier product discovery and create a smooth pathway for customers to transition from online exploration to in-store visits. By enhancing convenience and personal engagement, these features are expected to strengthen brand connection and drive higher conversion rates.

To further enhance customer convenience and tap into the growing demand for rapid delivery, we forayed into the **Quick Commerce (Q-commerce)** channel for our offerings.

We partnered with Blinkit and Zepto to offer 10-minute delivery of wedding and festive collections from Manyavar and Diwas. Timed with occasions like Diwali, Holi, Eid, Mother’s Day, Women’s day etc. these initiatives captured last-minute demand while increasing visibility.

iv) Customer experience and technology-led personalization

To improve customer experience, we piloted a digitally enabled in-store alteration process, thereby adding consistency to post-purchase interactions. Through this initiative, customers enjoy a digitally enriched alteration process, streamlining their experience and embracing the power of digitalization in every aspect of their interaction with our brand.

We have introduced AI-powered conversational commerce, AR-based styling tools, and mixed reality ad formats, creating immersive product discovery journeys for younger consumers. Enhancements to our CRM and MarTech stacks enabled smarter segmentation, lifecycle marketing, and cross-brand engagement, improving retention and average order value.

v) Retail operational efficiency:

We have successfully launched the ‘VFL Parivaar’ app - an AI - driven learning management platform, rolled out to over 3,000 frontline fashion advisors. The platform plays a critical role via effective store training thereby driving retail sales by equipping frontline teams with the product knowledge, selling techniques, and customer service skills needed to perform effectively.

E. Competitive strengths/ opportunities and 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. 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.

F. Internal control system and the adequacy

Vedant Fashions has implemented robust internal control systems to ensure the effectiveness and efficiency of its operations, reliability of financial reporting, and compliance with applicable laws and regulations which are commensurate with the size, nature of business, geographical presence, and complexity of the business. The governance structure assigns responsibilities to the Committees of the Board, function heads, and process owners. Policies

and procedures are reviewed periodically to keep them relevant in the changing business environment. Detailed standard operating procedures and their controls are well documented and embedded in business processes to mitigate risks in operations, reporting, and compliance. Our Company's ERP, system infrastructure and checks are integral parts of the internal control system. Our Company leverages data analytics, and other tools to identify data exceptions and trends, and actively invests in moving from manual to automated controls. A strong compliance management system monitors the compliance status online and updates compliance requirements with the latest changes in statutes and business operations.

Our Company has strong internal audit governance to assure the adequacy and effectiveness of internal controls. The risk-based internal audit plan is approved by the Audit Committee, which periodically reviews the adequacy and effectiveness of our Company's internal financial controls.

G. Enterprise risk management

Our Company has adopted a risk management policy for promoting a pro-active approach in reporting, evaluating, and resolving risks associated with the Company's business. The Company's Risk Management Committee (RMC) comprises of four Directors out of which three are Independent Directors, which overviews the process of identification, monitoring, and review of all the elements of risk(s) associated with the Company. The Company has assessed the risks and there is an adequate risk management infrastructure in place capable to identify and mitigate the risks. The Company's Risk Management Policy is established to identify and analyse internal and external risks faced by the Company, to set appropriate risk limits, to lay down measures for risk assessment and mitigation including systems and processes for internal control of identified risks and to monitor risks and adherence to limits. Risk management processes and systems are reviewed regularly to reflect changes in market conditions and the Company's line of activities. The Company has also designated an employee as 'Risk Manager' for the purpose of effective coordination of the risk management mechanism.

H. Financial Review

Figures in ₹ mn

| Particulars | 2024-25 | 2023-24 |
|-------------------------|---------|---------|
| Revenue from operations | 13,865 | 13,675 |
| Gross Profit | 9,315 | 9,186 |
| Gross Margin % | 67.2% | 67.2% |
| EBITDA | 6,464 | 6,643 |
| EBITDA Margin % | 46.6% | 48.6% |
| PAT | 3,885 | 4,142 |
| PAT Margin % | 28.0% | 30.3% |

Key financial ratios:

| Key financial ratios | 2024-25 | 2023-24 | Difference (%) |
|------------------------------|--|---------|----------------|
| Debtors' turnover | 2.34 | 2.64 | (11.36) |
| Inventory turnover | 8.14 | 8.76 | (7.08) |
| Interest coverage ratio | Not Applicable, since the Company has no Borrowings involving interest coverage. | | |
| Current ratio (in times) | 4.01 | 3.73 | 7.51 |
| Debt equity ratio (in times) | 0.27 | 0.28 | (3.57) |
| Net profit margin (in %) | 28.02 | 30.29 | (7.49) |
| Return on net worth# (in %) | 34.34 | 40.22 | (14.62) |

here return on net worth indicates return on capital employed as disclosed in the financials

Reasons for variance of more than 25% in above ratios: NA

I. 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 770 employees.

For the financial years ended March 31 of 2024 and 2025, the employee benefits expense amounted to ₹567.78 million and ₹597.99 million, respectively representing 6.39% and 6.28% respectively of the total expenses.

Cautionary statement

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to

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

Corporate Governance Report

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

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

2. BOARD OF DIRECTORS

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

The Board of Directors of the Company is fully aware of its fiduciary responsibilities and remains committed to upholding the highest standards of corporate

governance. The Board recognizes its accountability to all stakeholders and diligently strives to ensure transparency, integrity, and sustainable growth across all aspects of the Company's operations.

a) Composition and Category of Directors

Your Company firmly believes that a diversified and cohesive Board with strong independent representation is necessary to ensure the highest level of Corporate Governance. The Board of Directors (Board) of the Company comprises of an optimum combination of Executive and Non-Executive Directors with an 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, 2025, 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) or Chairman of more than 5 (Five) such Committees, across all the public companies in which they are Directors, (as specified in Regulation 26 of the Listing Regulations).

None of the Directors of the Company serves as an Independent Director in more than 7 (Seven) listed companies, nor does the Whole time Director/Managing Director serve as an Independent Director in more than 3 (Three) listed companies. None of the Directors hold directorships in more than 7 (Seven) 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 (related to Promoter) |

| NAME OF THE DIRECTORS | POSITION/DIRECTOR CATEGORY |
|-----------------------|----------------------------|
|-----------------------|----------------------------|

B. NON-EXECUTIVE & NON-INDEPENDENT DIRECTOR

| | |
|--------------------------------------|---|
| Mr. Sunish Sharma (DIN: 00274432) | Non-Executive Director & Non-Independent Director |
|--------------------------------------|---|

C. NON-EXECUTIVE & INDEPENDENT DIRECTORS

| | |
|---|--------------------------------------|
| Ms. Abanti Mitra (DIN: 02305893) | Non-Executive & Independent Director |
| Mr. Manish Mahendra Choksi (DIN: 00026496) | Non-Executive & Independent Director |
| Mr. Tarun Puri (DIN: 02117623) | Non-Executive & Independent Director |

As at March 31, 2025, 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, 2025, have been made by the Directors.

- The composition of the Board of Directors and the brief profile of the Directors can be accessed on the Company's website at <https://vedantfashions.com/wp-content/uploads/2024/04/Profile-of-Directors-draft-1.pdf>

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

| Number of Board Meeting | Dates on which Board Meetings Held |
|-------------------------|------------------------------------|
| VFL/BM/24-25 /01 | April 30, 2024 |
| VFL/BM/24-25 /02 | June 26, 2024 |
| VFL/BM/24-25 /03 | July 29, 2024 |
| VFL/BM/24-25 /04 | October 29, 2024 |
| VFL/BM/24-25 /05 | January 30, 2025 |
| VFL/BM/24-25 /06 | March 26, 2025 |

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

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

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

The Board met 7 (Seven) times during the FY 2024-25. 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 August 30, 2024 |
|----------------------------|------------------------|---------------|---------------|------------------|------------------|----------------|-----------------------------|
| | April 30, 2024 | June 26, 2024 | July 29, 2024 | October 29, 2024 | January 30, 2025 | March 26, 2025 | |
| Mr. Ravi Modi | P | P | P | P | P | P | P |
| Mrs. Shilpi Modi | P | P | P | P | P | P | P |
| Mr. Manish Mahendra Choksi | P | P | P | P | P | A | P |
| Mr. Sunish Sharma | P | P | P | P | P | P | P |
| Mr. Tarun Puri | P | P | P | P | P | P | P |
| Ms. Abanti Mitra | P | P | P | P | P | P | P |

All Directors are expected to attend each Board Meeting and each Committee Meeting of which they are members, unless there are reasons preventing them from participating. Other Directors who are not members of the Committees are also invited to attend such Committee Meetings at their discretion.

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

The number of Directorships and Committee memberships/chairmanship, including separately name of listed entities and category of Directorship in other Companies as on March 31, 2025 are given hereunder:

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

Note 1: Number of Directorships in other listed Companies, whose equity shares are listed on a stock exchange.

Note 2: Board Committee Chairmanships/Memberships in other Companies includes only Chairmanships/Memberships of Audit Committees and Stakeholders Relationship Committees across all public limited companies, whether listed or not, have been included and all other companies including Private Limited Companies, Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013 have been excluded.

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 in-depth knowledge and experience in general management of organization | Mr. Ravi Modi Mrs. Shilpi Modi Ms. Abanti Mitra Mr. Manish Mahendra Choksi Mr. Sunish Sharma Mr. Tarun Puri |
| Exposure to sales and marketing management based on understanding of the consumers | Mr. Ravi Modi Mrs. Shilpi Modi Mr. Tarun Puri |
| Ability to analyse and understand the key financial statements, experience in the fields of taxation, audit, financial management, banking, insurance and investments, treasury, fund raising and internal controls | Mr. Ravi Modi Ms. Abanti Mitra Mr. Manish Mahendra Choksi Mr. Sunish Sharma Mr. Tarun Puri |

| Core skills/expertise/ competencies identified by the Board of Directors as required in the context of its business | Names of Directors who have such skills/ expertise/ competence |
|--|--|
| Interpersonal relations, human resources management, communication, corporate social responsibility including environment and sustainability | Mr. Ravi Modi Mrs. Shilpi Modi Mr. Manish Mahendra Choksi Mr. Sunish Sharma Mr. Tarun Puri Ms. Abanti Mitra |
| Technical, professional skills and knowledge including legal, governance and regulatory aspects | Mr. Ravi Modi Ms. Abanti Mitra Mr. Manish Mahendra Choksi Mr. Sunish Sharma Mr. Tarun Puri |

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

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

g) Disclosure of relationships between directors inter-se:

Mr. Ravi Modi, Chairman & Managing Director is related to Mrs. Shilpi Modi, Executive Director as per Section 2(77) of the Companies Act, 2013. Mrs. Shilpi Modi is the wife of Mr. Ravi Modi. Apart from the details mentioned above, none of the directors have any inter-se relationships.

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

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

The web link of the same is as follows:
<https://vedantfashions.com/wp-content/uploads/2024/04/Familiarization-Programme-for-Independent-Director-8may2024-1.pdf>

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. The web link of the same is as follows: weblink: <https://www.vedantfashions.com/wp-content/uploads/2024/04/CODE-OF-CONDUCT-FOR-DIRECTORS-SENIOR-MANAGEMENT.pdf>.

The Board Members and Senior Management Personnel are expected to adhere to the Code and have accordingly affirmed compliance of the same during the financial year ended 31st March 2025. The declarations regarding the same have been received from all the Board Members and Senior Management Personnel. The Managing Director of the Company has confirmed the same. The same is annexed to the Report.

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

3. AUDIT COMMITTEE

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

The Audit Committee comprises of 3 (Three)* Members out of which one Non-Executive Independent Director acts as the Chairperson, one Non-Executive Independent Director and one Executive Director acts as the Members of the Committee.

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

The Audit Committee has been vested with the power 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 in its meeting, if considered necessary.

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

Terms of reference of Audit Committee

The terms of reference of the Audit Committee include:

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, secretarial 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 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 victimization 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. Management letters/letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
5. 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).

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 five times during the FY 2024-25. The composition of the Audit Committee and the attendance of the Directors at the said meetings are as follows:

| Composition of the Audit Committee | Designation | Audit Committee Meetings Held On | | | | |
|---|------------------------------|----------------------------------|---------------|---------------|------------------|------------------|
| | | April 30, 2024 | June 26, 2024 | July 29, 2024 | October 29, 2024 | January 30, 2025 |
| Ms. Abanti Mitra, Non-Executive & Independent Director | Chairperson of the Committee | Yes | Yes | Yes | Yes | Yes |
| Mr. Manish Mahendra Choksi, Non-Executive & Independent Director | Member | Yes | Yes | Yes | Yes | Yes |
| Mr. Ravi Modi, Chairman & Managing Director | Member | Yes | Yes | Yes | Yes | Yes |
| Mr. Tarun Puri*, Non-Executive & Independent Director | Member | Yes | Yes | Yes | Yes | Not Applicable |

* Mr. Tarun Puri resigned as a Member in the Audit Committee w.e.f. October 29, 2024.

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 30th August, 2024 to address shareholder's queries, if any.

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 3 (Three) members out of which one Non-Executive Independent Director acts as the Chairman, one Non-Executive Independent Director and one Non-Executive Non-Independent Director acts as members.

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

The terms of reference of the Committee include 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.
 - (iv) For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director.
- (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/wp-content/uploads/2024/04/NOMINATION-AND-REMUNERATION-POLICY.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 March 26, 2025 to evaluate the performance 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 and to assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. 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 reflect a 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 2025.

Composition, Number of members, Chairperson, Meetings and Attendance

The Committee met five times during the FY 2024-25. The attendance of the Members at the said Meetings was:

| Members of the Nomination and Remuneration Committee | Designation | Nomination and Remuneration Committee Meetings Held On | | | | |
|--|------------------------------|--|---------------|---------------|------------------|----------------|
| | | April 30, 2024 | June 26, 2024 | July 29, 2024 | October 29, 2024 | March 26, 2025 |
| Mr. Tarun Puri, Non-Executive & Independent Director | Chairperson of the Committee | Yes | Yes | Yes | Yes | Yes |
| Mr. Manish Mahendra Choksi, Non-Executive & Independent Director | Member | Yes | Yes | Yes | Yes | Absent |
| Mr. Sunish Sharma, Non-Executive Director | Member | Yes | Yes | Yes | Yes | Yes |

The Chairman of the Nomination & Remuneration Committee attended the last AGM held on 30th August, 2024.

5. DETAILS OF REMUNERATION FOR THE YEAR ENDED MARCH 31, 2025:**(i) Executive Directors**

During the year under review, the following remuneration was paid/payable for FY 24-25 to Mr. Ravi Modi, Chairman & Managing Director and Mrs. Shilpi Modi, Whole time Director:

(in INR)

| Name of Director | Fixed Salary | Variable Salary | Total remuneration |
|------------------|--------------------|------------------|--------------------|
| Mr. Ravi Modi | 3,00,00,000 | 48,00,000 | 3,48,00,000 |
| Mrs. Shilpi Modi | 2,00,00,000 | 32,00,000 | 2,32,00,000 |
| Total | 5,00,00,000 | 80,00,000 | 5,80,00,000 |

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, 2025:

| Name | No. of Shares held in the Company |
|------------------|-----------------------------------|
| Mr. Ravi Modi | 1688134 |
| Mrs. Shilpi Modi | 2656104 |

(ii) Non-Executive Directors

The Non-Executive Directors are entitled to sitting fees for attending meetings of the Board and Committees thereof as per the prescribed limit under the applicable laws. They are each entitled to a remuneration of ₹30,00,000 p.a (including sitting fees). The sitting fee for attending meetings of the Board, Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee meeting is ₹1,00,000/- per meeting respectively.

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 | 1,00,000 |
| Audit Committee Meeting | 1,00,000 |
| Nomination and Remuneration Committee Meeting | 1,00,000 |
| Risk Management Committee | 1,00,000 |
| Stakeholders Relationship Committee Meeting | 1,00,000 |
| CSR Committee | 1,00,000 |

* Provided that the sitting fees and the Commission/Other fees (if any) payable to the Non-Executive Directors shall not exceed the limit of ₹30,00,000 per annum to each Director.

The criteria for making payments to non-executive Directors is available on the Company's website. The web link of the same is as follows: (weblink: <https://www.vedantfashions.com/wp-content/uploads/2024/04/CRITERIA-FOR-PAYMENT-TO-NON-EXECUTIVE-DIRECTORS.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 |

The following are the sitting fees paid / payable for attending Board Meeting and other Committee Meetings and the Commission/other fees to the Non-Executive Directors for the FY 24-25:

| Name of the Director | Board/Committee Memberships in the Company | Total sitting fees (INR) | Commission/ Other fees (INR) |
|----------------------------|--|--------------------------|------------------------------|
| Mr. Manish Mahendra Choksi | Board Meeting Audit Committee Nomination and Remuneration Committee Risk Management Committee Stakeholder Relationship Committee | 17,00,000 | 13,00,000 |
| Mr. Sunish Sharma | Board Meeting Nomination and Remuneration Committee | 11,00,000 | 19,00,000 |
| Mr. Tarun Puri | Board Meeting Nomination and Remuneration Committee Risk Management Committee Corporate social Responsibility Committee | 19,00,000 | 11,00,000 |
| Ms. Abanti Mitra | Board Meeting Audit Committee Stakeholder Relationship Committee Corporate Social Responsibility Committee Risk management Committee | 16,00,000 | 14,00,000 |

During the financial year 2024-25, 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 4 (Four) Directors, out of which two are Executive Directors and two Non-Executive Independent Directors. The Committee is headed by a Non-Executive Independent Director. The Committee specifically looks into the redressal of stakeholders and investor complaints.

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

The terms of reference of the Committee includes the following:

- 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;

Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, general meetings etc.

- b) Reviewing of measures taken for effective exercise of voting rights by shareholders;
- c) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- d) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to

shares, debentures and other securities from time to time;

- e) Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
- f) Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- g) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

Composition, Number of members, Chairperson, Meetings and Attendance

The Committee met three times during the FY 2024-25. The attendance of the Directors at the said meetings was:

| Members of the Stakeholders Relationship Committee | Designation | Stakeholders Relationship Committee Meeting Held On | | |
|--|------------------------------|---|------------------|----------------|
| | | July 29, 2024 | October 29, 2024 | March 26, 2025 |
| Ms. Abanti Mitra, Non-Executive & Independent Director | Chairperson of the Committee | Yes | Yes | Yes |
| Mr. Ravi Modi, Chairman & Managing Director | Member | Yes | Yes | Yes |
| Mrs. Shilpi Modi, Whole time Director | Member | Yes | Yes | Yes |
| Mr. Manish Mahendra Choksi, Non-Executive Independent Director | Member | Yes | Yes | Absent |

The Chairman of the Stakeholders Relationship Committee attended the last AGM held on 30th August, 2024.

Number of complaints received and resolved during the year:

| | |
|---|-----|
| Number of complaints pending at the beginning of the financial year 2024-25 | NIL |
| Number of complaints received during the year 2024-25 | 1 |
| Number of complaints redressed during the year 2024-25 | 1* |
| Number of complaints pending at the end of the financial year 2024-25 | NIL |
| Number of complaints not solved to the satisfaction of shareholders | NIL |

**The Company received one complaint via SEBI Complaint Redress System (SCORES) on March 18, 2025, the appropriate actions regarding the same was taken by the RTA of the Company on March 28, 2025 and a suitable reply thereof was filed on the very same day by the Company. The Complaint has been disposed of by the SEBI on April 12, 2025.*

7. RISK MANAGEMENT COMMITTEE

The Company has in place a Risk Management Committee in line with Regulation 21 of the Listing Regulations. The Committee is comprised of 3 (Three) members till October 29, 2024, all of whom are Board members comprising of two Non-Executive Independent Directors and one Executive Director, as Chairperson of the Committee. Subsequently, Ms. Abanti Mitra, Non-Executive Independent Director, was inducted into the Committee as a Member w.e.f. October 29, 2024, increasing the strength of the Committee to 4 (Four) members. The Risk Management Committee has powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it is considered necessary.

The terms of reference of the Committee include the following:

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

Composition, Number of members, Chairperson, Meetings and Attendance

The Committee met two times during FY 2024-25. The attendance of the Directors at the said meetings was:

| Members of the Risk Management Committee | Designation | Risk Management Committee Meeting Held On | |
|--|------------------------------|---|----------------|
| | | September 3, 2024 | March 26, 2025 |
| Mr. Ravi Modi, Chairman & Managing Director | Chairperson of the Committee | Yes | Yes |
| Mr. Manish Mahendra Choksi Non-Executive & Independent Director | Member | Yes | Absent |
| Mr. Tarun Puri Non-Executive & Independent Director | Member | Yes | Yes |
| Ms. Abanti Mitra* Non-Executive & Independent Director | Member | NA | Yes |

*Mrs. Abanti Mitra was inducted as a Member of the Risk Management Committee w.e.f. October 29, 2024.

8. 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 2024-25 | Nil | Nil |
| Number of complaints filed during the year 2024-25 | Nil | Nil |
| Number of complaints disposed of during the year 2024-25 | Nil | Nil |
| Number of complaints pending at the end of the financial year 2024-25 | Nil | Nil |

9. 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 and perform such other duties as assigned to it under the applicable laws or by the Board. The Committee comprises of 4 (four) members out of which, one Executive Director is the Chairman, one Executive Director and two Non-Executive Independent Directors are members of the Committee.

Composition, Number of members, Chairperson, Meetings and Attendance

The Committee met two times during the FY 2024-25. The attendance of the Directors at the said Meeting was:

| Members of the CSR Committee | Designation | CSR Committee Meeting Held On | |
|--|------------------------------|-------------------------------|----------------|
| | | January 30, 2025 | March 26, 2025 |
| Mr. Ravi Modi Chairman & Managing Director | Chairperson of the Committee | Yes | Yes |
| Mrs. Shilpi Modi Whole time Director | Member | Yes | Yes |
| Mr. Tarun Puri Non-Executive & Independent Director | Member | Yes | Yes |
| Ms. Abanti Mitra Non-Executive & Independent Director | Member | Yes | Yes |

The CSR Policy is available on the Company's website (The web link of the same is as follows: weblink: <https://www.vedantfashions.com/wp-content/uploads/2024/04/CORPORATE-SOCIAL-RESPONSIBILITY.pdf>)

10. SENIOR MANAGEMENT

As per the definition provided in Companies Act, 2013 & SEBI Listing Regulations, 2015, our Company has identified its Senior Management as:

| Sl. No | Name of Senior Management | Designation |
|--------|----------------------------|--|
| 1. | Mr. Vedant Modi | Chief Revenue Officer |
| 1. | Mr. Anand Narang | Chief Marketing & Digital Officer |
| 2. | Mr. Amar Sethia | Chief Product Officer |
| 4. | Mr. Ajay Modi | Chief Supply Chain Officer |
| 5. | Mr. Rahul Murarka | Chief Financial Officer |
| 6. | Mr. Navin Pareek | Company Secretary & Compliance Officer |
| 7. | Mr. Arunangshu Chatterjee* | Chief Human Resource Officer |

**During the financial year under review, Mr. Arunangshu Chatterjee was appointed in the Company as Chief Human Resource Officer w.e.f. July 22, 2024, and he resigned from the Company on May 01, 2025.*

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

The meeting of the Independent Directors during the year 2024-25 was 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 26, 2025, and all Independent Directors participated in the meeting. The detail of familiarization programmes is available on the Company's website

(weblink: <https://vedantfashions.com/wp-content/uploads/2024/04/Familiarization-Programme-for-Independent-Director-8may2024-1.pdf>)

11. 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 related parties, 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 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://vedantfashions.com/wp-content/uploads/2024/04/RPT-Policy-Version-3.pdf>)

- b) There were no penalties imposed by either SEBI or the stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets during last three years.
- 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 have 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://vedantfashions.com/wp-content/uploads/2024/04/Whistle-Blower-Policy-V3.0.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:

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

- e) The Company has no material commodity price risks and accordingly has not entered into Commodity hedging.
- f) **Details of total fees paid to Statutory Auditors**

M/s B S R & Co. LLP, Chartered Accountants (FRN: 101248W/W-100022), were appointed as the Statutory Auditors of the Company at the 20th AGM held on 8th September 2022 for a term of 5 years effective from FY 2022-23. They have issued the limited review reports of the three quarters of

FY 2024-25 and the Audited/Review Report on the Financial Statement/Results for the quarter and year ended March 31, 2025.

The details of total fees for all services paid by the Company during FY 2024-25 to the statutory auditor(s) and all entities in the network firm/network entity of which the statutory auditor is a part, are as follows:

| Particulars | Amount (INR in million) |
|--|----------------------------|
| Services as statutory auditors (including quarterly audits) | 4.10 |
| Services as tax auditors | 0.50 |
| Re-imbursement of out-of-pocket expenses | 0.33 |
| Total | 4.93 |

g) **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.

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

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

i) **Recommendations of the Committees of the Board**

There were no such instances during the financial year 2024-25, wherein the Board had not accepted recommendations made by any Committees of the Board.

j) **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.

k) **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.

l) Details of Material Subsidiaries

Not Applicable.

12. 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 Integrated Filing, 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/investors-category/reports-results/investor-presentation/>.

(d) SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web-based complaints redress system.

(e) Website:

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

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

Yes

13. 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 |
|------------------|----------------------|---------------------------------|---|---|
| 22 nd | March 31, 2024 | August 30, 2024 3:00 P.M. | Through Video Conferencing/ OAVM (Deemed Venue – Registered Office of the Company) | NIL |
| 21 st | March 31, 2023 | August 24, 2023 4:00 P.M. | Through Video Conferencing/ OAVM (Deemed Venue – Registered Office of the Company) | YES. 1. Approval for alteration of the Articles of Association of the Company. |
| 20 th | March 31, 2022 | September 08, 2022 3:30 P.M. | Through Video Conferencing/ OAVM (Deemed Venue – Registered Office of the Company) | YES. 1. Ratification of the Employee Stock Option Scheme. 2. Ratification of extension of benefits to the Employee Stock Option Scheme to the employees of the Group Companies. |

(ii) Postal Ballot and postal ballot process

During the period beginning 1st April 2024 till the date of this report, the Company has obtained approval of the Members through Postal Ballot (through e-voting only) on one occasion. Description of resolutions passed, relevant dates, details of the voting pattern and procedure followed are mentioned hereunder:

Postal Ballot conducted vide Notice dated 30th January 2025.

| | |
|--|------------|
| Dispatch of Notice of Postal Ballot | 05-02-2025 |
| Cut-off date for determining list of members eligible to cast vote | 31-01-2025 |
| Commencement of Remote e-Voting | 07-02-2025 |
| End of Remote e-Voting | 09-03-2025 |
| Date of announcements of Results | 10-03-2025 |

Resolutions passed and voting pattern

| Type of Resolution | Subject Matter | Number of Votes | | | |
|--------------------|---|-----------------|---------|---------|--------|
| | | For | % | Against | % |
| Special Resolution | Enhancement of the existing limit under Section 186 of the Companies Act, 2013: | 215357303 | 95.9231 | 9153034 | 4.0769 |

Procedure followed by Company for conducting Postal Ballot:

In terms of the requirements specified in the MCA/SEBI Circulars, the Company has sent the Notice only by e-mail to all its members whose names appear in the Register of Members/List of Beneficial Owners as received from the KFin Technologies Limited, the Company's Registrar and Transfer Agent ("RTA") as on Friday, 31st January, 2025 ("Cut-Off Date") and whose e-mail addresses are registered with the Company/RTA/Depositories/ Depository Participant(s). Accordingly, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope have not been sent to the Members for this Postal Ballot. The communication of assent or dissent of Members would only take place through the e-voting system. The Company has engaged in the services of KFin Technologies Limited ('KFin') to facilitate the e-voting process.

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.

After completion of scrutiny of the votes, the Scrutinizer has submitted his report to the Chairperson of the Company or to Company Secretary of the Company after completion of the scrutiny of the e-voting. The result of the Postal Ballot has been announced within two working days of the conclusion of remote e-voting. The said results along with the Scrutinizer's Report has been placed on the Company's website at www.vedantfashions.com and on the RTA website at einward.ris@kfintech.com immediately.

The resolutions passed by the requisite majority, are deemed to be passed on the last date specified for e-voting.

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

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

14. GENERAL SHAREHOLDER INFORMATION**(a) Annual General Meeting for the FY 2024-25**

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

Dividend Payment Date: Dividend of 800 % i.e. ₹8 /- per equity share of face value of ₹1 each for the financial year 2024-25 has been recommended by the Board of Directors to the members for their approval. If approved, dividend shall be paid within 30 days from the date of declaration.

The Company has declared Dividend four times during the last seven years i.e. FY 2019-20, 2021-22, 2022-23 and 2023-24, the details whereof are as follows:

| Financial Year | Percentage (%) | Dividend in ₹ per share |
|----------------|----------------|---------------------------------|
| 2019-20 | 200% | 4.00 (Face Value: ₹2 per share) |
| 2021-22 | 500% | 5.00 (Face Value: ₹1 per share) |
| 2022-23 | 900% | 9.00 (Face Value: ₹1 per share) |
| 2023-24 | 850% | 8.50 (Face Value: ₹1 per share) |

The following amount of dividend remained unclaimed as on 31st March, 2025:

| Sl No | Financial Year | Amount (₹) |
|-------|----------------|------------|
| 1 | 2021-22 | 44,916.00 |
| 2 | 2022-23 | 83,555.00 |
| 3 | 2023-24 | 65,494.50 |

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

(b) the name and address of each stock exchange(s) at which the listed entity's securities are listed and confirmation about payment of annual listing fee to each of such stock exchange(s);

| 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 |

The listing fees for the Financial Year 2025-26 have been duly paid.

(c) Tentative Calendar for the FY 2025-26 (subject to change)

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

(d) Registrar and Share Transfer Agent

KFin Technologies Limited (formerly known as KFin Technologies Pvt Limited)
Selenium Building, Tower B, Plot no. 31 & 32,
Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy,
Telangana – 500 032, India
Contact no.: 040 67161700 / 18003094001
Email ID: 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) 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.

(g) Distribution of shareholdings:

| Category | Shareholders | | Shares | |
|------------------|--------------|-------------------|--------------|-------------|
| | Numbers | % of shareholders | Numbers | % of shares |
| Upto - 5000 | 74,378 | 99.3933 | 59,78,724 | 2.4609 |
| 5001 - 10000 | 179 | 0.2392 | 12,20,395 | 0.5023 |
| 10001 - 20000 | 94 | 0.1256 | 13,27,444 | 0.5464 |
| 20001 - 30000 | 32 | 0.0428 | 7,93,456 | 0.3266 |
| 30001 - 40000 | 24 | 0.0321 | 8,56,000 | 0.3523 |
| 40001 - 50000 | 16 | 0.0214 | 7,16,137 | 0.2948 |
| 50001 - 100000 | 32 | 0.0428 | 22,99,518 | 0.9465 |
| 100001 and above | 77 | 0.1029 | 22,97,52,335 | 94.5701 |
| Total | | | | 100 |

(h) Dematerialization of shares and liquidity

As on March 31, 2025, 100% of the Company's total shares representing **24,29,44,009** shares (except 1 equity share held in physical) were held in dematerialised form details of which are given below:

| Category | Total Shares | % to Equity |
|--------------|---------------------|-------------|
| Physical | 1 | 0 |
| Demat- | 24,29,44,008 | 100 |
| NSDL | 24,09,48,403 | 99.18 |
| CDSL | 19,95,605 | 0.82 |
| Total | 24,29,44,009 | 100 |

The entire shareholding of the promoters' and members of promoters' group are in dematerialized form.

(i) 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.

(j) Insider trading regulations

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 designated as the Compliance Officer for this purpose.

(k) 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.

(l) Compliance Officer

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

(m) Credit Rating

During the year under review, the following rating has been upgraded/reaffirmed for the Company by CRISIL vide its press release dated July 05, 2024:

| | |
|--------------------------------------|------------------|
| Total Bank Loan Facilities Rated | ₹120 crore |
| Long Term Rating | CRISIL AA/Stable |
| ₹10 Crore Commercial Paper Programme | CRISIL A1+ |

(n) Manufacturing/ Warehouse Units

| | |
|--|--|
| <ul style="list-style-type: none"> Part-C, Block-A, Srijan Industrial Logistics Park, NH-6, Bombay Road, Mohiary, Chandni Bagan, Howrah-711302, West Bengal | <ul style="list-style-type: none"> 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.

15. CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

The company has obtained a certificate from **Vivek Mishra & Co.** certifying compliance of conditions of corporate governance which is annexed to this report.

16. UNCLAIMED SUSPENSE ACCOUNT

The Company do not have any unclaimed suspense account.

17. DISCLOSURE OF CERTAIN TYPES OF AGREEMENTS BINDING LISTED ENTITIES

| Sl. No. | Name of Party with whom agreement is entered | Purpose of agreement | Significant terms of agreement (in brief) | Whether the said parties are related to promoter/promoter group/group companies |
|-----------------|--|----------------------|---|---|
| Not Applicable. | | | | |

18. SUMMARISED DETAIL OF CORPORATE POLICIES / OTHER IMPORTANT LINKS

| Particulars | Website Details/Links |
|--|---|
| Composition of the Board of Directors | https://vedantfashions.com/wp-content/uploads/2024/04/Profile-of-Directors-draft-1.pdf |
| Terms and conditions of appointment of Independent Directors | https://www.vedantfashions.com/wp-content/uploads/2024/04/TERMS-OF-APPOINTMENT-OF-INDEPENDENT-DIRECTOR.pdf |
| Familiarization Programme for Independent Directors | https://www.vedantfashions.com/wp-content/uploads/2024/04/Familiarization-Programme-for-Independent-Director-8may2024.pdf |
| Nomination and Remuneration Policy | https://www.vedantfashions.com/wp-content/uploads/2024/04/NOMINATION-AND-REMUNERATION-POLICY.pdf |
| Code of Conduct for Prevention of Insider Trading | https://vedantfashions.com/wp-content/uploads/2024/04/Code-of-Conduct-PIT-VFL_Version-V3.pdf |
| Criteria for Making Payments to Non-Executive Directors | https://www.vedantfashions.com/wp-content/uploads/2024/04/CRITERIA-FOR-PAYMENT-TO-NON-EXECUTIVE-DIRECTORS.pdf |
| Corporate Social Responsibility Policy | https://www.vedantfashions.com/wp-content/uploads/2024/04/CORPORATE-SOCIAL-RESPONSIBILITY.pdf |
| Code of Conduct for Directors and Senior Management | https://www.vedantfashions.com/wp-content/uploads/2024/04/CODE-OF-CONDUCT-FOR-DIRECTORS-SENIOR-MANAGEMENT.pdf |
| Related Party Transaction Policy | https://vedantfashions.com/wp-content/uploads/2024/04/RPT-Policy-Version-3.pdf |
| Vigil Mechanism/ Whistle Blower Policy | https://vedantfashions.com/wp-content/uploads/2024/04/Whistle-Blower-Policy-V3.0.pdf |
| Policy for Determination of an Event/ Information | https://www.vedantfashions.com/wp-content/uploads/2024/04/MATERIALITY-POLICY.pdf |
| Preservation and Archival Policy | https://www.vedantfashions.com/wp-content/uploads/2024/04/PRESERVATION-AND-ARCHIVAL-POLICY.pdf |

| Particulars | Website Details/Links |
|---|---|
| Dividend Distribution Policy | https://www.vedantfashions.com/wp-content/uploads/2024/04/DIVIDEND-POLICY.pdf |
| Policy on determination of Materiality | https://www.vedantfashions.com/wp-content/uploads/2024/04/MATERIALITY-OF-EVENTS.pdf |
| Policy on Board Diversity | https://www.vedantfashions.com/wp-content/uploads/2024/04/POLICY-ON-BOARD-DIVERSITY.pdf |
| Succession Policy for the Board and Senior Management | https://www.vedantfashions.com/wp-content/uploads/2024/04/SUCCESSION-POLICY-FOR-THE-BOARD-AND-SENIOR-MANAGEMENT.pdf |
| Policy on Material Subsidiaries | https://www.vedantfashions.com/wp-content/uploads/2024/04/MATERIAL-SUBSIDIARY-POLICY.pdf |
| Risk Management Policy | https://www.vedantfashions.com/wp-content/uploads/2024/04/RISK-MANAGEMENT-POLICY.pdf |
| Business Responsibility and Sustainability Reporting Policy | https://www.vedantfashions.com/wp-content/uploads/2024/04/BUSINESS-RESPONSIBILITY-AND-SUSTAINABILITY-REPORTING-POLICY.pdf |

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 2024-25, 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

Place: Kolkata

Date: May 06, 2025

Ravi Modi
Chairman & Managing Director
DIN: 00361853

Certificate on Corporate Governance

Registration No. of the Company - L51311WB2002PLC094677

Nominal Capital – ₹35,10,00,000

To,

The Members

Vedant Fashions Limited

(formerly known as Vedant Fashions Private Limited)

19 Canal South Road, Paridhan Garment Park,

SDF-1, 4th Floor, A501-A502, Kolkata 700015, W.B.

We have examined the compliance of the conditions of Corporate Governance by Vedant Fashions Limited (**hereinafter referred to as ‘the Company’**) for the year ended March 31, 2025 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’).

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended March 31, 2025.

We state that no investor’s grievance/complaint has been pending unresolved as on March 31, 2025.

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

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

CS Vivek Mishra
Partner

FCS No.: 8540 | COP: 17218

Peer Review No.: 1720/2022

UDIN: - F008540G000275774

Place: Kolkata

Date: 6th May 2025

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
19, Canal South Road,
Paridhan Garment Park, SDF-1
4th Floor, A501-A502,
Kolkata 700015, W.B., IN

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in), 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, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

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

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

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

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

Place: Kolkata
Date: 6th May, 2025

CS Vivek Mishra
Partner
FCS No.: 8540 | COP: 17218
Peer Review No.: 1720/2022
UDIN: - 008540G000275851

Managing Director & Chief Financial Officer Certification

Date: May 06, 2025

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

Sub: MD and CFO Compliance Certificate on Financial Statements for the financial year ended March 31, 2025 (“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, 2025 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal, or violative of the Company’s code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken to rectify these deficiencies.
4. We do further certify that there has been:
 - i. no significant changes in internal control over financial reporting during the year;
 - ii. no significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - iii. no instance of significant fraud with involvement therein, of the management or any employee having a significant role in the Company’s internal control system over financial reporting.

Request you to take a note of the same.

Thanking you
For, **Vedant Fashions Limited**

Ravi Modi
Chairman & Managing Director

For, **Vedant Fashions Limited**

Rahul Murarka
Chief Financial Officer

Business Responsibility & Sustainability Reporting

Table of Content

Section A General Disclosure

Section B Management and Process Disclosure

Section C Principle wise Performance Disclosure

Principle 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Principle 2 Businesses should provide goods and services in a manner that is sustainable and safe

Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Principle 4 Businesses should respect the interests of and be responsive to all its stakeholders

Principle 5 Businesses should respect and promote human rights

Principle 6 Businesses should respect and make efforts to protect and restore the environment

Principle 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Principle 8 Businesses should promote inclusive growth and equitable development

Principle 9 Businesses should engage with and provide value to their consumers in a responsible manner

Section A: General disclosure

I. Details of the listed entity

| | | |
|----|--|---|
| 1 | Corporate Identity Number (CIN) of the Listed Entity | L51311WB2002PLC094677 |
| 2 | Name of the Listed Entity | Vedant Fashions Limited |
| 3 | Year of incorporation | 2002 |
| 4 | Registered office address | A501-A502, SDF-1, 4 th Floor, Paridhan Garment Park, 19, Canal South Road, Kolkata, 700015, West Bengal |
| 5 | Corporate address | A501-A502, SDF-1, 4 th Floor, Paridhan Garment Park, 19, Canal South Road, Kolkata, 700015, West Bengal |
| 6 | Email | <i>secretarial@manyavar.com</i> |
| 7 | Telephone | 033- 61255353 |
| 8 | Website | <i>www.vedantfashions.com</i> |
| 9 | Financial year for which reporting is being done | 2024-25 |
| 10 | Name of the Stock Exchange(s) where shares are listed | BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) |
| 11 | Paid-up Capital | INR 24,29,44,009 |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Mr. Navin Pareek, Company Secretary & Compliance Officer Phone: 033-61255495 Email: <i>complianceofficer@manyavar.com</i> |
| 13 | Reporting boundary | Standalone |
| 14 | Name of assurance provider | Not applicable |
| 15 | Type of assurance obtained | Not applicable |

II. Products / services

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

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

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

| S. No. | Product/service | NIC Code | % of total Turnover contributed |
|--------|-------------------------------|----------|---------------------------------|
| 1 | Wearing Apparel & Accessories | 1410 | 100% |

III. Operations

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

Vedant Fashions Limited (VFL or the Company) operates a centralized warehouse in Dhulagarh, Howrah, West Bengal, and a factory in Barasat, Kolkata, West Bengal. Its registered and corporate office is based at Paridhan Garment Park in Kolkata. In addition, the Company runs seven retail outlets—five in Kolkata and two in Mumbai.

| Location | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National | 9 | 1 | 10 |
| International | 0 | 0 | 0 |

*Note: The details of the major locations where manufacturing and warehousing activities are carried out have been included above. Seven company operated stores, one warehouse and one factory are included in the numbers of plants column.

19. Market served by the entity:

a. Number of locations:

| Locations | Number |
|----------------------------------|--|
| National (No. of States and UTs) | 26 (244 cities and towns in India) |
| International (No. of Countries) | VFL has international stores across four countries: the United States of America (USA), the United Arab Emirates (UAE), the United Kingdom (UK), and Canada. |

b. What is the contribution of exports as a percentage of the total turnover of the entity?

In the FY 2024-25, exports contributed 2.62 % to the company's total turnover.

c. A brief on types of customers

Vedant Fashions Limited (VFL), established in 2002 in Kolkata, specializes in branded fashion apparel and accessories, focusing on ready-made ethnic wear for men, women, and children. The company offers a diverse range of Indian attire and accessories through its five distinguished brands: Manyavar, Mohey, Twamev, Diwas and Mebaz.

VFL's products are distributed through multiple retail channels, including exclusive brand outlets (EBOs), multi-brand outlets (MBOs), large format stores (LFS), and online platforms such as its own website and leading e-commerce platforms. This omni-channel approach ensures a broad reach, catering to customers both in India and internationally, with a presence in countries like USA, UAE, UK, and Canada. By embracing the essence of Indian traditions and weaving them into a diverse product range, VFL strives to serve as a one-stop destination for customers seeking attire for celebratory occasions, traditional, and ethnic wear.

IV. Employees

20. Details as at the end of Financial Year

a. Employees and workers (including differently abled):

| S. No. | Particulars | Total (A) | Male | | Female | |
|-----------|--------------------------|-----------|---------|---------|---------|---------|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| Employees | | | | | | |
| 1. | Permanent (D) | 471 | 374 | 79% | 97 | 21% |
| 2. | Other than permanent (E) | 2 | 2 | 100% | 0 | 0% |
| 3. | Total employees (D+E) | 473 | 376 | 79% | 97 | 21% |
| Workers | | | | | | |
| 4 | Permanent (F) | 299 | 272 | 91% | 27 | 9% |
| 5 | Other than permanent (G) | 326 | 288 | 88% | 38 | 12% |
| 6 | Total workers (F+G) | 625 | 560 | 90% | 65 | 10% |

Note: Definition of employee clustering is as under:

• Permanent Employees include employees who are on Company's payroll • Other than Permanent Employees are sourced from third-party agencies to fulfil specific roles or projects • Permanent Workers include those workers who are on Company's payroll and engaged in manual work • Other than Permanent Workers includes workers who are deployed for a fixed term that ends when a specific time period expires (LFS, factory, MBO, warehouse, housekeeping and security) • Trainees and Apprentices not included in the Workforce

b. Differently abled Employees and workers:

| Differently abled employees | | | | | | |
|-----------------------------|--------------------------|-----|--|--|--|--|
| 1. | Permanent (D) | Nil | | | | |
| 2. | Other than permanent (E) | | | | | |
| 3. | Total employees (D+E) | | | | | |
| Differently abled workers | | | | | | |
| 4. | Permanent (F) | Nil | | | | |
| 5. | Other than permanent (G) | | | | | |
| 6. | Total workers (F+G) | | | | | |

21. Participation/Inclusion/Representation of women

| | Total (A) | No. and percentage of Females | |
|--------------------------|-----------|-------------------------------|---------|
| | | No. (B) | % (B/A) |
| Board of Directors | 4 | 1 | 25% |
| Key Management Personnel | 4 | 1 | 25% |

*Board of Directors include Non-Executive Directors only

**KMP includes executive directors and non-board KMP

22. Turnover rate for permanent employees and workers

| | FY 2024-25 (Turnover rate in current FY) | | | FY 2023-24 (Turnover rate in previous FY) | | | FY 2022-23 (Turnover rate in the year prior to the previous FY) | | |
|--------------------|---|--------|-------|--|--------|-------|--|--------|-------|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent employee | 13% | 26% | 16% | 12% | 34% | 16% | 13% | 38% | 17% |
| Permanent workers | 4% | 0% | 3% | 5% | 0% | 4% | 6% | 4% | 6% |

IV. Holding, Subsidiary and Associate Companies (including joint ventures)**23. Names of holding / subsidiary / associate companies / joint ventures**

| S. No. | Name of the holding / subsidiary / associate companies / joint ventures | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|---|--|-----------------------------------|--|
| - | Not any | Not any | - | - |

Note: Manyavar Creations Private Limited has been merged with Vedant Fashions Ltd in the FY 2024-25

V. CSR details

Vedant Fashions Limited, in adherence to its CSR policy and in compliance with Section 135 of the Companies Act, 2013, along with its amended rules and the subjects delineated in Schedule VII of the aforementioned Act, undertakes initiatives centered on two core themes: Health and Education. In FY 2024-25, the company expanded its CSR efforts, positively impacting numerous lives across 8 (eight) Indian states and 1 (one) union territory. With a dedicated CSR fund of INR 100.3 million, VFL has actively contributed to the betterment of society, embodying its commitment to social welfare and sustainability development.

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) **Turnover:** INR 13,864.83 million (During the year ended 31st March 2025)

(iii) **Net worth:** INR 17,863.10 million (During the year ended 31st March 2025)

VI. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Driven by the goal of fostering a safe and inclusive atmosphere where every stakeholder feels appreciated and empowered, VFL has developed and sustained a transparent and effective system for grievance redressal. This system is designed to ensure that all concerns, questions, and complaints related to the Company's operations and officials are thoroughly investigated and resolved in a timely and equitable manner.

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy) | FY 2024-25 | | | FY 2023-24 | | |
|---|--|--|--|---|--|--|--|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes https://www.vedantfashions.com/contact_us | 0 | 0 | - | 0 | 0 | - |
| Investor (other than shareholders) | | 0 | 0 | - | 0 | 0 | - |
| Shareholders | | 1 | 0 | Complaint was related to assistance in the process of dematerialization of shares | 2 | 0 | Complaints related to IPO fund blocking and dividend warrant |
| Employees and workers | | 0 | 0 | - | 0 | 0 | - |
| Customers | | 6350 | 0 | - | 5985 | 120 | - |
| Value chain partners | | 0 | 0 | - | 1 | 1 | Eviction Suit filed by Lessor as Lease expired. Post negotiation fresh Lease executed and few other points pending negotiation |

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------------|--|---|--|---|
| 1 | GHG Emissions | Risk | The Company's dependence on energy-intensive processes, such as manufacturing and transportation, makes it vulnerable to regulatory compliance obligations. Rising fossil fuel costs and the industry's transition towards sustainability further increase financial and operational risks. Carbon-intensive assets may also become obsolete or less competitive. | VFL has implemented measures to mitigate GHG-related risks, including offsetting 850 tons of carbon emissions in FY 2024-25 against its total Scope 1 & 2 emissions of 822.25 tCO ₂ e in FY 2023-24. Additionally, energy-efficient lighting and air-conditioning systems have been adopted at VFL-owned premises. | Negative – This Includes compliance costs, reputational risks, increased operational expenses, supply chain disruptions, and potential impacts on profitability and shareholder value. |
| 2 | Waste Management | Risk | Waste management poses risk for VFL as non-compliance with environmental and waste management regulations can lead to fines, legal action, and reputational damage, impacting the company's financial standing and brand perception. | VFL has implemented source segregation of waste at its office, factory and warehouse. Other sustainable waste management practices such as digital invoicing, electronic document signing, promoting paper/cloth bags over plastic, reducing plastic bottle usage, responsible recycling of plastic waste, and ensuring proper disposal of e-waste through authorized vendors. | Positive – Consumers increasingly favor brands that prioritize sustainability, leading to stronger brand loyalty and competitive advantages. |
| 3 | Talent Attraction and Retention | Opportunity | VFL aims to position itself as the preferred employer by actively shaping structural adjustments. This includes implementing business relevant training and learning programs, offering equitable and progressive compensation packages, objective performance reviews & career development plans introducing flexible work model, and providing further benefits to foster a productive and sustainable workplace environment. | Not applicable | Positive – Talent attraction and retention offer a competitive edge, enhance employer branding, attract top talent, retain loyal and competitive employees, reduce the costs associated with recruitment and hiring etc. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|--------------------------------|--|---|---|---|
| 4 | Occupational health and safety | Risk | OHS poses risk to VFL's own operations and its supply chain. Within its own manufacturing facility, workers engaged in cutting, embroidery, stitching, and finishing tasks face potential exposure to sharp objects, electrical hazards, and other workplace dangers. Moreover, Jobbers responsible for majority portion of VFL's production activities may also encounter similar occupational risks. Failure to effectively address these OHS risks can result in employee injuries, illnesses, or even fatalities. | <ol style="list-style-type: none"> 1. Employees and workers have undergone OHS training programs, including firefighting, and undergo regular health check-ups. 2. Medclaim and ESIC have been provided to employees and workers. 3. The Company has partnered with a third-party agency to offer discounted diagnostic services to employees, workers, and their dependents. 4. Strict protocols ensure workers in factories always wear safety guards while working with sharp objects. 5. The Company is in process to replace the existing system with an enhanced incident reporting system to identify, report, mitigate and prevent potential hazards, across the operational unit. | Negative – Workplace accidents can result in significant financial costs, including medical expenses, lost productivity, compensation claims, legal fees, and damage to equipment or property. |
| 5 | Diversity and inclusion | Opportunity | Embedding diversity and inclusion into recruitment, training, career development, and leadership practices enables the Company to attract top talent, improve employee engagement, and reduce attrition. A culture that values inclusivity enhances team performance, encourages innovation, and supports long-term workforce stability. | Not applicable | Positive – Diversity and inclusion in the workplace will enhance innovation and creativity, improve employee performance, higher employee retention etc. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|---|---|---|
| 6 | Human rights | Risk | A company that is involved in human rights abuses, such as forced labour or child labour, can face negative publicity and reputational risks. This can result in decreased customer loyalty, loss of business, and a damaged brand image. | The Company has taken proactive steps to uphold human rights across its operations. Awareness posters on the prevention of child labour are prominently displayed at all operational units. Additionally, the Company conducts regular training and sensitization programs for employees and workers on human rights. An internal committee is in place to address grievances related to sexual harassment, ensuring a safe and respectful workplace. These measures are integrated into the Company's Code of Conduct, BRSR Policy, and POSH Policy, reinforcing its commitment to ethical and responsible business practices. | Negative – Any violation can lead to severe reputational and financial risk for the organization. |
| 7 | Community welfare | Opportunity | Corporate Social Responsibility (CSR) has been a longstanding commitment at VFL. The Company through its CSR activities is dedicated to improving the quality of life of community members through various initiatives including health and education related projects. | Not applicable | Positive – Fostering meaningful socioeconomic sustainable development is integral to the Company's mission, aiming to broaden participation and ensure wider demographic inclusion in the nation's economic advancement. Through strategic investments in community welfare initiatives, the Company not only strengthens stakeholder relationships but also cultivates a more resilient business environment, driving long-term and inclusive growth and prosperity for all stakeholders including community members. |

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|--------|---------------------------|--|--|--|--|
| 8 | Corporate governance | Opportunity | <ol style="list-style-type: none"> Enhanced Decision-Making: Robust corporate governance guarantees transparent, accountable, and stakeholder-aligned decision-making processes, enhance overall effectiveness. Strengthened Reputation: A solid corporate governance framework elevates a company's reputation and fosters trust among stakeholders, thus enhancing goodwill and credibility in the market. | Not applicable | Positive – Establishment of a robust corporate governance structure enhances a company's reputation, fosters investor confidence, mitigates risks, facilitates improved access to capital and enables the Company to pursue growth opportunities effectively etc. |

Section B: Management and process disclosures

[illegible]

| Governance, leadership and oversight | |
|--|---|
| 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements | <p>At Vedant Fashions Limited, we believe that long-term business success is intrinsically linked with our ability to create positive environmental and social impact. In today's evolving landscape, the role of business has expanded beyond financial performance to include the responsibility of shaping a sustainable and inclusive future. As custodians of this responsibility, we have continued to embed Environmental, Social, and Governance (ESG) principles across our operations, driving resilience, innovation, and shared value creation.</p> <p>During FY 2024-25, we continued to strengthen our sustainability framework in alignment with the SEBI-BRSR requirements. This enhanced disclosure standard enables us to transparently communicate the progress of our ESG initiatives while reinforcing our accountability to all stakeholders.</p> <p>We made significant strides in our environmental stewardship this year. As part of our plastic Extended Producer Responsibility (EPR) program, we successfully recycled 55 metric tonnes of plastic waste, contributing to circularity in our operations. In addition, we offset 850 tonnes of carbon emissions through solar energy projects in FY 2024-25, surpassing our total Scope 1 and Scope 2 emissions of 822.25 tCO_{2e} in FY 2023-24 — thereby achieving a net-positive climate impact across our direct operations.</p> <p>Our social impact efforts remain deeply rooted in our commitment to inclusive development. Through strategic CSR initiatives, we positively impacted 1,11,544 lives in FY 2024-25, with a focus on access to quality education, healthcare, and community well-being. These programmes, implemented in collaboration with credible partners, reflect our resolve to contribute meaningfully to the socio-economic fabric of the country.</p> <p>We also recognise that our responsibilities extend across the entire value chain — from the artisans and workforce behind our products to the customers we serve. Our engagement with stakeholders continues to be driven by transparency, collaboration, and a shared vision for sustainable growth.</p> <p>As we look ahead, we remain committed to deepening our ESG efforts, strengthening data-driven decision-making, and aligning our sustainability roadmap with national and global priorities. With innovation and accountability as our guiding principles, we are confident in our ability to create lasting value — for our business, our people, and the planet.</p> |

| Disclosure Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|----|----|----|----|----|----|----|----|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Chairman and Managing Director | | | | | | | | |
| 9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | <p>Yes</p> <p>At Board level, the CMD (Chairman and Managing Director) holds the responsibility for overseeing the ESG (Environmental, Social, and Governance) agenda, providing strategic direction to drive the ESG related initiatives and conducting periodic review on ESG initiatives and performances. The CMD ensures that ESG considerations are seamlessly integrated into the Company's decision-making process. Additionally, a strategic team comprising the Chief Revenue Officer, Chief Financial Officer and Company Secretary has been established to develop a comprehensive plan for ESG implementation and to diligently monitor and track the progress of ESG initiatives. Additionally, the Company has strategically deployed a sustainable champion at operational level to ensure implementation of ESG KPIs, initiatives and conduct synergy meetings between the departments to establish common understandings.</p> | | | | | | | | |

10. Details of Review of NGRBCs by the Company:

[illegible]

Section C: Principle wise performance disclosure

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



Essential indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

| Segment | Total number of training and awareness programmes held | Topics / principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|-----------------------------------|--|---|--|
| Board of Directors | 1 | BRSR 9 principles | 100% |
| Key Managerial Personnel | 1 | BRSR 9 principles | 100% |
| Employees other than BoD and KMPs | 1 | BRSR 9 principles | 100% |
| Workers | 1 | BRSR 9 principles | 100% |

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

| | Monetary | | | | |
|-----------------|-----------------|---|-----------------|--|--|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal Been preferred? (Yes/No) |
| Penalty/ Fine | NA | NA | NA | NA | NA |
| Settlement | NA | NA | NA | NA | NA |
| Compounding Fee | P9 | Department of Legal Metrology, Ghaziabad | 50,000 | Notice for compounding the violation of Legal Metrology Act, 2009, for non-disclosure of a mandatory declaration by the Company on its e-commerce website which was subsequently compounded. | No |
| | | | Nil | | |

| | Non-monetary | | | | |
|--------------|-----------------|---|-----------------|-------------------|--|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal Been preferred? (Yes/No) |
| Imprisonment | NA | NA | NA | NA | |
| Punishment | NA | NA | NA | NA | |

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not any

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, VFL's Code of Conduct comprehensively covers the matters pertaining to anti-corruption and anti-bribery. This code serves as a guiding framework, delineating the proper procedures to uphold sound business ethics, including anti-corruption and anti-bribery measures. Additionally, the Company has established a Business Responsibility and Sustainability Reporting (BRSR) policy, underscoring its steadfast commitment to transparent operations and avoidance of corrupt or bribery practices.

Vedant Fashions Limited's Code of Conduct is an internal document and BRSR policy is approved by the Board and available on public domain.

[*BUSINESS-RESPONSIBILITY-AND-SUSTAINABILITY-REPORTING-POLICY.pdf*](#)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

No Directors/KMPs/employees/workers were involved in bribery/corruption both in FY 2024-25 and FY 2023-24. On above grounds, no action was taken by any law enforcement agency.

| | FY 2024-25 | FY 2023-24 |
|-----------|------------|------------|
| Directors | 0 | 0 |
| KMPs | 0 | 0 |
| Employees | 0 | 0 |
| Workers | 0 | 0 |

6. Details of complaints with regard to conflict of interest:

No complaints were received with regard to conflict of interest against Directors/KMPs in FY 2024-25 and FY 2023-24.

| | FY 2024-25 | | FY 2023-24 | |
|--|------------|---------|------------|---------|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0 | - | 0 | - |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | 0 | - | 0 | - |

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

| | FY 2024-25 | FY 2023-24 |
|-------------------------------------|------------|------------|
| Number of days of accounts payables | 72 | 78 |

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

| Parameter | Metrics | FY 2024-25 | FY 2023-24 |
|-----------------------------|--|------------|------------|
| Concentration of Purchases* | a. Purchases from trading houses as % of total purchases | NA | NA |
| | b. Number of trading houses where purchases are made from | NA | NA |
| | c. Purchases from top 10 trading houses as % of total purchases from trading houses | NA | NA |
| Concentration of Sales* | a. Sales to dealers / distributors as % of total sales | NA | NA |
| | b. Number of dealers / distributors to whom sales are made | NA | NA |
| | c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors | NA | NA |
| Share of RPTs in | a. Purchases (Purchases with related parties / Total Purchases) | NA | NA |
| | b. Sales (Sales to related parties / Total Sales) | 0.05 | 0.04 |
| | c. Loans & advances (Loans & advances given to related parties / Total loans & advances) | NA | NA |
| | d. Investments (Investments in related parties / Total Investments made) | NA | NA |

**Note: The Company primarily operates through a franchisee-based model and the dealer/distributor channel is not the major revenue generation mode for the company.*

Leadership indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Vedant Fashions Limited is committed to fostering responsible business practices across its value chain by facilitating regular training and capacity-building initiatives for key partners, including jobbers and franchisee employees. These initiatives are aimed at enhancing awareness and aligning partners with the Company's standards on safety, labour practices, and sustainability.

To promote continuous engagement, the Company organises annual events such as the Franchisee Meet and Retail Employee Day, where critical topics like fire safety, prevention of child labour, and POSH (Prevention of Sexual Harassment) compliance are addressed. In addition, dedicated guidance is provided to jobbers to ensure compliance with applicable safety and ethical requirements.

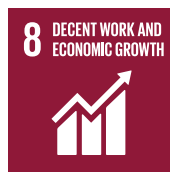
Further reinforcing its commitment to responsible conduct, VFL sensitises all vendors and business associates on an annual basis through formal communications, highlighting the nine principles of the National Guidelines on Responsible Business Conduct (NGRBC) and outlining the Company's own commitments to ethical and sustainable business operations.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

The Company has implemented a Code of Conduct for Directors and Senior Management that provides clear guidance on managing conflicts of interest. According to the Code, Directors and Senior Management Personnel are expected to avoid any activities, businesses, or relationships that may conflict with or negatively impact the interests of the Company.

Additionally, the Company has established a formal protocol to address potential conflicts of interest among Board members. Under this protocol, Directors are required to submit an annual declaration at the start of each financial year, disclosing any associations or interests with external entities. Any subsequent changes to the initial disclosure must be promptly communicated to the Board through an updated declaration.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.



Essential indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

| | FY 2024-25 | FY 2023-24 | Details of improvements in environmental and social impacts |
|-------|-------------------|-------------------|---|
| R&D | 0 | 0 | - |
| Capex | INR 33.00 million | INR 32.08 million | Capital expenditure (Capex) refers to investments made in IT systems, operational infrastructure, furniture, and similar assets that support the Company in enhancing its operational efficiency and nurturing a more conducive work environment for employees and workers. |

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
The supply chain of apparel sector is unorganized and fragmented. VFL actively engages with a diverse array of suppliers for the procurement of raw materials, accessories, and finished goods. Demonstrating a commitment towards sustainable supply chain development, the Company encourages material procurement from environmentally and socially responsible suppliers and regularly evaluates feasible sourcing options to fulfil its raw material requirements.
 - If yes, what percentage of inputs were sourced sustainably?**
Nil

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

VFL has taken significant steps to improve waste management practices across all its operation by evaluating resources, technologies, and processes to minimize waste generation. VFL through its Plastic Extended Producer Responsibility (Plastic-EPR) compliance obligations has onboarded an authorized recycler to collect back and recycle the postconsumer plastic packaging waste of VFL on their behalf. In the FY 2024-25, the Company has collected and recycled 55 MT of plastic packaging waste through its authorized recycler.

Additionally, the Company has implemented source segregation of waste at its corporate office, warehouse, and factory premises. Waste is systematically classified into three categories — biodegradable, non-biodegradable, and domestic hazardous waste — to enable source segregation and promote better waste management practices.

Similarly, for e-waste VFL has established system in place to manage e-waste as per the relevant regulation. The Company engages with certified e-waste recyclers to duly dispose off e-waste, with approximately 0.996 MT of e-waste disposed off through authorized recyclers in the current fiscal year.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Plastic Extended Producer Responsibility (EPR) is applicable to VFL as per Plastic Waste Management Rules, 2016 (as amended). In line with the plastic EPR requirements, VFL has developed collection action plan and onboarded an authorized recycler to collect, transport and recycle the plastic packaging waste.

Leadership indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No, the Company hasn't conducted life cycle assessment (LCA) of any of its products.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

The Company hasn't conducted life cycle assessment of its products so far. However, the procedures involved in them processing and disposal of VFL's products are such that there are not significant social or environmental concerns and/or risks arising from them.

The Company operates primarily in the manufacturing, trading and sale of readymade garments being Indian wedding and celebration wear for men, women and kids. The brands of the Company strive to source all products responsibly and sustainably. To do this, the Company ensures that the workers in the supply chain are treated with dignity and respect.

The enduring appeal of Indian ethnic wear lies in its longevity, often becoming cherished heirlooms passed down through generations. This characteristic not only bestows elegance upon the attire but also transforms them into cherished keepsakes, extending their shelf life far beyond that of casual clothing. Consequently, the extended lifespan of VFL's products contributes significantly to reducing their environmental footprint over time.

3. **Percentage of recycled or reused input material to total material (by value) used in production.**

Nil

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

| | FY 2024-25 (MT) | | | FY 2023-24 (MT) | | |
|---------------|-----------------|----------|-----------------|-----------------|----------|-----------------|
| | Reused | Recycled | Safely disposed | Reused | Recycled | Safely disposed |
| Plastic waste | 0 | 55.000 | 0 | 0 | 13.180 | 0 |
| e-waste | 0 | 0 | 0.996 | 0 | 0 | 0.502 |

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Nil

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.



Essential indicators

1. a. Details of measures for the well-being of employees:

| Category | % of employees covered by | | | | | | | | | | |
|--------------------------------|---------------------------|----------------------|------------|------------------------|------------|-----------------------|------------|-----------------------|------------|------------------------|------------|
| | Total A | Health insurance* | | Accident insurance* | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | No. B | % (B/A) | No. C | % (C/A) | No. D | % (D/A) | No. E | % (E/A) | No. F | % (F/A) |
| Permanent employees | | | | | | | | | | | |
| Male | 374 | 374 | 100% | 374 | 100% | 0 | 0% | 374 | 100% | 374 | 100% |
| Female | 97 | 97 | 100% | 97 | 100% | 97 | 100% | 0 | 0% | 97 | 100% |
| Total | 471 | 471 | 100% | 471 | 100% | 97 | 100% | 374 | 100% | 471 | 100% |
| Other than permanent employees | | | | | | | | | | | |
| Male | 2 | 2 | 100% | 2 | 100% | 0 | 0% | 0 | 0% | 2 | 100% |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 0 | 0% | 0 | 0 |
| Total | 2 | 2 | 100% | 2 | 100% | 0 | 0% | 0 | 0% | 2 | 100% |

*Note: Medclaim insurance and ESIC cover have been considered for the purpose of reporting under Health Insurance and Accident Insurance. Term insurance are also taken for employees.

b. Details of measures for the well-being of workers:

| Category | % of workers covered by | | | | | | | | | | |
|------------------------------|-------------------------|----------------------|------------|------------------------|------------|-----------------------|------------|-----------------------|------------|------------------------|------------|
| | Total A | Health insurance* | | Accident insurance* | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | No. B | % (B/A) | No. C | % (C/A) | No. D | % (D/A) | No. E | % (E/A) | No. F | % (F/A) |
| Permanent workers | | | | | | | | | | | |
| Male | 272 | 272 | 100% | 272 | 100% | 0 | 0% | 272 | 100% | 272 | 100% |
| Female | 27 | 27 | 100% | 27 | 100% | 27 | 100% | 0 | 0% | 27 | 100% |
| Total | 299 | 299 | 100% | 299 | 100% | 27 | 100% | 272 | 100% | 299 | 100% |
| Other than permanent workers | | | | | | | | | | | |
| Male | 288 | 267 | 93% | 218 | 76% | 0 | 0% | 0 | 0% | 288 | 100% |
| Female | 38 | 38 | 100% | 34 | 89% | 38 | 100% | 0 | 0% | 38 | 100% |
| Total | 326 | 305 | 94% | 252 | 77% | 38 | 100% | 0 | 0% | 326 | 100% |

*Note: Medclaim insurance and ESIC cover have been considered, as applicable, for the purpose of reporting Health Insurance and Accident Insurance.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

| | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.15% | 0.14% |

2. Details of retirement benefits, for Current FY and Previous Financial Year.

| Benefits | FY 2024-25 | | | FY 2023-24 | | |
|------------------|--|--|--|--|--|--|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF* | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity* | 100% | 100% | Y | 100% | 100% | Y |
| ESI* | 100% | 100% | Y | 100% | 100% | Y |
| Mediclaim | 100% | 100% | Y | 100% | 99% | Y |

*For FY 2024-25, only the eligible employees and workers are considered for PF, ESI and Gratuity coverage.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises and offices of VFL are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. However, VFL doesn't have any differently abled employees and workers as on 31st March 2025.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, VFL has implemented both an Equal Employment Opportunity Policy and a BRSR Policy, which collectively uphold the principle of non-discrimination in employment. These policies ensure that employment opportunities are offered irrespective of race, color, religion, sex, sexual orientation, gender identity or expression, age, disability, marital status, citizenship, national origin, genetic information, or any other characteristic protected by law. While the Equal Employment Opportunity Policy is maintained as an internal document, the BRSR Policy is publicly accessible.

Link to the BRSR policy: <https://www.vedantfashions.com/assets/pdf/VFL-BRSR-Policy.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave

| | Permanent employees | | Permanent workers | |
|--------------|---------------------|----------------|---------------------|----------------|
| | Return to work rate | Retention rate | Return to work rate | Retention rate |
| Male | 100% | 100% | NA | NA |
| Female | 50% | 100% | 100% | NA |
| Total | 95% | 100% | 100% | NA |

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

| | Yes/No (If yes, then give details of the mechanism in brief) |
|--------------------------------|---|
| Permanent employees | Yes |
| Other than permanent employees | |
| Permanent workers | |
| Other than permanent workers | |

Vedant Fashions Limited has established a robust grievance redressal mechanism to ensure that the concerns of its employees and workers are addressed promptly, fairly, and transparently. This system plays a key role in fostering a safe, inclusive, and positive workplace environment where every voice is valued.

The Company continues to strengthen its employee engagement through "Bindas Bol," an ongoing initiative that encourages employees and workers to freely express their grievances, share suggestions for workplace improvement, and celebrate professional milestones. This platform has evolved into an important channel for open communication and collaborative problem-solving.

To support the submission of grievances, dedicated grievance boxes are placed at each operational location, allowing employees to register concerns anonymously. The Lead – Talent Management & Corporate HRBP is the first point of contact for resolving these grievances. Any unresolved matters are escalated to the HR team for further action. All grievances are recorded and handled with strict confidentiality to maintain trust and integrity in the process.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

VFL does not have any employee associations.

8. Details of training given to employees and workers:

| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|-----------|------------|-----------------------------|---------|----------------------|---------|------------|-----------------------------|---------|----------------------|---------|
| | Total A | On health & safety measures | | On skill upgradation | | Total D | On health & safety measures | | On skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Male | 376 | 376 | 100% | 109 | 29% | 354 | 354 | 100% | 354 | 100% |
| Female | 97 | 97 | 100% | 14 | 14% | 90 | 90 | 100% | 90 | 100% |
| Total | 473 | 473 | 100% | 123 | 26% | 444 | 444 | 100% | 444 | 100% |
| Workers | | | | | | | | | | |
| Male | 560 | 560 | 100% | 0 | 0% | 530 | 530 | 100% | 0 | 0% |
| Female | 65 | 65 | 100% | 0 | 0% | 61 | 55 | 90% | 0 | 0% |
| Total | 625 | 625 | 100% | 0 | 0% | 591 | 585 | 99% | 0 | 0% |

9. Details of performance and career development reviews of employees and worker:

| Category | FY 2024-25 | | | FY 2023-24 | | |
|------------------|----------------|------------|------------|----------------|------------|-------------|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| Employees | | | | | | |
| Male | 374 | 365 | 98% | 352 | 352 | 100% |
| Female | 97 | 95 | 98% | 90 | 90 | 100% |
| Total | 471 | 460 | 98% | 442 | 442 | 100% |
| Workers | | | | | | |
| Male | Not applicable | | | Not applicable | | |
| Female | | | | | | |
| Total | | | | | | |

*The Company undertakes performance reviews for permanent employees only. Performance reviews do not apply to workers since their compensation is based on a fixed rate grading.

10. Health & safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Vedant Fashions Limited upholds safety as a core organisational value and places the highest emphasis on ensuring a safe and healthy work environment for all employees and workers. The Company's commitment to occupational health and safety is articulated in its Business Responsibility and Sustainability Report (BRSR) Policy, with the Human Resources team overseeing all health and safety-related matters. This includes regular dissemination of internal communications and alerts to promote awareness and compliance with safety protocols.

VFL continues to conduct routine training programmes and awareness sessions on occupational health and safety, covering areas such as basic and advanced fire safety, evacuation drills, and emergency preparedness. These initiatives are designed to enhance awareness and ensure employees and workers are equipped to respond effectively to emergencies.

Additionally, a comprehensive Environment, Health, and Safety (EHS) program has been rolled out with special emphasis on proactive safety measures and employee engagement. As part of this initiative, activities are being gradually implemented across the Company. Key components include the introduction of a visitor induction module and the deployment of EHS awareness materials such as posters and signage, aimed at reinforcing a culture of safety for both employees and external stakeholders.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Vedant Fashions Limited has established a robust Enterprise Risk Management (ERM) framework to systematically identify, assess, and mitigate potential risks that could impact the Company's operations and business continuity. This structured framework defines VFL's risk appetite, outlines procedures for managing enterprise-wide risks, and assigns risk ownership with clearly delineated roles and responsibilities.

To strengthen risk oversight and workplace safety, VFL has appointed a dedicated Safety Officer responsible for proactively identifying occupational hazards, monitoring safety compliance, and maintaining records of safety-related incidents. This addition reflects the Company's commitment to embedding a culture of preventive risk management.

Furthermore, VFL conducts internal audits across its factory premises, warehouses, and jobber sites to assess workplace hazards and detect any instances of policy non-compliance, particularly in relation to health, safety, and labour practices. These audits are integral to ensuring that operational protocols are rigorously followed and that the well-being of the workforce is consistently safeguarded.

In alignment with this approach, VFL is in process to replace the existing Incident Management System with an enhanced incident reporting platform that enables more structured reporting and classification of safety-related incidents such as Fatal/Serious Injury, Lost Time Injury (LTI), Major First Aid, Minor First Aid, and Near Misses

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, VFL has system in place for employees and workers to report work related hazards.

d. Do the employees have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, VFL extends health insurance and term life insurance coverage to its employees and has partnered with a third-party agency to provide diagnostic services to employees and their dependents at discounted rates.

11. Details of safety related incidents, in the following format

| Safety Incident/Number | Category * | FY 2024-25 | FY 2023-24 |
|---|------------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

**Including in the contract workforce*

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

VFL places high importance on maintaining the health and safety of its employees and workers. The Company's HR policy promotes work-life balance and includes mechanisms to continuously evaluate the effectiveness of health and safety systems, ensuring adherence to relevant laws, regulations, and standards.

To strengthen its health and safety commitments, VFL regularly conducts fire drills across its factory, warehouse, and corporate office locations to assess emergency preparedness and employee response. The Company also organizes training and awareness programs on health and safety for employees and workers at its operational sites, aiming to build awareness and capability in maintaining a secure work environment.

As part of its safety infrastructure, VFL has equipped its premises with fire extinguishers and water sprinklers. Additionally, the Company observes a dedicated fire safety week for its franchisees, which includes store evaluations based on specific safety criteria and fire safety training for franchisee staff. These initiatives reflect VFL's proactive approach to fostering a safe and healthy workplace culture across its operations.

To further enhance worker involvement, VFL has initiated Safety Committee Meetings at one location, with plans to extend this practice to other sites. This initiative fosters active consultation and participation of workers in identifying and resolving health and safety concerns. Moreover, a dedicated EHS Fire Safety program has been rolled out, reinforcing the Company's commitment to structured fire risk management and prevention.

13. Number of Complaints on the following made by employees and workers

Vedant Fashions Limited has not received any complaint on "Health & Safety" and "Working Conditions" in FY 2024-25 and FY 2023-24.

| | FY 2024-25 | | | FY 2023-24 | | |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | - | 0 | 0 | - |
| Health and safety | 0 | 0 | - | 0 | 0 | - |

14. Assessment of the year

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|--------------------|---|
| Working Conditions | The Company carries out internal evaluations of its offices, warehouses, and factories to assess fire safety measures and overall working conditions. However, these assessments have not yet been conducted by statutory authorities or independent third parties. |
| Health and safety | |

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not any

Leadership indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company provides term life insurance to its own employees and ESIC benefits to its employees and workers

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company's compliance team ensures that all relevant clauses pertaining to statutory compliance (GST and TDS which are in relation to Vedant Fashions Limited) are validated and upheld by the Company's value chain partners.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

| | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|-----------|--|------------|---|------------|
| | FY 2024-25 | FY 2023-24 | FY 2024-25 | FY 2023-24 |
| Employees | 0 | 0 | 0 | 0 |
| Workers | 0 | 0 | 0 | 0 |

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Yes, the Company offers eligible potential retiring employees the opportunity, on a case-to-case basis, to extend their service for an additional year based on performance, business need, and mutual agreement.

5. Details on assessment of value chain partners:

| | % of value chain partners (by value of business done with such partners) that were assessed |
|-----------------------------|--|
| Health and safety practices | The Company conducts regular visit to its franchisee stores to check the fire safety preparedness and hygiene level. |
| Working conditions | |

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not any

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.



Essential indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

VFL has developed a dedicated BRSR policy that underscores the significance of meaningful stakeholder engagement. The Company systematically identifies key stakeholder groups based on their influence on business operations and the impact of its activities on them. Through a structured and collaborative approach, VFL actively engages with stakeholders to gather insights on various Environmental, Social, and Governance (ESG) matters. This proactive engagement facilitates open dialogue, helps to address stakeholder concerns, and supports effective management of the Company's direct and indirect impacts. It also serves as a strategic tool for strengthening stakeholder relationships and forms the basis for materiality assessments.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|-----------------------|--|---|--|--|
| Employees and workers | No | Company meetings, training programs, email, whatsapp group, poster, in person discussion and workshops | Conducted on periodic basis | Workforce wellbeing, grievance redressals, training leading to skill development and sensitization on health and safety and other NGRBC principles |

| Stakeholder Group | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other | Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|------------------------------------|--|--|--|---|
| Customers and franchisee stores | No | Customers: Advertisements on print and electronic media, mail, voice call, webchat, contact form, social media Franchisee stores: Phone, Email, WhatsApp, Internal Portal | Conducted on need basis | Spreading brand awareness |
| Suppliers and value chain partners | No | Email, SMS, WhatsApp, Jobber's portal, vendor's portal | Conducted on need basis | Discussions on orders and purchase prices, material quality, delivery timelines, agreement tenures, inclusion of small-scale suppliers and jobbers. |
| Local communities | Yes | In-person visits with local community members, connecting with NGOs implementing the CSR projects for the local communities | Conducted on need basis | Community development, ensuring basic amenities like health and education |
| Investors and shareholders | No | Annual reports, media announcements, Conference Calls, Earnings Calls, investor conferences, interactions with analysts. | Annual reports – Investor Conference / meeting | Company performance – profits, revenue, financial health of the Company, ESG initiatives and progress |
| Media | No | Conferences, interviews, advertisements | Conducted on need basis | Brand promotion, spreading awareness about Vedant Fashions Limited as a responsible corporate citizen |

Leadership indicators

1. Provide the process for consultation between stakeholders and the Board on environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Vedant Fashions Limited places strong emphasis on stakeholder insights as a cornerstone of its sustainable growth strategy. The Company's Chairman and Managing Director (CMD) engages in regular interactions with key stakeholders to exchange views on emerging ESG (Environmental, Social, and Governance) trends and their implications for business operations. Under the CMD's leadership, the Board plays a pivotal role in guiding the Company's sustainability and CSR initiatives, ensuring strategic oversight and direction. Additionally, VFL conducts periodic stakeholder engagement exercises to address a wide spectrum of concerns across economic, social, and environmental dimensions.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, at Vedant Fashions Limited, stakeholder engagement plays a vital role in advancing the Company's sustainability goals. The management regularly interacts with both internal and external stakeholders to identify key Environmental, Social, and Governance (ESG) topics that significantly influence the Company's operations. To effectively manage these issues, VFL has integrated a comprehensive array of policies, Standard Operating Procedures (SOPs), and strategic initiatives.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

VFL directs its Corporate Social Responsibility (CSR) efforts toward supporting underprivileged, vulnerable, and marginalized sections of society. The Company's CSR initiatives are focused on driving inclusive community development while creating positive social, environmental, and economic impact

To foster inclusive growth, the Company proactively encourages the procurement of raw materials from Micro, Small, and Medium Enterprises (MSME) suppliers. In FY 2024-25, 47% of material/products have been sourced from MSMEs, demonstrating VFL's ongoing commitment to supporting and empowering local enterprises.

Additionally, VFL provides employment opportunities to local artisans and embroidery workers across the country, supporting sustainable livelihoods and fostering economic empowerment within communities.

Principle 5: Businesses should respect and promote human rights.



Essential indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category | FY 2024-25 | | | FY 2023-24 | | |
|------------------------|------------|--------------------------------------|-------------|------------|--------------------------------------|-------------|
| | Total (A) | No. of employees/workers covered (B) | % (B/A) | Total (C) | No. of employees/workers covered (D) | % (D/C) |
| Employees | | | | | | |
| Permanent | 471 | 471 | 100% | 442 | 442 | 100% |
| Other than permanent | 2 | 2 | 100% | 2 | 2 | 100% |
| Total employees | 473 | 473 | 100% | 444 | 444 | 100% |
| Workers | | | | | | |
| Permanent | 299 | 299 | 100% | 312 | 312 | 100% |
| Other than permanent | 326 | 326 | 100% | 279 | 279 | 100% |
| Total workers | 625 | 625 | 100% | 591 | 591 | 100% |

* All the new hires are given CoC trainings which covers human rights aspect

2. Details of minimum wages paid to employees and workers, in the following format:

| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|----------------------|--------------|--------------------------|---------|---------------------------|---------|--------------|--------------------------|---------|---------------------------|---------|
| | Total (A) | Equal to minimum wage | | More than minimum wage | | Total (D) | Equal to minimum wage | | More than minimum wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Employees | | | | | | | | | | |
| Permanent | 471 | 0 | 0% | 471 | 100% | 442 | 0 | 0% | 442 | 100% |
| Male | 374 | 0 | 0% | 374 | 100% | 352 | 0 | 0% | 352 | 100% |
| Female | 97 | 0 | 0% | 97 | 100% | 90 | 0 | 0% | 90 | 100% |
| Other than permanent | 2 | 0 | 0% | 2 | 100% | 2 | 0 | 0% | 2 | 100% |

| Category | FY 2024-25 | | | | | FY 2023-24 | | | | |
|----------------------|--------------|--------------------------|---------|---------------------------|---------|--------------|--------------------------|---------|---------------------------|---------|
| | Total (A) | Equal to minimum wage | | More than minimum wage | | Total (D) | Equal to minimum wage | | More than minimum wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| Male | 2 | 0 | 0% | 2 | 100% | 2 | 0 | 0% | 2 | 100% |
| Female | 0 | 0 | 0% | 0 | 0% | 0 | 0 | 0% | 0 | 0% |
| Workers | | | | | | | | | | |
| Permanent | 299 | 0 | 0% | 299 | 100% | 312 | 0 | 0% | 312 | 100% |
| Male | 272 | 0 | 0% | 272 | 100% | 285 | 0 | 0% | 285 | 100% |
| Female | 27 | 0 | 0% | 27 | 100% | 27 | 0 | 0% | 27 | 100% |
| Other than permanent | 326 | 0 | 0% | 326 | 100% | 279 | 0 | 0% | 279 | 100% |
| Male | 288 | 0 | 0% | 288 | 100% | 245 | 0 | 0% | 245 | 100% |
| Female | 38 | 0 | 0% | 38 | 100% | 34 | 0 | 0% | 34 | 100% |

3. a. Details of remuneration/salary/wages, in the following format:

| | Male | | Female | |
|----------------------------------|--------|--|--------|--|
| | Number | Median remuneration / salary/ wages of respective category | Number | Median remuneration / salary/ wages of respective category |
| Board of Directors* | 3 | INR 3 million | 1 | INR 3 million |
| Key managerial personnel** | 3 | INR 89.99 million | 1 | INR 232 million |
| Employees other than BoD and KMP | 371 | INR 0.48 million | 96 | INR 0.54 million |
| Workers | 272 | INR 0.23 million | 27 | INR 0.23 million |

*Board of Directors includes non-executive directors only

**KMP includes executive directors and non-board KMP

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

| | FY 2024-25 | FY 2023-24 |
|--|------------|------------|
| Gross wages paid to females as % of total wage | 17.45% | 17.39% |

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, VFL has set up Internal Complaints Committees (ICCs) at all operational units — including the corporate office, warehouse, and factory — to address human rights concerns, including cases of sexual harassment.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company acknowledges the significance of upholding human rights and has integrated relevant provisions into its BRSR and Prevention of Sexual Harassment Policy. To address human rights concerns, including sexual harassment, the Company has established an Internal Complaints Committee (ICC). Employees or workers who experience or witness such incidents are encouraged to promptly report them to the ICC. Based on the severity of the case, the ICC may recommend appropriate disciplinary actions, such as issuing apologies, providing counselling, transferring individuals, or enforcing dismissals, demotions, or other measures as deemed necessary by the management.

6. Number of Complaints on the following made by employees and workers:

| | FY 2024-25 | | | FY 2023-24 | | |
|-----------------------------------|------------------------|---------------------------------------|---------|------------------------|---------------------------------------|---------|
| | Filled during the year | Pending resolution at the end of year | Remarks | Filled during the year | Pending resolution at the end of year | Remarks |
| Sexual harassment | 0 | 0 | - | 0 | 0 | - |
| Discrimination at workplace | 0 | 0 | - | 0 | 0 | - |
| Child labour | 0 | 0 | - | 0 | 0 | - |
| Forced labour | 0 | 0 | - | 0 | 0 | - |
| Wages | 0 | 0 | - | 0 | 0 | - |
| Other human rights related issues | 0 | 0 | - | 0 | 0 | - |

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

| | FY 2024-25 | FY 2023-24 |
|--|------------|------------|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 0 | 0 |
| Complaints on POSH as a % of female employees / workers | 0 | 0 |
| Complaints on POSH upheld | 0 | 0 |

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company is strongly dedicated to promoting and maintaining an inclusive workplace culture. To support this commitment, it has established comprehensive BSR and Equal Employment Opportunity policies that provide clear guidelines for creating a work environment free from discrimination on the basis of race, colour, religion, sex, sexual orientation, gender identity or expression, age, disability, marital status, citizenship, national origin, genetic information, or any other characteristic protected by law.

Additionally, the Company has established a robust grievance redressal mechanism to effectively capture, manage, and resolve incidents of discrimination and harassment. Regular internal sessions are conducted to educate employees and raise awareness about the importance of these policies, encouraging a respectful and inclusive workplace for all.

9. Do human rights requirements form part of your business agreements and contracts?

Yes, in certain agreements and contracts.

10. Assessment of the Year

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|---|
| Child labour | 100%, the Company's operational areas are subject to periodic assessment and process control reviews. The Company's internal team verifies that policies and procedures are being followed according to defined processes, and ensure that human rights aspects, such as child labour, sexual harassment, and minimum wages, are properly justified and reported. |
| Forced labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – Please specify | |

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable

Leadership indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

No such modification being done.

2. Details of the scope and coverage of any Human rights due diligence conducted.

The Company has not conducted any Human Rights due diligence separately.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the Company's office is accessible to differently abled visitors.

4. Details on assessment of value chain partners:

| | % of plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|--|
| Child labour | Necessary assessment of value chain partners has been done at required intervals and they have been guided to adhere to the relevant legal requirements. |
| Forced labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others – Please specify | |

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable.

Principle 6: Businesses should respect and make efforts to protect and restore the environment.



Essential indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

| Parameter | FY 2024-25 | FY 2023-24 |
|---|------------|------------|
| From renewable sources | | |
| Total electricity consumption (A) | 0 | 0 |
| Total fuel consumption (B) | 0 | 0 |
| Energy consumption through other sources (C) | 0 | 0 |
| Total energy consumed from renewable sources (A+B+C) | 0 | 0 |

| Parameter | FY 2024-25 | FY 2023-24 |
|---|-----------------------------|----------------------------|
| From non-renewable sources | | |
| Total electricity consumption (D)* | 4487.82 GJ | 4008.19 GJ |
| Total fuel consumption (E) | 85.75 GJ | 296.68 GJ |
| Energy consumption through other sources (F) | 0 | 0 |
| Total energy consumed from non-renewable sources (D+E+F) | 4573.57 GJ | 4304.87 GJ |
| Total energy consumed (A+B+C+D+E+F) | 4573.57 GJ | 4304.87 GJ |
| Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) | 0.33 GJ/INR million | 0.32 GJ/INR million |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP**) | 6.815 GJ/INR million | 6.44 GJ/INR million |
| Energy intensity in terms of physical output*** | 0.003 GJ/sq. ft. | 0.003 GJ/sq. ft. |

*Please note that the electricity consumption of certain Company operated stores are not available with us since their operation is entrusted with third party(ies) which pays the electricity bills of the said stores.

** The intensity value per rupee turnover adjusted for PPP of FY 2023-24 restated due to change calculation methodology as per SEBI BRSR circular (circulated on 20 December 2024). PPP rate considered for FY 2023-24 = 20.43 & FY 2024-25 = 20.66 (Source: IMF)

***Retail outlet footprint (sq. ft.) is considered for physical output

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

3. Provide details of the following disclosures related to water, in the following format: :

The Company's water usage is restricted solely to human consumption. As its core manufacturing operations are largely outsourced, in-house activities are limited to stitching, cutting, and finishing at the factory, and storage and dispatch at warehouse facilities. Consequently, water usage across Vedant Fashions Limited's factory, warehouse, corporate office, and retail stores is confined to domestic needs.

Water is sourced primarily through bottled drinking water purchases and municipal water supply. The Company takes active measures to prevent wastage, ensuring optimal and minimal use of this vital natural resource.

The quantity of drinking water consumed, based on litres purchased, for the current and previous financial years is detailed below:

| Parameter | FY 2024-25 | FY 2023-24 |
|---|--------------------------------|--------------------------------|
| Water withdrawal by source (in kilolitres) | | |
| Surface water | 0 | 0 |
| Ground water | 0 | 0 |
| Third party water | 581.80 | 563.02 |
| Seawater / desalinated water | 0 | 0 |
| Total volume of water withdrawal (in kilolitres) | 581.80 | 563.02 |
| Total volume of water consumption (in kilolitres) | 581.80 | 563.02 |
| Water intensity per rupee of turnover (Total water consumption / Revenue from operations) | 0.04 Kilolitres/ INR Millions | 0.04 Kilolitres/ INR Millions |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) | 0.867 Kilolitres/ INR Millions | 0.843 Kilolitres/ INR Millions |
| (Total water consumption / Revenue from operations adjusted for PPP** | | |
| Water intensity in terms of physical output*** | 0.0003 Kilolitres/ sq. ft | 0.0003 Kilolitres/ sq. ft |

*Note: Please note that water consumption of certain Company operated stores are not available with VFL since their operation is entrusted with third party(ies) which pays the water bills of the said stores.

****** The intensity value per rupee turnover adjusted for PPP of FY 2023-24 restated due to change calculation methodology as per SEBI BRSR circular (circulated on 20 December 2024). PPP rate considered for FY 2023-24 = 20.43 & FY 2024-25 = 20.66 (Source: IMF)

*******Retail outlet footprint (sq. ft.) is considered for physical output

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – No

4. Provide the following details related to water discharged: :

The Company's factory and warehouse are located within larger business complexes, where water supply and discharge are managed centrally by the property owner or developer for the entire premises. As a result, specific water discharge data for the factory and warehouse cannot be individually tracked. Nevertheless, the Company actively promotes water conservation practices, ensuring minimal usage and preventing unnecessary wastage of this essential natural resource.

If any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency – No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Not applicable

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

| Parameter | Unit | FY 2024-25 | FY 2023-24 |
|---|---------------------------------|------------------------|------------------------|
| Total scope 1 emission* | Metric tonnes of CO2 equivalent | 7.58 | 25.06 |
| Total scope 2 emission** | Metric tonnes of CO2 equivalent | 906.29 | 797.19 |
| Total scope 1 & 2 emission | Metric tonnes of CO2 equivalent | 913.87 | 822.25 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover | | 0.07 tCO2e/INR million | 0.06 tCO2e/INR million |
| (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | | 1.362 | |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) | | tCO2e/INR million | 1.231 |
| (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | | tCO2e/INR million | |
| *** | | | |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output**** | | 0.0005 tCO2e/sq. ft | 0.0005 tCO2e/sq. ft |

*Scope 1 emissions include fuel consumption (diesel and petrol) by Company-owned vehicles, and amount of CO2 refilled in fire extinguishers. The Company's factory and warehouse use DG sets which run on diesel, but the ownership and records of diesel consumption lie with the property builder/owner.

**Scope 2 emissions comprise electricity consumption at the Company's factory, warehouse, certain Company operated stores and office

******* The intensity value per rupee turnover adjusted for PPP of FY 2023-24 restated due to change calculation methodology as per SEBI BRSR circular (circulated on 20 December 2024). PPP rate considered for FY 2023-24 = 20.43 & FY 2024-25 = 20.66 (Source: IMF) ******** Retail outlet footprint (sq. ft.) is considered for physical output.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company is actively working to reduce greenhouse gas (GHG) emissions from its own operations. Energy-efficient lighting and air conditioning systems have been implemented across its premises. Additionally, in FY 2024-25, VFL achieved carbon neutrality in its operations by offsetting emissions through investments in solar energy projects.

9. Provide details related to waste management by the entity, in the following format:

| Parameters | FY 2024-25 | FY 2023-24 |
|---|--|--|
| Total waste generated (MT) | | |
| Plastic waste | 100.766 | 53.470 |
| E-waste | 0.996 | 0.502 |
| Bio-medical waste | 0 | 0 |
| C&D waste | 0 | 0 |
| Battery waste | 0 | 0 |
| Radioactive waste | 0 | 0 |
| Other hazardous waste. Please specify if any | 0 | 0 |
| Other Non-hazardous waste generated (H). Please specify, if any. | Cardboard: 2.244 Textile: 2.396 | Cardboard: 2.828 Textile: 3.903 |
| Total waste generated | 106.402 | 60.703 |
| Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) | 0.008 MT/INR Millions | 0.004 MT/INR Millions |
| Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) * | 0.158 MT/INR Millions | 0.091 MT/INR Millions |
| Waste intensity in terms of physical output** | 0.000059 MT/ Sq. ft | 0.000036 MT/ Sq. ft |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in MT) | | |
| Category of waste | | |
| Recycled*** | 55.651 | 13.180 |
| Reused | 0 | 0 |
| Other recovery option | 0 | 0 |
| Total | 55.651 | 13.180 |
| For each category of waste generated, total waste disposed by nature of disposal method (in MT) | | |
| Category of waste | | |
| Incineration | 0 | 0 |
| Landfilling | 0 | 0 |
| Other disposal options | E-waste: 0.996 Cardboard: 2.244 Textile: 2.396 | E-waste: 0.502 Cardboard: 2.828 Textile: 3.903 |
| Total | 5.636 | 7.233 |

*The intensity value per rupee turnover adjusted for PPP of FY 2023-24 restated due to change calculation methodology as per SEBI BRSR circular (circulated on 20 December 2024). PPP rate considered for FY 2023-24 = 20.43 & FY 2024-25 = 20.66 (Source: IMF)

**Retail outlet footprint (sq. ft.) is considered for physical output

***Recycled waste includes plastic wastes collected and recycled by authorised recycler as per EPR guidelines under PWM rules, 2016.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

In alignment with the 3R principles—Reduce, Reuse, and Recycle—VFL remains committed to effective waste management across all its operations. The Company's primary waste streams include cardboard, plastic, fabric cuttings, and electronic waste (e-waste).

To ensure responsible handling of e-waste, VFL has partnered with an authorized vendor for the collection and disposal of e-waste from its premises.

In addition, VFL has engaged an authorized plastic recycler to manage plastic waste in compliance with the Plastic Waste Management Rules, 2016 (as amended), and Extended Producer Responsibility (EPR) guidelines. As part of its EPR obligations, the Company submits an annual compliance report to the Central Pollution Control Board.

Other waste materials, such as cloth remnants, thread, and paper, are directed to recyclers and local traders for environmentally responsible disposal. It is noteworthy that VFL's operations do not generate any hazardous or toxic chemical waste.

To further minimize waste generation, the Company has adopted several proactive initiatives, including:

- i. Transitioning to digital invoicing to reduce paper consumption.
- ii. Replacing plastic carry bags with paper alternatives at retail outlets.
- iii. Implementing electronic signing (e-signing) for agreements and contracts to reduce reliance on physical documentation.
- iv. Implementing 3-way segregation of waste at corporate office, warehouse and factory.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

VFL is in compliance with all applicable environmental laws, regulations and guidelines in India.

Leadership indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

The Company's operations are not situated in water-stressed regions; therefore, this consideration is not applicable.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

The Company is currently not estimating its Scope 3 emissions.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Question 11 is not applicable to the Company, as it has no operations or offices located in or around ecologically sensitive areas. As a result, the Company does not have any significant direct or indirect impacts on biodiversity in such regions.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

| Sr. No | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|--------|-----------------------------------|---|---|
| 1 | Warehouse Management System (WMS) | WMS manages and optimizes various warehouse operations especially Inventory Management - receiving, and shipping, order fulfilment, and more. | WMS helps in effective inventory management by ensuring timely and accurate delivery of goods. |
| 2 | Digital invoicing system | The Company has implemented digital invoicing system at stores level. Every customer is handed a digital invoice, instead of the erstwhile paper invoice. Additionally, it is going to implement digital invoicing system at suppliers and jobbers level. | Digital invoicing system has helped the Company reduce consumption of paper as a resource and curb the generation of paper waste. |
| 3 | E-signing initiatives | The Company has initiated execution of Agreements and Documents through electronic signing. | E-Signing has helped the Company reduce consumption of paper and generation of paper waste and reduced the time required for document execution including convenience of signing parties. |
| 4 | Elimination of plastic bags | The Company has replaced plastic bags with paper bags at store level. | This will reduce the generation of plastic packaging waste. |

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.
The Company's Risk Management Committee undertakes a comprehensive analysis of emerging risks to identify potential threats to business operations. Based on this assessment, the committee develops a robust business continuity plan aimed at ensuring the Company can maintain operations during unforeseen disruptions or crises.
6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.
There has been no adverse impact identified arising from the Company's value chain.
7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.
No such assessments are conducted by the Company at this time
8. How many Green Credits have been generated or procured:
- By the listed entity: 850 Verified Carbon Units (VCUs)
 - By the top ten (in terms of value of purchases and sales, respectively) value chain partners: Not Applicable

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.



Essential indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|--------|---|---|
| 1 | Confederation of Indian Industry | National |
| 2 | Bharat Chamber of Commerce | National |
| 3 | Retailers Association of India | National |
| 4 | The Clothing Manufacturers Association of India | National |
| 5 | Indian Chamber of Commerce | National |

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

The Company is not engaged in any anti-competitive conduct.

Leadership indicators

1. Details of public policy positions advocated by the entity:

The Company's BRSR Policy includes a section on Responsible Advocacy, which has been approved by the Board. It outlines guidelines for engaging with Government and Regulatory Authorities on matters relevant to the industry or sector in which the Company operates.

Principle 8: Businesses should promote inclusive growth and equitable development.**Essential indicators**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Not applicable

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

Not applicable.

3. **Describe the mechanisms to receive and redress grievances of the community.**

Through its CSR initiatives, the Company aims to support underprivileged communities in a thoughtful and meaningful way, helping them enhance their quality of life. Established systems and procedures are in place to receive and address any grievances raised by these communities.

The VFL CSR team, along with its NGO partners, actively engages with community members to understand and resolve concerns or issues that may arise. In addition, the Company has set up a dedicated channel (Link to the channel) for stakeholders, including community members, to directly submit their grievances.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| | FY 2024-25 | FY 2023-24 |
|--|------------|------------|
| Directly sourced from MSMEs/ small producers | 47% | 66% |
| Sourced directly from within the district and neighbouring districts | 20% | 21% |

** All types of materials/products procured has been considered for this computation.*

5. **Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

| Location | FY 2024-25 | FY 2023-24 |
|--------------|------------|------------|
| Rural | 0 | 0 |
| Semi-urban | 0 | 0 |
| Urban | 23% | 21% |
| Metropolitan | 77% | 79% |

Leadership indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above).

Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

Nil

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

The Company doesn't have a preferential procurement policy.

b) From which marginalised/vulnerable groups do you procure?

Not any

c) What percentage of total procurement (by value) does it constitute?

Nil

4. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about (in the current financial year), based on traditional knowledge.

The Company has registered numbers of intellectual properties (IPs) in FY 2024-25. However, the benefits of IPs are not shared with others.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not any

6. Details of beneficiaries of CSR Projects:

| S. No. | CSR projects | Nos. of persons benefited from CSR projects | % of beneficiaries from vulnerable and marginalized groups |
|--------|--|---|--|
| 1 | Parivaar Education Society | 640 | 100% |
| 2 | International Foundation for Research and Education or IFRE (sponsoring body of Ashoka University) | 53 | 100% |
| 3 | Sunbird Trust | 2,757 | 100% |
| 4 | Kalinga Institute of Social Sciences | 334 | 100% |
| 5 | Friends of Tribal Society | 4,012 | 100% |
| 6 | Yugrishi Shriram Sharma Acharya Charitable Trust (owner of Akhand Jyoti Eye Hospital) | 1,00,250 | 100% |
| 7 | Narayana Hrudalaya Ltd - Rabindranath Tagore Institute of Cardiac Sciences (RTIICS) | 130 | 100% |
| 8 | MUKTI | 1,918 | 100% |
| 9 | Eastern India Healthcare Foundation (Medica Hospital) | 68 | 100% |
| 10 | Narayana Superspeciality Hospital (unit of Meridian Medical Research & Hospital Ltd) | 82 | 100% |
| 11 | Navjyoti India Foundation | 1,200 | 100% |
| 12 | Help Us Help Them | 100 | 100% |
| 13 | Mahavir Seva Sadan* | NA | NA |

*CSR contribution has been made to Mahavir Seva Sadan (Kolkata) for the project 'Construction & Set-up of their Rehabilitation and Research Centre'. The number of direct beneficiaries for this project/initiative is not measurable as it is aimed to benefit the general public.

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner.



Essential indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Recognizing the critical importance of effective consumer engagement, VFL has incorporated relevant guidelines on consumer relations into its BRSR policy.

To ensure smooth communication and prompt resolution of concerns, VFL has established a robust consumer feedback system. This system offers multiple channels for consumers to submit their queries or complaints, including email, voice calls (cellular, landline, toll-free), webchat, contact forms, and social media platforms. Dedicated consumer service representatives are assigned to manage and address consumer grievances efficiently.

Additionally, VFL has introduced e-bills with an embedded feedback link, allowing consumers to conveniently share their input and suggestions.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

| | As a percentage to total turnover |
|---|-----------------------------------|
| Environmental and social parameters relevant to the product | NA |
| Safe and responsible usage | NA |
| Recycling and/or safe disposal | 100% |

3. Number of consumer complaints in respect of the following:

| | FY 2024-25 | | | FY 2023-24 | | |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | 0 | 0 | NA | 0 | 0 | NA |
| Advertising | 0 | 0 | NA | 0 | 0 | NA |
| Cyber-security | 0 | 0 | NA | 0 | 0 | NA |
| Delivery of essential services | 0 | 0 | NA | 0 | 0 | NA |
| Restrictive Trade Practices | 0 | 0 | NA | 0 | 0 | NA |
| Unfair Trade Practices | 0 | 0 | NA | 0 | 0 | NA |
| Other | 6350 | 0 | NA | 5985 | 120 | NA |

4. Details of instances of product recalls on account of safety issues:

| | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | 0 | NA |
| Forced recalls | 0 | NA |

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has an internal IT policy and a Standard Operating Procedure (SOP) governing its IT systems. These documents outline the Company's approach to cybersecurity, data privacy, and associated risk management.

In addition, the Company's BRSR Policy includes specific guidelines pertaining to the protection of customer data privacy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No cases were reported during the year; therefore, no corrective actions were required.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches – Nil
- b. Percentage of data breaches involving personally identifiable information of customers – 0%
- c. Impact, if any, of the data breaches – Not any

Leadership indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Details about the brands and products of Vedant Fashions Limited can be found on the Company's website. Please visit the following web links to access the same:

Vedant Fashions Limited: <https://www.vedantfashions.com/>

Manyavar: <https://www.manyavar.com/>

Mohey: <https://www.manyavar.com/mohey>

Twamev: <https://www.twamev.com/>

Mebaz: <https://www.mebaz.com/>

Diwas: <https://diwas.manyavar.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

All business operations at Vedant Fashions Limited fully comply with applicable regulations and voluntary codes related to marketing communications, advertising, promotions, and sponsorships. The Company's communication efforts are focused on empowering consumers to make informed purchasing decisions, while also promoting the responsible use of its products and services.

To support responsible product handling, each Vedant Fashions Limited product includes a tag with clear instructions for proper care and usage. These initiatives are designed to raise consumer awareness and encourage responsible product use.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company's operations and products/services do not qualify under essential services - hence this is not applicable for the Company.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, the product tags on VFL's merchandise feature a barcode, which customers can scan to access detailed information regarding the product size and other specifications.

Yes, Vedant Fashions Limited conducts such customer satisfaction surveys.

Independent Auditor's Report

To
The Members of
Vedant Fashions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Vedant Fashions Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material 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 financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 opinion on the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

See Note 30 and 54(i) to financial statements

| Key Audit Matter | How our audit address the key audit matter |
|---|---|
| <p>Revenue is recognised when the Company satisfies performance obligations under the terms of contract with customers by transferring control of the products being sold to customers.</p> <p>The terms of contracts with customers, including the timing of transfer of control and nature of revenue arrangements creates complexities which requires judgement in determining revenues.</p> <p>The refund liability is estimated considering historical trend of actual returns and expected period over which such products could be returned which is inherently complex and judgemental.</p> <p>Accordingly, we have identified revenue recognition as a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• Evaluated design and implementation and tested operating effectiveness of the Company's key controls over recording of revenue, revenue cut-off and accrual of refund liability.• Performed substantive testing (including year-end cut off testing). We selected samples of revenue transactions recorded during the year and verified the underlying sales invoices and shipping documents to evidence the transfer of control.• Performed procedures to test actual sales returns recorded during the year on a test basis and verified the relevant source documents.• Performed a retrospective analysis of the Company's estimate of refund liabilities. |

Goodwill and Brand: Impairment Assessment

See Note 5(2) to financial statements

| The key audit matter | How the matter was addressed in our audit |
|--|---|
| <p>The Company tests goodwill and brand for impairment annually or more frequently when there is an indication of impairment of the cash generating unit to which goodwill has been allocated.</p> <p>The annual impairment testing of these intangible assets involves significant estimates and judgment due to the inherent uncertainty involved in forecasting and discounting future cash flows.</p> <p>Accordingly, impairment assessment of intangible assets is considered to be a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Evaluated design and implementation and tested operating effectiveness of controls over the Company's process of impairment assessment. • Assessed the valuation methodology used and challenged the assumptions used, in particular, those relating to forecast revenue growth and earnings and discount rate with the assistance of our valuation specialists. • Performed retrospective analysis of financial projections prepared by the Company by comparing projections for previous financial years with actuals. • Performed sensitivity analysis of key assumptions. • Evaluated the adequacy of disclosures in respect of impairment evaluation of intangible assets in the financial statements. |

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's reports thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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.

Management's and Board of Directors Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities;

selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on various dates taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3) (b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements - Refer Note 43 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 53 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 53 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- As stated in Note 17 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books

of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, due to absence of relevant evidence, we are unable to comment whether there were any instances of the Audit trail feature been tampered at log storage level during the audit period. Additionally, where audit trail (edit log) facility was enabled and operated in previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the

current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Seema Mohnot
Partner

Place: Kolkata
Date: 06 May 2025 ICAI UDIN:25060715BMNVMX5193

Membership No.: 060715

Annexure A to the Independent Auditor's Report on the Financial Statements of Vedant Fashions Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

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

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment and Right-of-Use assets by which all property, plant and equipment and Right-of-Use assets are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment and Right-of-Use assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were

appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and other parties and granted loans to other parties, in respect of which the requisite information is as below. The Company has not made any investments in firms and limited liability partnership and has not granted any loans to companies, firms or limited liability partnership during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to other parties as below:

(INR in millions)

| Particulars | Loans |
|--|-------|
| Aggregate amount during the year | |
| - Others | 1.06 |
| Balance outstanding as at balance sheet date | |
| - Others | 0.36 |

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans during the year are not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advance in the nature of loans to any party during the year.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

- (vii)(a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

| Name of the statute | Nature of the dues | Amount (Rs. in million) | Period to which the amount relates | Forum where dispute is pending | Amount paid under protest (Rs. in million) |
|---|-----------------------|-------------------------|------------------------------------|---|--|
| Tamil Nadu VAT Act, 2006 | Value added tax | 0.84 | 2009-10 to 2011-12 | High Court, Tamil Nadu | 0.28 |
| ESI Act, West Bengal | ESI | 8.17 | 2006-07 | Employee State Insurance Corporation Kolkata | 0.84 |
| Income Tax Act, 1961 | Income Taxes | 183.04 | AY 2013-14 to AY 2015-16 | Deputy Commissioner of Income Tax | 36.61 |
| Income Tax Act, 1961 | Income Taxes | 1.61 | AY 2020-21 | Income Tax Appellate Tribunal | Nil |
| Income Tax Act, 1961 | Income Taxes | 3.84 | AY 2021-22 | Deputy Commissioner of Income Tax | Nil |
| Central Goods and Service Tax Act, 2017 | Goods and Service Tax | 0.98 | 2017-18 | Joint Commissioner, Central Goods and Service Tax, Raigad (Appeals) | 0.09 |
| Central Goods and Service Tax Act, 2017 | Goods and Service Tax | 3.01 | 2017-18 | Commissioner of CGST & Central Tax (Appeals) | 0.27 |

| Name of the statute | Nature of the dues | Amount (Rs. in million) | Period to which the amount relates | Forum where dispute is pending | Amount paid under protest (Rs. in million) |
|---|-----------------------|-------------------------|------------------------------------|--|--|
| Central Goods and Service Tax Act, 2017 | Goods and Service Tax | 20.24 | 2017-18 to 2019-20 | Commissioner Central Goods and Service Tax Kolkata | Nil |
| Central Goods and Service Tax Act, 2017 | Goods and Service Tax | 0.13 | 2019-20 | Commissioner Central Goods and Service Tax Varanasi | 0.01 |
| Central Goods and Service Tax Act, 2017 | Goods and Service Tax | 1.95 | 2020-21 | Superintendent Central Goods and Service Tax Bengaluru | Nil |

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets

and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Seema Mohnot
Partner

Place: Kolkata
Date: 06 May 2025 ICAI UDIN:25060715BMNVMX5193

Membership No.: 060715

Annexure B to the Independent Auditor's Report on the financial statements of Vedant Fashions Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Vedant Fashions Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal

financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with

reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Seema Mohnot
Partner
Place: Kolkata
Date: 06 May 2025 Membership No.: 060715
ICAI UDIN:25060715BMNVMX5193

Balance Sheet as at March 31, 2025

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

| Particulars | Notes | As at March 31, 2025 | As at March 31, 2024 |
|--|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 4 | 662.80 | 697.58 |
| (b) Right of use assets | 4 | 4,550.15 | 4,267.10 |
| (c) Capital work in progress | 4 | - | - |
| (d) Goodwill | 5 | 157.11 | 157.11 |
| (e) Other intangible assets | 5 | 1,508.86 | 1,512.45 |
| (f) Intangible assets under development | 5 | 0.62 | 0.62 |
| (g) Financial assets | | | |
| (i) Investments | 6 | 3,420.88 | 3,549.28 |
| (ii) Other financial assets | 7 | 941.38 | 818.09 |
| (h) Non-current tax assets (net) | 9 | 58.21 | 60.30 |
| (i) Other non-current assets | 8 | 102.32 | 102.97 |
| Total non-current assets | | 11,402.33 | 11,165.50 |
| Current assets | | | |
| (a) Inventories | 10 | 2,019.67 | 1,386.30 |
| (b) Financial assets | | | |
| (i) Investments | 11 | 7,088.31 | 6,042.93 |
| (ii) Trade receivables | 12 | 6,186.12 | 5,645.21 |
| (iii) Cash and cash equivalents | 13 | 172.11 | 216.97 |
| (iv) Bank Balances other than (iii) above | 14 | 0.19 | 0.13 |
| (v) Other financial assets | 15 | 51.10 | 118.62 |
| (c) Other current assets | 16 | 545.92 | 507.41 |
| Total current assets | | 16,063.42 | 13,917.57 |
| Total assets | | 27,465.75 | 25,083.07 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 17 | 242.94 | 242.87 |
| (b) Other equity | 18 | 17,620.16 | 15,775.93 |
| Total Equity | | 17,863.10 | 16,018.80 |
| Liabilities | | | |
| Non-current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 19 | 3,411.88 | 3,266.49 |
| (ii) Deposits | 20 | 1,320.41 | 1,225.37 |
| (b) Provisions | 21 | 56.00 | 45.73 |
| (c) Deferred tax liabilities (net) | 22 | 262.31 | 214.39 |
| (d) Other non-current liabilities | 23 | 548.57 | 583.78 |
| Total Non-current liabilities | | 5,599.17 | 5,335.76 |
| Current Liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 24 | 1,417.06 | 1,177.70 |
| (ii) Trade payables | | | |
| - total outstanding dues of micro enterprises and small enterprises | 25 | 246.53 | 307.05 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 25 | 776.89 | 583.74 |
| (iii) Other financial liabilities | 26 | 221.23 | 289.06 |
| (b) Other current liabilities | 27 | 1,271.92 | 1,304.06 |
| (c) Provisions | 28 | 3.24 | 3.42 |
| (d) Current tax liabilities (net) | 29 | 66.61 | 63.48 |
| Total current liabilities | | 4,003.48 | 3,728.51 |
| Total liabilities | | 9,602.65 | 9,064.27 |
| Total equity and liabilities | | 27,465.75 | 25,083.07 |
| Summary of Material Accounting Policies | 3 | | |

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

For B S R & Co. LLP
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022
Seema Mohnot
Partner
Membership No. 060715

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

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholtime Director
DIN : 00361954

Rahul Murarka
Chief Financial Officer

Navin Pareek
Company Secretary
ICSI Membership No. F10672

Place: Kolkata
Date: May 06, 2025

Statement of Profit and Loss for the year ended March 31, 2025

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

| Particulars | Notes | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|-------|--------------------------------------|--------------------------------------|
| Income: | | | |
| I Revenue from operations | 30 | 13,864.83 | 13,675.32 |
| II Other income | 31 | 851.57 | 696.71 |
| III Total income (I + II) | | 14,716.40 | 14,372.03 |
| IV Expenses: | | | |
| Cost of materials consumed | | | |
| - Raw materials | 32A | 1,584.84 | 1,292.09 |
| - Accessories & packing materials | 32B | 177.74 | 156.97 |
| Purchases of stock-in-trade | 33 | 2,552.49 | 2,057.12 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 34 | (623.94) | 285.95 |
| Employee benefits expense | 35 | 597.99 | 567.78 |
| Finance costs | 36 | 552.08 | 445.00 |
| Depreciation and amortisation expense | 37 | 1,530.61 | 1,348.54 |
| Other expenses | 38 | 3,149.63 | 2,734.52 |
| Total expenses (IV) | | 9,521.44 | 8,887.97 |
| V Profit before tax (III-IV) | | 5,194.96 | 5,484.06 |
| VI Tax expense: | | | |
| Current tax | | 1,260.98 | 1,318.40 |
| Deferred tax | | 49.26 | 23.94 |
| Total Tax expense | | 1,310.24 | 1,342.34 |
| VII Profit for the year (V-VI) | | 3,884.72 | 4,141.72 |
| VIII Other comprehensive income/(loss) | | | |
| (i) Item that will not be reclassified to profit or loss | | | |
| (a) Re-measurement losses on defined benefit obligations | 22.1 | (2.95) | (5.16) |
| (b) Income tax effect on above | | 0.74 | 1.29 |
| (ii) Item that will be reclassified to profit or loss | | | |
| (a) Fair value changes in debt instruments through other comprehensive income | 22.1 | (2.37) | 7.34 |
| (b) Income tax effect on above | | 0.60 | (1.85) |
| Other comprehensive income/(loss) for the year, net of tax | | (3.98) | 1.62 |
| IX Total comprehensive income for the year | | 3,880.74 | 4,143.34 |
| X Earnings per equity share (EPS) (face value of share of INR 1 each) | | | |
| Basic (in INR per share) | 39 | 15.99 | 17.06 |
| Diluted (in INR per share) | 39 | 15.98 | 17.04 |
| Summary of Material Accounting Policies | 3 | | |

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

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

Vedant Fashions Limited

For and on behalf of the Board of Directors

Seema Mohnot

Partner

Membership No. 060715

Ravi Modi

Chairman and Managing Director

DIN : 00361853

Shilpi Modi

Wholetime Director

DIN : 00361954

Rahul Murarka

Chief Financial Officer

Navin Pareek

Company Secretary

ICSI Membership No. F10672

Place: Kolkata

Date: May 06, 2025

Statement of Cash Flows for the year ended March 31, 2025

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

| Particulars | For the year ended | |
|--|--------------------|-------------------|
| | March 31, 2025 | March 31, 2024 |
| A. Cash Flows from Operating Activities | | |
| Profit before tax | 5,194.96 | 5,484.06 |
| Adjustments for : | | |
| - Depreciation and amortisation expenses | 1,530.61 | 1,348.54 |
| - Profit on sale of property, plant & equipment (net) | (1.35) | (0.35) |
| - Interest income | (263.66) | (135.43) |
| - Profit on sale of investments (net) | (151.35) | (181.93) |
| - Gain on fair valuation of investments carried at FVTPL | (398.97) | (316.90) |
| - Loss allowances on financial assets | 7.27 | 7.61 |
| - Bad debts/advances written off | 5.96 | 1.62 |
| - Liabilities/provisions no longer required written back | (17.76) | (25.67) |
| - Unrealised net gain on foreign currency transactions and translations | (0.46) | (0.26) |
| - Equity settled share-based payments | 5.59 | 30.66 |
| - Gain on termination of lease arrangements | (6.47) | (7.55) |
| - Interest expense on lease liabilities | 433.22 | 335.47 |
| - Interest expense on others | 0.20 | 2.27 |
| - Interest expense on financial liabilities measured at amortised cost | 118.66 | 107.26 |
| - Other miscellaneous income | - | (19.76) |
| Operating profit before working capital changes | 6,456.45 | 6,629.64 |
| Movement in working capital: | | |
| Increase in financial assets | (28.08) | (74.77) |
| Increase in other assets | (96.88) | (128.70) |
| Increase in trade receivables | (553.00) | (919.75) |
| (Increase)/Decrease in inventories | (633.37) | 350.16 |
| Increase in provisions | 7.13 | 6.32 |
| Increase in trade payables | 147.48 | 57.63 |
| (Decrease)/Increase in other financial and non financial liabilities | (157.96) | 211.16 |
| Cash generated from operating activities | 5,141.77 | 6,131.69 |
| Income tax paid (net of refund) | (1,255.76) | (1,300.90) |
| Net cash generated from operating activities (A) | 3,886.01 | 4,830.79 |
| B. Cash Flows from Investing Activities | | |
| Acquisition of property, plant and equipments, capital work in progress & intangible assets (including capital advances) | (31.15) | (40.22) |
| Proceeds from sale of property, plant and equipments (including advance received) (Refer Note 8.1) | 24.31 | 52.91 |
| Interest received | 256.25 | 38.10 |
| Acquisition of investments | (18,730.96) | (18,051.99) |
| Proceeds from sale of investments | 18,322.72 | 16,903.33 |
| Proceeds from maturity of bank deposits | - | 2.63 |
| Net cash used in investing activities (B) | (158.83) | (1,095.24) |

Statement of Cash Flows for the year ended March 31, 2025

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

| Particulars | For the year ended | |
|--|--------------------|-------------------|
| | March 31, 2025 | March 31, 2024 |
| C. Cash Flows from Financing Activities | | |
| Principal payment of lease liabilities | (1,295.77) | (1,124.82) |
| Interest paid on lease liabilities | (433.22) | (335.47) |
| Interest paid other than interest on lease liabilities | (1.09) | (1.82) |
| Proceeds from exercise of shares options | 22.61 | 31.06 |
| Dividend paid | (2,064.57) | (2,184.98) |
| Net cash used in financing activities (C) | (3,772.04) | (3,616.03) |
| Net increase/(decrease) in Cash and Cash Equivalents (A+B+C) | (44.86) | 119.52 |
| Cash and Cash Equivalents at the beginning of the year | 216.97 | 97.45 |
| Cash and Cash Equivalents at the end of the year | 172.11 | 216.97 |

| Particulars | March 31, 2025 | March 31, 2024 |
|--|----------------|----------------|
| Components of Cash and Cash Equivalents (Refer Note 13) | | |
| Balance with Banks | 171.23 | 216.29 |
| Cash on hand | 0.88 | 0.68 |
| Cash and Cash Equivalents as at the end of the year | 172.11 | 216.97 |

Non-cash investing activities

| Particulars | March 31, 2025 | March 31, 2024 |
|------------------------------------|----------------|----------------|
| Acquisition of Right of use assets | 1,750.96 | 2,705.77 |

The above statement of cash flows has been prepared under the 'Indirect method' as set out in Ind AS 7, "Statement of cash flows".

The accompanying notes are an integral part of the financial statements

In terms of our report attached of the even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

Seema Mohnot

Partner

Membership No. 060715

Place: Kolkata

Date: May 06, 2025

Vedant Fashions Limited

For and on behalf of the Board of Directors

Ravi Modi

Chairman and Managing Director

DIN : 00361853

Rahul Murarka

Chief Financial Officer

Shilpi Modi

Wholetime Director

DIN : 00361954

Navin Pareek

Company Secretary

ICSI Membership No. F10672

Statement of changes in equity for the year ended March 31, 2025

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

A. Equity share capital

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|--|----------------------|--------|----------------------|--------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares outstanding at the beginning of the year | 24,28,69,863 | 242.87 | 24,27,79,990 | 242.78 |
| Changes in equity share capital during the year | 74,146 | 0.07 | 89,873 | 0.09 |
| Equity shares outstanding at the end of the year | 24,29,44,009 | 242.94 | 24,28,69,863 | 242.87 |

B. Other Equity

As at March 31, 2025

| Particulars | Attributable to the equity shareholders | | | | | |
|---|---|-----------------|----------------------------|-----------------------------------|-------------------|--------------------|
| | Reserves and Surplus | | | | | Total other equity |
| | Securities premium | Capital Reserve | Capital Redemption Reserve | Share options outstanding account | Retained earnings | |
| As at April 01, 2024 | 310.38 | 7.62 | 8.02 | 83.60 | 15,366.31 | 15,775.93 |
| Total Comprehensive Income for the year ended March 31 , 2025 | | | | | | |
| Profit for the year | - | - | - | - | 3,884.72 | 3,884.72 |
| Other comprehensive loss for the year net of tax | - | - | - | - | (3.98) | (3.98) |
| Total comprehensive income for the year | - | - | - | - | 3,880.74 | 3,880.74 |
| Contribution and distributions | | | | | | |
| Dividend Paid to shareholders of the company | - | - | - | - | (2,064.64) | (2,064.64) |
| Share options exercised during the year | 39.21 | - | - | (16.67) | - | 22.54 |
| Equity settled share-based payments (Note 51) | - | - | - | 5.59 | - | 5.59 |
| Total Contribution and distributions | 39.21 | - | - | (11.08) | (2,064.64) | (2,036.51) |
| As at March 31, 2025 | 349.59 | 7.62 | 8.02 | 72.52 | 17,182.41 | 17,620.16 |

As at March 31, 2024

| Particulars | Attributable to the equity shareholders | | | | | |
|---|---|-----------------|----------------------------|-----------------------------------|-------------------|--------------------|
| | Reserves and Surplus | | | | | Total other equity |
| | Securities premium | Capital Reserve | Capital Redemption Reserve | Share options outstanding account | Retained earnings | |
| As at April 01, 2023 (as published earlier) | 95.71 | 7.62 | 8.02 | 76.64 | 13,519.70 | 13,707.69 |
| Effects of common control business (Note 55) | 160.00 | - | - | - | (111.67) | 48.33 |
| As at April 01, 2023 | 255.71 | 7.62 | 8.02 | 76.64 | 13,408.03 | 13,756.02 |
| Total Comprehensive Income for the year ended March 31 , 2024 | | | | | | |

Statement of changes in equity for the year ended March 31, 2024

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

As at March 31, 2024 (Contd.)

| Particulars | Attributable to the equity shareholders | | | | | |
|--|---|-----------------|----------------------------|-----------------------------------|-------------------|--------------------|
| | Reserves and Surplus | | | | | Total other equity |
| | Securities premium | Capital Reserve | Capital Redemption Reserve | Share options outstanding account | Retained earnings | |
| Profit for the year | - | - | - | - | 4,141.72 | 4,141.72 |
| Other comprehensive income for the year net of tax | - | - | - | - | 1.62 | 1.62 |
| Total comprehensive income for the year | - | - | - | - | 4,143.34 | 4,143.34 |
| Contribution and distributions | | | | | | |
| Dividend Paid to shareholders of the company | - | - | - | - | (2,185.06) | (2,185.06) |
| Share options exercised during the year | 54.67 | - | - | (23.70) | - | 30.97 |
| Equity settled share-based payments (Note 51) | - | - | - | 30.66 | - | 30.66 |
| Total Contribution and distributions | 54.67 | - | - | 6.96 | (2,185.06) | (2,123.43) |
| As at March 31, 2024 | 310.38 | 7.62 | 8.02 | 83.60 | 15,366.31 | 15,775.93 |

The accompanying notes are an integral part of the financial statements

In terms of our report attached of the even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

Seema Mohnot

Partner

Membership No. 060715

Place: Kolkata

Date: May 06, 2025

Vedant Fashions Limited

For and on behalf of the Board of Directors

Ravi Modi

Chairman and Managing Director

DIN : 00361853

Rahul Murarka

Chief Financial Officer

Shilpi Modi

Wholtime Director

DIN : 00361954

Navin Pareek

Company Secretary

ICSI Membership No. F10672

Notes to the Financial Statements as at and for year ended March 31, 2025

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

1. COMPANY OVERVIEW

Vedant Fashions Limited (the Company) is a public Company domiciled in India and was incorporated on May 24, 2002, under the provisions of the Companies Act applicable in India having CIN L51311WB2002PLC094677. The Company is primarily engaged in manufacturing, trading and sale of readymade ethnic wear for men, women and kids primarily in India under the brand names Manyavar, Mohey, Mebaz, Twamev and Diwas. The company is listed on National Stock Exchange and Bombay Stock Exchange.

Registered and corporate office of the Company is located at Paridhan Garment Park, 19 Canal South Road, SDF 1, 4th floor, A501-A502, Kolkata- 700015.

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

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

The financial statements were authorized for issue by the Company's Board of Director on 6th May 2025.

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

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

b) Basis of fair value measurement

The Company measures financial instruments, Such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

All assets and liabilities for which fair value is measured or disclosed in the 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:

Notes to the Financial Statements

as at and for year ended March 31, 2025

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

Level 1 — Quoted (unadjusted) market prices in active markets and net asset value (NAV) 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.

- Critical estimates and judgements (Note 54)
- Quantitative disclosures of fair value measurement hierarchy (Note 47)
- Financial instruments (including those carried at amortised cost) (Note 46)

c) Functional and presentation currency

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

d) Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has not notified any new standards or amendments to the existing standards which will have any significant impact on these Financial Statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

a) i) Revenue recognition from contracts with customers

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and that reflects the consideration to which the Company expect to be entitled to in exchange of products. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 54.

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

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts, margin, rate change etc offered by the Company as part of the contract.

Notes to the Financial Statements as at and for year ended March 31, 2025

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

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

Contract balances

Trade receivables

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

Contract liabilities

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

Assets and liabilities arising from rights of return

Refund liabilities

The amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The Company updates its estimates of refund liabilities at the end of each reporting year.

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

ii) Export benefits

Export benefits are accounted on recognition of export sales where there is reasonable assurance that the benefits will be received, and all attached conditions will be complied with. It is recognized as other operating revenue.

iii) Interest income

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

b) Property, Plant and Equipment

(i) Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

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

Notes to the Financial Statements as at and for year ended March 31, 2025

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

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

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

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

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

(ii) Capital work in progress

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

(iii) Depreciation

Assets in the course of development or construction and freehold land are not depreciated. These assets are tested for impairment.

Other property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Depreciation on additions/(disposals) is provided on a pro-rata basis i.e. from/ (up to) the date on which asset is ready for use/ (disposed off).

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

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

| | |
|--------------------------|-------------|
| ○ Buildings | 30-60 years |
| ○ Computers | 3 years |
| ○ Computers - Servers | 6 years |
| ○ Plant and equipment | 15 years |
| ○ Furniture and fixtures | 5-10 years |
| ○ Vehicles | 8 years |
| ○ Office equipment | 5 years |

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

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

Notes to the Financial Statements as at and for year ended March 31, 2025

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

(iv) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

c) Intangible assets and intangible assets under development

Intangible assets acquired on a 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 on a written down value basis over those useful life and tested for impairment whenever there is an indication of impairment. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually or when circumstances indicate that the carrying value may be impaired, either individually or at the cash- generating unit level.

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

| | |
|---------------------------------|---|
| ○ Computer softwar | 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 are stated at cost, net of accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Notes to the Financial Statements

as at and for year ended March 31, 2025

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

d) Financial instruments

Financial assets

(i) Recognition and initial measurement of financial assets

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

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument and the contract transaction is executed.

A financial asset (unless it is a trade receivable without a significant financing component) or for which the Company has applied the practical expedient is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component or for which the Company has applied the practical expedient is initially measured at the transaction price determined under Ind AS 115 – “Revenue from contracts with customers”. Refer to the accounting policies in section 3(a)(i) Revenue recognition from contract with customer.

(ii) Classification and subsequent measurement of financial asset

At initial recognition, Financial assets are classified and subsequently measured at

- amortised cost,
- fair value through other comprehensive income (OCI) – debt investments,
- fair value through other comprehensive income (OCI) – equity investments and
- fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Company’s business model for managing them.

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

The Company’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A ‘financial asset’ is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

Notes to the Financial Statements as at and for year ended March 31, 2025

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

- b) The asset's contractual cash flows represent SPPI.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Subsequent measurement and gains and losses

Debt investments at FVTOCI:

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss.

The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments.

Financial assets at FVTPL:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value including any interest or dividend income are recognised in the Statement of Profits and Losses.

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(iii) Derecognition of financial assets

The Company derecognizes a financial asset when

- the contractual rights to the cash flows from the financial asset expire; or,
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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

Financial liabilities

(i) Recognition and initial measurement of financial Liabilities

Financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement and gains and losses on financial Liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

Notes to the Financial Statements

as at and for year ended March 31, 2025

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

(iii) Derecognition of financial liabilities

A financial liability (or part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Impairment of financial assets

At each reporting date, the Company assess whether financial assets, than those at FVTPL are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more; or
- it is probable that the borrower will enter bankruptcy or other financial reorganization.

The Company recognises loss allowances using the expected credit losses (ECL) model for the financial assets which are fair valued through profit or loss.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

e) 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.

Notes to the Financial Statements as at and for year ended March 31, 2025

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

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

There is no other hedge instrument in the Company.

f) Cash and cash equivalents

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

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

g) Borrowing Costs

Borrowing costs 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.

h) 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. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods. Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases when a decline in the price of materials indicates that the cost of the finished products shall exceed the net realisable value.
- f. The comparison of cost and net realisable value is made on an item-by-Item basis
- g. Obsolete, slow moving and defective inventories are identified and written down to net realisable value.

i) 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.

Notes to the Financial Statements

as at and for year ended March 31, 2025

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

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

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

Leasehold land which is part of right of use asset is amortised over the period of lease i.e. 99 years.

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19-Related Rent concessions" effective from the period beginning on or after April 01, 2020. As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B of Ind AS 116 is a lease modification. Pursuant to the notification, the 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.

j) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

Current income tax

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

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

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Notes to the Financial Statements as at and for year ended March 31, 2025

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

Deferred tax

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

Deferred tax is recognised for all taxable temporary differences, except:

- Taxable temporary difference arising from the initial recognition of goodwill
- Temporary difference on initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- Temporary difference related to investments in subsidiary to the extent that the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

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

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

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

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

k) Employee benefit schemes

i) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably

ii) Post employment benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan where the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity.

The Company has defined contribution plans for post-employment benefits such as Provident Fund, National Pension Scheme, Employee's State Insurance and Employee's Pension Scheme, 1995. The Company contributes

Notes to the Financial Statements

as at and for year ended March 31, 2025

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

to a government administered Provident Fund, state plan namely Employee's Pension Scheme, 1995, Employee's State Insurance Scheme and National Pension Scheme on behalf of its employees and has no further obligation beyond making its contribution. The Company's contributions to the above funds are recognised in the statement of profit and loss for the year.

Defined Benefit Plans

The Company has defined benefit plan namely gratuity for all its employees. Liability for defined benefit plan is provided based on valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by the independent actuary for measuring the liability is the projected unit credit method. Actuarial losses and gains are recognised in other comprehensive income and shall not be reclassified to the statement of profit and loss in a subsequent year. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the statement of profit or loss as past service costs.

iii) Share-Based Payments

Selected employees of the Company receive part of their remuneration through share-based payments in consideration for the services rendered. The fair value of the options at the grant date is calculated by an independent valuer based on Black Scholes model.

Related costs are recognized as employee benefit expense that are correspondingly credited to share-based payment (SBP) reserves as part of Total Equity, over the period in which the performance and/or service conditions are fulfilled by covered employees. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Statement of Profits and Losses for a year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

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

l) Foreign currency transactions

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

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

m) Earnings per share

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

Notes to the Financial Statements

as at and for year ended March 31, 2025

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

a corresponding change in resources. For calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

In a capitalisation or bonus issue or a share split, ordinary shares are issued to existing shareholders for no additional consideration. Therefore, the number of ordinary shares outstanding is increased without an increase in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

n) 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.

o) Use of Estimates and Judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the 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 financial statements are elaborated in Note 54.

p) Business combinations and goodwill

Business combinations, other than through common control transactions, if any are accounted for 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.

Common Control Transactions

Business combinations involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where that control is not transitory are accounted for as per the pooling of interest method. The business combination is accounted for as if the business combination had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities

Notes to the Financial Statements as at and for year ended March 31, 2025

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

acquired are recognised at their carrying amounts. The identity of the reserves is preserved, and they appear in the financial statements of the acquiring entity in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve/ adjusted with retained earnings.

q) Provisions for liabilities, contingent liabilities and contingent assets

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined based on best estimates of the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A disclosure for a contingent liability is made when there is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent asset is not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

r) 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.

s) Share capital

Equity shares

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

t) Impairment of non-financial asset

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

u) 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.

Notes to the Financial Statements

as at and for year ended March 31, 2025

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

Notes to the Financial Statements

as at and for year ended March 31, 2025

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

4. Property, Plant and Equipment, Right of use assets and Capital Work in Progress¹

| Particulars | Right of use assets ² | Property, Plant and Equipment | | | | | | | | Capital Work in Progress | |
|---|--|-------------------------------|---------------|-------------|---------------------|------------------------|--------------|-------------------|---------------|--------------------------|-------|
| | | Buildings | Land-Freehold | Buildings | Plant and equipment | Furniture and fixtures | Computers | Office equipments | Vehicles | | Total |
| Gross Block Balance as at 1 April 2023 (as earlier published) Effect of common control business combination (Note 55) As at April 01, 2023 Additions Disposals Transfer As at March 31, 2024 Additions Disposals Transfers As at March 31, 2025 | 5,772.24 | 89.03 | 710.14 | 14.45 | 170.71 | 38.42 | 68.23 | 15.06 | 1,106.04 | 20.22 | |
| | 48.39 | - | - | - | 9.10 | 0.10 | 3.35 | - | 12.55 | - | |
| | 5,820.63 | 89.03 | 710.14 | 14.45 | 179.81 | 38.52 | 71.58 | 15.06 | 1,118.59 | 20.22 | |
| | 2,790.70 (365.29) | - | - | 0.56 (3.19) | 19.16 (4.13) | 13.73 (0.15) | 18.85 (1.34) | - | 52.30 (10.09) | 9.58 | |
| | - | - | - | - | - | - | - | - | - | (29.80) | |
| | 8,246.04 | 89.03 | 710.14 | 11.82 | 194.84 | 52.10 | 89.09 | 13.78 | 1,160.80 | - | |
| | 1,808.22 (652.92) | - | - | 0.91 (1.98) | 7.83 (1.86) | 12.86 (6.04) | 11.40 (2.77) | - | 33.00 (25.26) | - | |
| | - | - | - | - | - | - | - | - | - | - | |
| | 9,401.34 | 89.03 | 710.14 | 10.75 | 200.81 | 58.92 | 97.72 | 1.17 | 1,168.54 | - | |
| | Accumulated Depreciation Balance as at 1 April 2023 (as earlier published) Effect of common control business combination (Note 55) As at April 01, 2023 Depreciation charge for the year Disposals As at March 31, 2024 Depreciation charge for the year Disposals As at March 31, 2025 Carrying Amount As at March 31, 2024 As at March 31, 2025 | 2,989.53 | - | 173.96 | 8.23 | 117.22 | 30.40 | 54.80 | 11.50 | 396.11 | - |
| | | 40.55 | - | - | - | 5.34 | 0.13 | 3.39 | - | 8.86 | - |
| | | 3,030.08 | - | 173.96 | 8.23 | 122.56 | 30.53 | 58.19 | 11.50 | 404.97 | - |
| 1,251.08 (302.22) | | - | 26.09 | 0.93 (1.71) | 19.06 (3.18) | 8.11 (0.15) | 10.44 (1.26) | 1.08 (1.16) | 65.71 (7.46) | - | |
| 3,978.94 | | - | 200.05 | 7.45 | 138.44 | 38.49 | 67.37 | 11.42 | 463.22 | - | |
| 1,461.18 (588.93) | | - | 24.82 | 0.85 (1.39) | 16.51 (1.65) | 12.18 (5.86) | 10.96 (2.67) | 0.52 (11.75) | 65.84 (23.32) | - | |
| 4,851.19 | | - | 224.87 | 6.91 | 153.30 | 44.81 | 75.66 | 0.19 | 505.74 | - | |
| | | | | | | | | | | | |
| 4,267.10 | | 89.03 | 510.09 | 4.37 | 56.40 | 13.61 | 21.72 | 2.36 | 697.58 | - | |
| 4,550.15 | | 89.03 | 485.27 | 3.84 | 47.51 | 14.11 | 22.06 | 0.98 | 662.80 | - | |

- (1) On transition to Ind AS (w.e.f. April 1, 2016), the Company had opted to continue with carrying values of items of property, plant and equipment measured as per the previous Indian GAAP and had considered those carrying values as deemed cost of respective items of property, plant and equipment.
- (2) The Company implemented Indian Accounting Standard for Leases ("Ind AS 116") with effect from April 1, 2019 using the modified retrospective approach. The right of use assets comprise of buildings (including retail store) taken on lease.

Notes to the Financial Statements

as at and for year ended March 31, 2025
(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 | | | Total | Intangible assets under development ⁴ |
|--|-----------------------|-------------------------|----------------------------|---|-----------------|--|
| | | Computer software | Tenancy right ³ | Trade Mark, Brand & Others ² | | |
| Cost | | | | | | |
| Balance as at 1 April 2023 (as earlier published) | 157.11 | 12.45 | 5.15 | 1,589.00 | 1,606.60 | 1.68 |
| Effect of common control business combination (Note 55) | - | 0.43 | 74.22 | - | 74.65 | - |
| As at April 01, 2023 | 157.11 | 12.88 | 79.37 | 1,589.00 | 1,681.25 | 1.68 |
| Additions | - | 0.64 | - | 0.42 | 1.06 | - |
| Transfer | - | - | - | - | - | (1.06) |
| As at March 31, 2024 | 157.11 | 13.52 | 79.37 | 1,589.42 | 1,682.31 | 0.62 |
| Additions | - | - | - | - | - | - |
| As at March 31, 2025 | 157.11 | 13.52 | 79.37 | 1,589.42 | 1,682.31 | 0.62 |
| Accumulated Amortisation | | | | | | |
| Accumulated amortisation and impairment losses at 1 April 2023 (as earlier published) | - | 11.30 | 5.16 | 64.48 | 80.94 | - |
| Effect of common control business combination (Note 55) | - | 0.53 | 56.64 | - | 57.17 | - |
| As at April 01, 2023 | - | 11.83 | 61.80 | 64.48 | 138.11 | - |
| Amortisation charge for the year | - | 1.31 | 14.84 | 15.60 | 31.75 | - |
| As at March 31, 2024 | - | 13.14 | 76.64 | 80.08 | 169.86 | - |
| Amortisation charge for the year | - | 0.25 | 2.21 | 1.13 | 3.59 | - |
| As at March 31, 2025 | - | 13.39 | 78.85 | 81.21 | 173.45 | - |
| Net Block | | | | | | |
| As at March 31, 2024 | 157.11 | 0.38 | 2.73 | 1,509.34 | 1,512.45 | 0.62 |
| As at March 31, 2025 | 157.11 | 0.13 | 0.52 | 1,508.21 | 1,508.86 | 0.62 |

- (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) The goodwill and brand (with indefinite life) represent balances allocated and acquired through acquisition of Mebaz business in earlier years. The carrying amount of goodwill and brand as at the end of 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, 2025 | March 31, 2024 |
|---|----------------|----------------|
| Average annual growth rate for next 5 financial year | 11.60%* | 8.00%# |
| Terminal growth rate | 5.00% | 5.00% |
| Weighted Average Cost of Capital % (WACC) after tax (Discount rate) | 13.00% | 13.20% |

8.00% growth rate has been considered after the financial year 2024-25.

* 10% growth rate has been considered for the financial year 2025-26 thereafter 12% annual growth rate has been considered for the next 4 years.

Notes to the Financial Statements

as at and for year ended March 31, 2025
(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. Further based on Management assessment there is no trigger for impairment as on March 31, 2025.

The Company has performed sensitivity analysis around the base assumptions and has concluded that reasonable possible change in key assumptions would not result in the recoverable amount of the CGU to be less than the carrying value.

- (3) Represents usage rights acquired under license arrangement from Kolkata Municipal Corporation as recorded permit holder.
- (4) Represents applications made for various trademark registration.

Intangible Assets Under Development (IAUD) ageing schedule

As at March 31, 2025

| 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 | - | - | - | 0.62 | 0.62 |

As at March 31, 2024

| 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 | - | - | - | 0.62 | 0.62 |

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, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Investment in bonds and debentures | | |
| Quoted | | |
| At fair value through other comprehensive income (FVTOCI) | | |
| HDB Financial Services Limited - 7.7% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - NIL) [March 31, 2024 - 400 units at par value of INR 10,00,000 each] | - | 416.68 |
| Tata Capital Financial Services Limited - 8.30% Non-Convertible Debentures (March 31, 2025 - NIL) [March 31, 2024 - 1500 units at par value of INR 1,00,000 each] | - | 150.72 |
| Kotak Mahindra Investments Limited - 8.1059% Non-Convertible Debentures (March 31, 2025 - NIL) [March 31, 2024 - 3500 units at par value of INR 1,00,000 each] | - | 376.02 |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

6. Financial assets - Non current : Investments (Contd.)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Kotak Mahindra Prime Limited - 8.255% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - 1000 units at par value of INR 1,00,000 each) [March 31, 2024 - 1000 units at par value of INR 1,00,000 each] | 106.90 | 106.52 |
| Bajaj Finance Limited - 7.8925% Non-Convertible Debentures (March 31, 2025 - NIL) [March 31, 2024 - 300 units at par value of INR 10,00,000 each] | - | 318.49 |
| HDB Financial Services Limited - 6.00% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - NIL) [March 31, 2024 - 200 units at par value of INR 10,00,000 each] | - | 198.29 |
| Tata Capital Financial Services Limited - 8.0980% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - 4,000 units at par value of INR 1,00,000 each) [March 31, 2024 - 2,500 units at par value of INR 1,00,000 each] | 413.47 | 255.90 |
| HDB Financial Services Limited - 8.1965% Non-Convertible Debentures (March 31, 2025 - NIL) [March 31, 2024 - 1,000 units at par value of INR 1,00,000 each] | - | 107.80 |
| HDB Financial Services Limited - 8.3324% Secured Redeemable Non-Convertible Debentures (March 31, 2025 -1,500 units at par value of INR 1,00,000 each) [March 31, 2024 -1,500 units at par value of INR 1,00,000 each] | 162.53 | 151.86 |
| Aditya Birla Housing Finance Ltd -7.8461% Secured Redeemable Non-Convertible Debentures (March 31, 2025 -2,000 units at par value of INR 1,00,000 each) [March 31, 2024 -NIL] | 204.47 | - |
| At fair value through profit and loss (FVTPL) | | |
| Union Bank of India - 8.40% Perpetual Bond (March 31, 2025 -20 units at par value of INR 1,00,00,000 each) [March 31, 2024 -NIL] | 205.77 | - |
| State Bank of India - 7.72% Perpetual Bond (March 31, 2025 -10 units at par value of INR 1,00,00,000 each) [March 31, 2024 -NIL] | 104.04 | - |
| Bank of Baroda - 7.95% Perpetual Bond (March 31, 2025 -10 units at par value of INR 1,00,00,000 each) [March 31, 2024 -NIL] | 102.52 | - |
| State Bank of India - 7.55% Perpetual Bond (March 31, 2025 -23 units at par value of INR 1,00,00,000 each) [March 31, 2024 -NIL] | 233.56 | - |
| State Bank of India - 7.7500% Perpetual Bond (March 31, 2025 -50 units at par value of INR 1,00,00,000 each) [March 31, 2024 -NIL] | 518.71 | - |
| Axis Finance Limited PP- MLD Series 02/ 2022-23 (March 31, 2025 - NIL) [March 31, 2024 - 300 units at par value of INR 10,00,000 each] | - | 337.80 |
| ICICI Home Finance Company Limited, Market Linked Debenture (March 31, 2025 - NIL) [March 31, 2024 - 400 units at par value of INR 10,00,000 each] | - | 435.97 |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

6. Financial assets - Non current : Investments (Contd.)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Tata Cleantech Capital Limited, Market Linked Debenture (March 31, 2025 - NIL) [March 31, 2024 - 400 units at par value of INR 10,00,000 each] | - | 438.19 |
| State Bank of India - 7.72% Perpetual Bond (March 31, 2025 - 25 units at par value of INR 1,00,00,000 each) [March 31, 2024 - 25 units at par value of INR 1,00,00,000 each] | 257.16 | 255.04 |
| Fixed Deposit with Financial Institution | | |
| Mahindra & Mahindra Finance Limited | 910.75 | - |
| Bajaj Finance Limited | 201.00 | - |
| Total | 3,420.88 | 3,549.28 |
| Aggregate market value of quoted investments | 3,420.88 | 3,549.28 |
| Aggregate book value of quoted investments | 3,420.88 | 3,549.28 |

7. Financial assets - Non current : Others

(unsecured, considered good, unless otherwise stated)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| At amortised cost | | |
| Security deposits | | |
| - Considered good | 941.00 | 817.56 |
| - Considered doubtful | 1.48 | 1.48 |
| | 942.48 | 819.04 |
| Less: Loss Allowance | (1.48) | (1.48) |
| | 941.00 | 817.56 |
| Bank deposits with remaining maturity greater than 12 months ¹ | 0.19 | 0.19 |
| Interest accrued on fixed deposits | 0.19 | 0.16 |
| Loan to employees | - | 0.18 |
| Total | 941.38 | 818.09 |

(1) Represents bank deposits lodged with sales tax authorities which earns interest ranging from 5.90% to 6.50% (March 31, 2024 - 5.90% to 6.50%)

8. Non-current - Other assets

(unsecured, considered good)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Capital advances (Refer note 8.1) | 52.85 | 54.72 |
| Prepaid expenses | 1.69 | 0.47 |
| Balances with statutory/government authorities | 47.78 | 47.78 |
| Total | 102.32 | 102.97 |

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

Notes to the Financial Statements as at and for year ended March 31, 2025

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

8. Non-current - Other assets (Contd.)

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. During the previous financial year ended March 31, 2024 share of sale proceeds received from developer has been adjusted against capital advance and resultant income of Rs 19.76 million has been accounted as other income due to transfer of control of the respective constructed space.

9. Non-current - Tax assets (net)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Advance income tax (net of provision for taxation) ¹ | 58.21 | 60.30 |
| Total | 58.21 | 60.30 |

(1) Non current tax asset is net of provision for taxation amounting to INR 4480.06 Million (INR 4503.84 Million as on March 31, 2024).

10. Inventories¹

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| At lower of cost and net realisable value | | |
| Raw materials (Refer Note 32A) | 155.80 | 143.48 |
| Accessories and packing material (Refer Note 32B) | 37.82 | 36.32 |
| Work in progress (Refer Note 34) | 301.15 | 280.15 |
| Finished goods (Refer Note 34) [Including in transit INR 6.12 Million (March 31, 2024 - INR 2.46 Million)] | 784.94 | 478.14 |
| Stock-in-trade (Refer Note 34) [Including in transit INR 2.91 Million (March 31, 2024 - INR 1.21 Million)] | 739.96 | 448.21 |
| Total | 2,019.67 | 1,386.30 |

(1) Includes all inventories lying with third party amounting to INR 323.85 Million (March 31, 2024 - INR 335.88 Million).

11. Financial assets - Current : Investments

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Investments in mutual funds | | |
| Unquoted | | |
| At fair value through profit and loss (FVTPL) | | |
| Kotak Liquid Fund - Direct Plan - Growth (March 31, 2025 - 35,730 units at par value of INR 1,000 each) [March 31, 2024 - 61,378 units at par value of INR 1,000 each] | 187.20 | 299.47 |
| HDFC Liquid Fund - Direct Plan - Growth Option (March 31, 2025 - 31,262 units at par value of INR 1,000 each) [March 31, 2024 - 1,06,139 units at par value of INR 1,000 each] | 159.23 | 503.49 |
| Axis Corporate Debt Fund - Direct - Growth (March 31, 2025 - 57,53,452 units at par value of INR 10 each) [March 31, 2024 - 57,53,452 units at par value of INR 10 each] | 101.42 | 93.05 |

Notes to the Financial Statements as at and for year ended March 31, 2025

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

11. Financial assets - Current : Investments (Contd.)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Axis Treasury Advantage Fund - Direct - Growth (March 31, 2025 - 41,604 units at par value of INR 1,000 each) [March 31, 2024 - 41,604 units at par value of INR 1,000 each] | 132.10 | 122.25 |
| HDFC Corporate Bond Fund - Direct - Growth (March 31, 2025 - 89,67,268 units at par value of INR 10 each) [March 31, 2024 - 89,67,268 units at par value of INR 10 each] | 291.81 | 267.97 |
| HDFC Money Market Fund - Direct Plan - Growth (March 31, 2025 - 11,500 units at par value of INR 1,000 each) [March 31, 2024 - 11,500 units at par value of INR 1,000 each] | 65.75 | 60.95 |
| ICICI Prudential Corporate Bond Fund - Direct Plan - Growth March 31, 2025 - 96,51,613 units at par value of INR 10 each) [March 31, 2024 - 96,51,613 units at par value of INR 10 each] | 294.87 | 271.65 |
| ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Growth (March 31, 2025 - 30,28,561 units at par value of INR 10 each) [March 31, 2024 - 30,28,561 units at par value of INR 10 each] | 101.08 | 93.22 |
| ICICI Prudential Money Market Fund - Direct Plan - Growth (March 31, 2025 - 3,48,358 units at par value of INR 100 each) [March 31, 2024 - 3,48,358 units at par value of INR 100 each] | 131.22 | 121.66 |
| Bandhan Corporate Bond Fund - Direct Plan - Growth (March 31, 2025 - 1,47,72,541 units at par value of INR 10 each) [March 31, 2024 - 1,47,72,541 units at par value of INR 10 each] | 285.89 | 263.26 |
| Kotak Bond Fund (Short Term) - Direct Plan - Growth (March 31, 2025 - 51,88,975 units at par value of INR 10 each) [March 31, 2024 - 51,88,975 units at par value of INR 10 each] | 290.82 | 267.35 |
| Axis AAA Bond Plus SDL ETF - 2026 Maturity (March 31, 2025 - 1,49,39,790 units at par value of INR 10 each) [March 31, 2024 - 1,49,39,790 units at par value of INR 10 each] | 178.86 | 167.09 |
| Axis CPSE Plus SDL 2025 70:30 Debt Index Fund (March 31, 2025 - 1,48,92,767 units at par value of INR 10 each) [March 31, 2024 - 1,48,92,767 units at par value of INR 10 each] | 177.95 | 165.69 |
| Nippon India ETF Nifty SDL - 2026 (March 31, 2025 - 35,00,000 units at par value of INR 100 each) [March 31, 2024 - 35,00,000 units at par value of INR 100 each] | 452.06 | 419.29 |
| ABSL Nifty SDL Plus PSU Bond Sep 2026 60:40 Index (March 31, 2025 - 1,90,96,499 units at par value of INR 10 each) [March 31, 2024 - 1,90,96,499 units at par value of INR 10 each] | 231.93 | 214.79 |
| Nippon India Nifty AAA CPSE Bond Plus SDL - Apr 2027 Maturity 60:40 Index Fund (March 31, 2025 - 1,94,09,156 units at par value of INR 10 each) [March 31, 2024 - 1,94,09,156 units at par value of INR 10 each] | 231.95 | 214.57 |
| SBI Gilt June 2036 (March 31, 2025 - 95,39,960 units at par value of INR 10 each) [March 31, 2024 - 95,39,960 units at par value of INR 10 each] | 120.49 | 109.24 |
| ABSL Liquid Fund - Direct Plan - Growth (March 31, 2025 - 3,87,011 units at par value of INR 100 each) [March 31, 2024 - 6,00,348 units at par value of INR 100 each] | 162.05 | 233.94 |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

11. Financial assets - Current : Investments (Contd.)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Aditya Birla Sun Life Arbitrage Fund (March 31, 2025 - 47,06,053 units at par value of INR 10 each) [March 31, 2024 - NIL] | 132.32 | - |
| Investment in bonds and debentures | | |
| Quoted | | |
| At fair value through other comprehensive income (FVTOCI) | | |
| HDFC Bank Limited - 7.99% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - NIL) [March 31, 2024 - 250 units at par value of INR 10,00,000 each] | - | 264.25 |
| Axis Finance Limited - 5.72% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - NIL) [March 31, 2024 - 500 units at par value of INR 10,00,000 each] | - | 519.44 |
| Kotak Mahindra Prime Limited - 5.70% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - NIL) [March 31, 2024 - 150 units at par value of INR 10,00,000 each] | - | 154.86 |
| Kotak Mahindra Prime Limited - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - NIL) [March 31, 2024 - 420 units at par value of INR 10,00,000 each] | - | 394.32 |
| HDB Financial Services Limited - 7.7% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - 400 units at par value of INR 10,00,000 each) [March 31, 2024 - NIL] | 419.49 | - |
| "Bajaj Finance Limited - 7.8925% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - 300 units at par value of INR 10,00,000 each) [March 31, 2024 - NIL]" | 319.15 | - |
| HDB Financial Services Limited - 6.00% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - 200 units at par value of INR 10,00,000 each) [March 31, 2024 - NIL] | 202.62 | - |
| HDB Financial Services Limited 07 July 2025 - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - 135 units at par value of INR 10,00,000 each) [March 31, 2024 - NIL] | 165.41 | - |
| HDB Financial Services Limited 13 Jan 2026 - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - 250 units at par value of INR 10,00,000 each) [March 31, 2024 - NIL] | 302.90 | - |
| Bajaj Finance Limited - 0% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - 400 units at par value of INR 10,00,000 each) [March 31, 2024 - NIL] | 481.51 | - |

Notes to the Financial Statements as at and for year ended March 31, 2025

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

11. Financial assets - Current : Investments (Contd.)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Tata Capital Financial Services Limited - 8.30% Secured Redeemable Non-Convertible Debentures (March 31, 2025 - 1500 units at par value of INR 1,00,000 each) [March 31, 2024 - NIL] | 151.68 | - |
| At fair value through profit and loss (FVTPL) | | |
| Kotak Mahindra Investment Limited, Market Linked Debenture (March 31, 2025 - NIL) [March 31, 2024 - 100 units at par value of INR 10,00,000 each] | - | 110.46 |
| State Bank of India - 8.50% Perpetual Bond (March 31, 2025 - NIL) [March 31, 2024 - 95 units at par value of INR 10,00,000 each] | - | 97.21 |
| Axis Finance Limited PP- MLD Series 02/ 2022-23 (March 31, 2025 - 300 units at par value of INR 10,00,000 each) [March 31, 2024 - NIL] | 365.72 | - |
| ICICI Home Finance Company Limited, Market Linked Debenture (March 31, 2025 - 400 units at par value of INR 10,00,000 each) [March 31, 2024 - NIL] | 475.99 | - |
| Tata Cleantech Capital Limited, Market Linked Debenture (March 31, 2025 - 400 units at par value of INR 10,00,000 each) [March 31, 2024 - NIL] | 474.84 | - |
| Fixed deposits with financial institutions | | |
| Unquoted | | |
| At amortised cost | | |
| Bajaj Finance Limited | - | 613.46 |
| Total | 7,088.31 | 6,042.93 |
| Aggregate market value of quoted investments | 3,359.31 | 1,540.54 |
| Aggregate book value of quoted investments | 3,359.31 | 1,540.54 |
| Aggregate book value of unquoted investments | 3,729.00 | 4,502.39 |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

12. Financial Assets - Current : Trade receivables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| At amortised cost | | |
| - Trade Receivables considered good - Secured ¹ | 2,299.11 | 2,230.42 |
| - Trade Receivables considered good - Unsecured | 3,937.86 | 3,459.05 |
| | 6,236.97 | 5,689.47 |
| Less: Loss Allowance | (50.85) | (44.26) |
| Total trade receivables | 6,186.12 | 5,645.21 |
| | | |
| - Receivables from related parties - Secured/Considered good (Refer Note 45) | 96.55 | 92.55 |
| - Receivables from related parties - Unsecured/Considered good (Refer Note 45) | 122.68 | 104.22 |
| - Others | 5,966.89 | 5,448.44 |
| Total trade receivables | 6,186.12 | 5,645.21 |

(1) Receivables are secured to the extent security deposits and bank guarantees taken from customers.

12.1 Trade receivables ageing schedule

| Particulars | Outstanding from due date of payment as on March 31, 2025 | | | | | | Total |
|------------------------------|---|---------------|-------------------|-----------|-----------|-------------------|----------|
| | Not Due | Upto 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables | 5,973.58 | 171.54 | 32.31 | 5.08 | 2.36 | 1.25 | 6,186.12 |

| Particulars | Outstanding from due date of payment as on March 31, 2024 | | | | | | Total |
|------------------------------|---|---------------|-------------------|-----------|-----------|-------------------|----------|
| | Not Due | Upto 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed Trade Receivables | 5,434.47 | 181.67 | 22.49 | 5.14 | 1.44 | - | 5,645.21 |

- As per terms of payment under agreements with majority of customers, sales consideration are receivable by the Company with a maximum period of 180 days from date of delivery of goods. In other cases, sales consideration are receivable within a periods ranging from 7 days to 90 days.
- Generally, customers remit sales consideration without specifying particular invoices in respect of which such remittances are being made. Hence, such receipts from the customers are adjusted against their trade receivables on First in First out (FIFO) basis. In few cases, where identification is possible, such receipts are adjusted on basis of actual invoice.
- There are no unbilled trade receivables as on each reporting date.
- There are no disputed trade receivables as on March 31, 2025 and March 31, 2024.

13. Financial assets - Current : Cash and cash equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| At amortised cost | | |
| - Balances with banks | 171.23 | 216.29 |
| - Cash on hand | 0.88 | 0.68 |
| Total | 172.11 | 216.97 |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

14 Financial Assets - Current : Other bank balances

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| At amortised cost | | |
| Earmarked balances with banks - unpaid dividend | 0.19 | 0.13 |
| Total | 0.19 | 0.13 |

15. Financial assets - Current : Others

(unsecured, considered good, unless otherwise stated)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| At amortised cost | | |
| Security deposits | | |
| - Considered good | 36.69 | 83.88 |
| - Considered doubtful | 1.93 | 4.58 |
| | 38.62 | 88.46 |
| Less: Loss Allowance | (1.93) | (4.58) |
| | 36.69 | 83.88 |
| Loan to employees | 0.36 | 0.28 |
| Other receivables | 13.45 | 34.46 |
| At fair value through profit and loss | | |
| Derivative instrument ¹ | 0.60 | - |
| Total | 51.10 | 118.62 |

(1) It represents receivables arising from fair valuation of foreign exchange forward contracts.

16. Other Current assets

(unsecured, considered good, unless otherwise stated)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Export incentive receivables | | |
| - Considered good | 0.94 | 0.63 |
| - Considered doubtful | 0.91 | 1.01 |
| | 1.85 | 1.64 |
| Less: Loss Allowance | (0.91) | (1.01) |
| | 0.94 | 0.63 |
| Advances recoverable in cash or kind | | |
| - Considered good | 6.96 | 14.68 |
| - Considered doubtful | - | - |
| | 6.96 | 14.68 |
| Less: Loss Allowance | - | - |
| | 6.96 | 14.68 |
| Balances with statutory/government authorities | 150.39 | 110.01 |
| Advance to employees | 0.87 | 0.34 |
| Prepaid expenses | 23.46 | 22.84 |
| Right of return assets ¹ | 363.30 | 358.91 |
| Total | 545.92 | 507.41 |

(1) Right of return asset represents the Company's right to recover the goods expected to be returned by customers. A right of return asset (and corresponding adjustment to cost of sales) is recognised for the underlying goods expected to be returned for an amount equivalent to the cost which is lower than the net realisable value. The asset is measured at the carrying amount of the inventory and is updated for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price).

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

17 Equity Share capital

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|----------------------|---------------|----------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| Authorized* | | | | |
| 35,10,00,000 equity shares (March 31, 2024: 30,10,00,000 equity shares) of INR 1 each | 35,10,00,000 | 351.00 | 30,10,00,000 | 301.00 |
| Issued, subscribed and fully paid-up shares | | | | |
| 24,29,44,009 equity shares (March 31, 2024: 24,28,69,863 equity shares) of INR 1 each | 24,29,44,009 | 242.94 | 24,28,69,863 | 242.87 |
| Total | 24,29,44,009 | 242.94 | 24,28,69,863 | 242.87 |

* Authorized share capital increased on account of common control business combination (Note 55).

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

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|--|----------------------|---------------|----------------------|---------------|
| | Number of shares | Amount | Number of shares | Amount |
| Equity shares outstanding at the beginning of the year | 24,28,69,863 | 242.87 | 24,27,79,990 | 242.78 |
| Add : Issue of shares pursuant to ESOP exercised during the year | 74,146 | 0.07 | 89,873 | 0.09 |
| Equity shares outstanding at the end of the year | 24,29,44,009 | 242.94 | 24,28,69,863 | 242.87 |

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

| Name of Shareholder | As at March 31, 2025 | | As at March 31, 2024 | |
|--|----------------------|---------------|----------------------|---------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited | 13,88,59,330 | 57.16% | 13,88,59,330 | 57.17% |
| Ravi Modi HUF | 3,88,81,422 | 16.00% | 3,88,81,422 | 16.01% |
| Total | 17,77,40,752 | 73.16% | 17,77,40,752 | 73.18% |

iii) Disclosure of shareholding of promoters

| Name of Shareholder | As at March 31, 2025 | | As at March 31, 2024 | | As at March 31, 2023 | | % Change in holding pursuant to no. of shares as at March 31, 2025 | % Change in holding pursuant to no. of shares as at March 31, 2024 |
|--|----------------------|---------------|----------------------|---------------|----------------------|---------------|--|--|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | No. of Shares held | % of Holding | | |
| Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited | 13,88,59,330 | 57.16% | 13,88,59,330 | 57.17% | 16,28,41,754 | 67.07% | (0.01%) | (9.90%) |
| Shilpi Modi | 26,56,104 | 1.09% | 26,56,104 | 1.09% | 26,56,104 | 1.09% | - | - |
| Ravi Modi | 16,88,134 | 0.69% | 16,88,134 | 0.70% | 16,88,134 | 0.70% | (0.01%) | - |
| Total | 14,32,03,568 | 58.94% | 14,32,03,568 | 58.96% | 16,71,85,992 | 68.86% | (0.02%) | (9.90%) |

iv) 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, 2024: INR 1 each). Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the general meeting. The above shareholding represents legal ownership of shares.

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

17 Equity Share capital (Contd.)

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

v) Shares reserved for issue under options

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|---|----------------------|--------|----------------------|--------|
| | No. of Shares | Amount | No. of Shares | Amount |
| Under Employee Stock Option Plan - 2018 | 2,66,345 | 117.79 | 4,04,831 | 165.94 |

For movement of shares issued under options and other terms and conditions, refer Note 51.

vi) 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, 2025 | As at March 31, 2024 |
| Shares issued for consideration other than cash | - | - |
| Shares bought back | 40,11,293 | 40,11,293 |

vii) After the reporting dates dividends amounting to INR 1,943.55 million (INR 8.00 per equity share) for the current year and INR 2,064.39 million (INR 8.50 per equity share) for the previous year were proposed by The Board of Directors subject to approval of shareholders at the Annual General Meeting (AGM) of the Company. The dividends have not been recognized as liabilities.

During the year the Company has paid dividend of INR 2,064.64 million (INR 8.50 per equity share) representing the final dividend declared in previous year.

18. Other equity

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Retained earnings | | |
| Opening balance (as earlier published) | | 13,519.70 |
| Effect of common control business combination (Note 55) * | | (111.67) |
| Opening balance | 15,366.31 | 13,408.03 |
| Profit for the year | 3,884.72 | 4,141.72 |
| Other comprehensive income/(loss) for the year | | |
| - Re-measurement gains/(losses) on defined benefit obligations (net of tax) | (2.21) | (3.87) |
| - Fair value changes in debt instruments through OCI (net of tax) | (1.77) | 5.49 |
| Dividend Paid to shareholders of the company | (2,064.64) | (2,185.06) |
| | 17,182.41 | 15,366.31 |
| Securities Premium | | |
| Opening balance (as earlier published) | 310.38 | 95.71 |
| Effect of common control business combination (Note 55) | - | 160.00 |
| Share options exercised during the year | 39.21 | 54.67 |
| | 349.59 | 310.38 |
| Capital Redemption Reserve | | |
| Opening and closing balance | 8.02 | 8.02 |
| | 8.02 | 8.02 |
| Capital Reserve | | |
| Opening and closing balance | 7.62 | 7.62 |
| | 7.62 | 7.62 |

Notes to the Financial Statements as at and for year ended March 31, 2025

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

18. Other equity (Contd.)

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Share options outstanding account (Refer Note 51) | | |
| Opening balance | 83.60 | 76.64 |
| Equity settled share-based payments (Note 51) | 5.59 | 30.66 |
| Share options exercised during the year | (16.67) | (23.70) |
| | 72.52 | 83.60 |
| Total | 17,620.16 | 15,775.93 |

* Net of INR 160 million representing difference between investments cancelled and the net assets taken over on amalgamation

Nature and purpose of reserves

Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders.

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

Capital Redemption Reserve: As per the provisions of section 68 of Companies Act, 2013, the Company has recognised Capital Redemption Reserve on buyback of equity shares from its securities premium and retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

Capital Reserve: During amalgamation, the excess amount of the cancelled share capital of the Company over the investment by the amalgamating Company in the Company is treated as Capital Reserve in the Company's financial statements.

Share options outstanding account: The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserve. The same is adjusted on ESOP allotment made by the Company.

19. Financial liabilities - Non current : Lease Liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------|-------------------------|-------------------------|
| At amortised cost¹ | | |
| Lease liabilities | 3,411.88 | 3,266.49 |
| Total | 3,411.88 | 3,266.49 |

(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, 2025 | As at March 31, 2024 |
|--------------------------|-------------------------|-------------------------|
| At amortised cost | | |
| Security deposits | 1,320.41 | 1,225.37 |
| Total | 1,320.41 | 1,225.37 |

21. Non-current - Provisions

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Employee Benefits - Gratuity (Refer Note 42) | 56.00 | 45.73 |
| Total | 56.00 | 45.73 |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

22. Non-current - Deferred tax liabilities (net)

| Particulars | Opening as on April 01, 2024 | Recognised in PL | Recognised in OCI | Closing as on March 31, 2025 |
|---|------------------------------|------------------|-------------------|------------------------------|
| Deferred Tax Assets | | | | |
| Expenses allowable on payment, write off, etc. | 23.51 | 3.46 | 0.74 | 27.71 |
| Provision for expected sales return (net) | 182.29 | 2.93 | - | 185.22 |
| Lease liabilities | 1,110.41 | 100.55 | - | 1,210.96 |
| Others | 20.80 | 3.14 | - | 23.94 |
| | 1,337.01 | 110.08 | 0.74 | 1,447.83 |
| 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 | 1,405.59 | 86.41 | - | 1,492.00 |
| Income taxable in future on realisation | 106.27 | 72.93 | (0.60) | 178.60 |
| Goodwill | 39.54 | - | - | 39.54 |
| | 1,551.40 | 159.34 | (0.60) | 1,710.14 |
| Net deferred tax liabilities | 214.39 | 49.26 | (1.34) | 262.31 |

| Particulars | Opening as on April 01, 2023 (as published) | Effect of common control business combination (Note 55) | Opening as on April 01, 2023 | Recognised in PL | Recognised in OCI | Closing as on March 31, 2024 |
|---|---|---|------------------------------|------------------|-------------------|------------------------------|
| Deferred Tax Assets | | | | | | |
| Expenses allowable on payment, write off, etc. | 17.66 | 2.47 | 20.13 | 2.09 | 1.29 | 23.51 |
| Provision for expected sales return (net) | 177.69 | - | 177.69 | 4.60 | - | 182.29 |
| Lease liabilities | 728.06 | 2.09 | 730.15 | 380.26 | - | 1,110.41 |
| Others | 7.25 | 0.61 | 7.86 | 12.94 | - | 20.80 |
| | 930.66 | 5.17 | 935.83 | 399.89 | 1.29 | 1,337.01 |
| 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 | 1,021.16 | (3.41) | 1,017.75 | 387.84 | - | 1,405.59 |
| Income taxable in future on realisation | 68.43 | - | 68.43 | 35.99 | 1.85 | 106.27 |
| Goodwill | 39.54 | - | 39.54 | - | - | 39.54 |
| | 1,129.13 | (3.41) | 1,125.72 | 423.83 | 1.85 | 1,551.40 |
| Net deferred tax liabilities | 198.47 | 8.58 | 189.89 | 23.94 | 0.56 | 214.39 |

Notes to the Financial Statements as at and for year ended March 31, 2025

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

22. Non-current - Deferred tax liabilities (net) (Contd.)

22.1 Amount recognised in Other comprehensive income

| Particulars | As at March 31, 2025 | | | As at March 31, 2024 | | |
|---|----------------------|--------------------------|---------------|----------------------|--------------------------|-------------|
| | Before Tax | Tax (Expenses) / Benefit | Net of Tax | Before Tax | Tax (Expenses) / Benefit | Net of Tax |
| Item that will not be reclassified to profit or loss | | | | | | |
| Re-measurement gains/(losses) on defined benefit obligations | (2.95) | 0.74 | (2.21) | (5.16) | 1.29 | (3.87) |
| Item that will be reclassified to profit or loss | | | | | | |
| Fair value changes in debt instruments through other comprehensive income | (2.37) | 0.60 | (1.77) | 7.34 | (1.85) | 5.49 |
| Amount recognised in other comprehensive income | (5.32) | 1.34 | (3.98) | 2.18 | (0.56) | 1.62 |

22.2

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Accounting profit before tax | 5,194.96 | 5,484.06 |
| At India's statutory income tax rate of 25.168% (March 31, 2024: 25.168%) | 1,307.47 | 1,380.23 |
| Non deductible expenses for tax purposes | 24.76 | 19.42 |
| Impact of tax rate changes | (24.17) | (60.42) |
| Others | 2.18 | 3.11 |
| Total tax expense for the year | 1,310.24 | 1,342.34 |

22.3 Income tax expenses for the current year and previous year represents charge for respective year. Income tax expense for the current year is net of INR 1.94 Million being reversal of Income tax for earlier year.

22.4 The Company is having long term capital loss (LTCL) of INR Nil (March 31, 2024 - INR 32.51 Million), as per last Income Tax return filed for AY 24-25. on which deferred tax assets has not been recognized.

23. Non-current - Other liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------|----------------------|----------------------|
| At amortised cost | | |
| Deferred income | 548.57 | 583.78 |
| Total | 548.57 | 583.78 |

23.1 In accordance with Ind AS 109, deposits taken are remeasured at amortised cost using the effective interest rate method. The difference between the transaction value of the deposit taken and amortised cost is regarded as deferred income and recognised as revenue on a straight line basis over the agreement period. Interest expense, measured by the effective interest rate method is accrued.

24. Financial liabilities - Current : Lease Liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------------|----------------------|----------------------|
| At amortised cost¹ | | |
| Lease liabilities | 1,417.06 | 1,177.70 |
| Total | 1,417.06 | 1,177.70 |

(1) For changes in liabilities arising from financing activities and maturity analysis, refer Note 44.

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

25. Financial liabilities - Current : Trade payables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| At amortised cost | | |
| - Total outstanding dues of micro enterprises and small enterprises (Refer Note 25.1) | 246.53 | 307.05 |
| | 246.53 | 307.05 |
| - Dues to related parties (Refer Note 45) | 5.13 | 6.33 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 771.76 | 577.41 |
| | 776.89 | 583.74 |
| Total | 1,023.42 | 890.79 |

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, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 246.53 | 307.05 |
| Interest due thereon remaining unpaid to any supplier as at the end of the year. | 0.01 | 0.24 |
| (ii) Amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year | 0.14 | 1.42 |
| (iii) Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006) | 0.04 | 0.62 |
| (iv) The amount of interest accrued and remaining unpaid at the end of the year; | 0.05 | 0.86 |
| (v) The amount of further interest remaining due and payable even in the succeeding year, 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 MSMED Act 2006. | - | - |
| Interest payable to micro, small and medium enterprises (Refer Note 26) | 0.05 | 0.86 |

25.2 Trade payables ageing schedule

| Particulars | Unbilled Due | Outstanding as on March 31, 2025 from due date of payment | | | | | |
|--|-----------------|---|----------------|-------------|-------------|----------------------|-----------------|
| | | Not Due | Upto 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Undisputed | | | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | 10.56 | 234.79 | 0.37 | - | 0.28 | 0.53 | 246.53 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 321.46 | 250.02 | 196.14 | 0.81 | 1.11 | 2.48 | 772.02 |
| Disputed | | | | | | | |
| Dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | 4.87 | 4.87 |
| Total | 332.02 | 484.81 | 196.51 | 0.81 | 1.39 | 7.88 | 1,023.42 |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

25. Financial liabilities - Current : Trade payables (Contd.)

| Particulars | Unbilled Due | Outstanding as on March 31, 2024 from due date of payment | | | | | |
|--|---------------|---|---------------|-------------|-------------|-------------------|---------------|
| | | Not Due | Upto 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| Undisputed | | | | | | | |
| Total outstanding dues of micro enterprises and small enterprises | 3.57 | 295.09 | 7.54 | 0.02 | 0.39 | 0.44 | 307.05 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 265.91 | 167.87 | 141.88 | 0.98 | 0.58 | 1.65 | 578.87 |
| Disputed | | | | | | | |
| Dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | 4.87 | 4.87 |
| Total | 269.48 | 462.96 | 149.42 | 1.00 | 0.97 | 6.96 | 890.79 |

(1) There are no disputed dues of micro enterprises and small enterprises at the end of each year reported.

26. Financial liabilities - Current : Others

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| At amortised cost | | |
| Employees related liabilities | 55.88 | 45.35 |
| Security deposits | 165.11 | 242.38 |
| Interest payable on micro and small enterprises (Refer Note 25.1) | 0.05 | 0.86 |
| Unpaid dividend | 0.19 | 0.13 |
| At fair value through profit and loss | | |
| Derivative instrument¹ | - | 0.34 |
| Total | 221.23 | 289.06 |

(1) It represents liability arising from loss on fair valuation of derivative contracts in the nature of foreign exchange forward contracts.

27. Other liabilities : Current

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Advance from customers (Refer Note 8.1) ¹ | 9.22 | 23.19 |
| Refund liabilities ² | 1,099.22 | 1,083.20 |
| Statutory dues | 53.57 | 88.41 |
| Deferred income (Refer Note 23.1) | 109.91 | 109.26 |
| Total | 1,271.92 | 1,304.06 |

(1) Refer Note no 45 for balances with related parties however in the current year there is no advance from related party

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

28. Provisions : Current

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Employee benefits - Gratuity (Refer Note 42) | 3.24 | 3.42 |
| Total | 3.24 | 3.42 |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

29. Tax liabilities (net) : Current

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Income tax liabilities (net of advance income tax) ¹ | 66.61 | 63.48 |
| Total | 66.61 | 63.48 |

(1) Current tax liabilities is net of advance taxes paid, TDS and TCS receivable amounting to INR 4,815.12 Million (March 31, 2024 - INR 3,544.61 Million).

30. Revenue from operations

| Particulars | For the year ended | |
|--|--------------------|------------------|
| | March 31, 2025 | March 31, 2024 |
| Revenue from contracts with customers (A) | | |
| Sale of products | 13,843.69 | 13,654.06 |
| Other operating revenue (B) | | |
| (i) Scrap sales | 2.28 | 2.57 |
| (ii) Insurance charges recovery | 10.37 | 9.45 |
| (iii) Export incentives | 8.49 | 9.24 |
| Total (A+B) | 13,864.83 | 13,675.32 |

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, 2025 | March 31, 2024 |
| India | 13,480.89 | 13,332.76 |
| Outside India | 362.80 | 321.30 |
| Total revenue from contracts with customers | 13,843.69 | 13,654.06 |

30.2 Reconciliation of revenue from sale of products with contract price

| Particulars | For the year ended | |
|--|--------------------|------------------|
| | March 31, 2025 | March 31, 2024 |
| Contract Price | 13,734.42 | 13,553.22 |
| Add: Impact of deferred income on deposits taken from customers (Refer Note 23.1) | 125.29 | 113.52 |
| Less: Refund Liabilities | (16.02) | (12.68) |
| Total revenue from contracts with customers | 13,843.69 | 13,654.06 |

Contract Balances

| Particulars | As at the year ended | |
|------------------------|----------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Trade Receivables | 6,186.12 | 5,645.21 |
| Advance from customers | 9.22 | 23.19 |
| Refund Liabilities | 1,099.22 | 1,083.20 |

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.

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

31. Other income

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Interest income under effective interest rate method on: | | |
| - Fixed deposits - at amortised cost | 38.10 | 15.15 |
| - Loans - at amortised cost | 0.04 | 0.02 |
| - Bonds and debentures - at FVTOCI | 177.98 | 79.45 |
| - Others ¹ | 47.54 | 40.81 |
| Other non-operating income: | | |
| - Profit on sale of investments (net) | 151.35 | 181.93 |
| - Gain on fair valuation of investments carried at FVTPL | 398.97 | 316.90 |
| - Profit on sale of property, plant & equipment (net) | 1.35 | 0.35 |
| - Liabilities/provisions no longer required written back | 17.76 | 25.67 |
| - Insurance claim received | 2.14 | 2.39 |
| - Gain on termination of lease arrangements (Refer Note 44) | 6.47 | 7.55 |
| - Other miscellaneous income | 9.87 | 26.49 |
| Total | 851.57 | 696.71 |

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

32. Cost of materials consumed

A. Raw materials

| Particulars | For the year ended | |
|--|--------------------|-----------------|
| | March 31, 2025 | March 31, 2024 |
| Inventory at the beginning of the year | 143.48 | 204.91 |
| Add: Purchases during the year | 1,597.16 | 1,230.66 |
| | 1,740.64 | 1,435.57 |
| Less: Inventory at the end of the year (Refer Note 10) | 155.80 | 143.48 |
| Total | 1,584.84 | 1,292.09 |

B. Accessories & packing materials

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Inventory at the beginning of the year | 36.32 | 44.64 |
| Add: Purchases during the year | 179.24 | 148.65 |
| | 215.56 | 193.29 |
| Less: Inventory at the end of the year (Refer Note 10) | 37.82 | 36.32 |
| Total | 177.74 | 156.97 |

33. Purchases of stock-in-trade

| Particulars | For the year ended | |
|-----------------------------|--------------------|-----------------|
| | March 31, 2025 | March 31, 2024 |
| Purchases of stock-in-trade | 2,552.49 | 2,057.12 |
| Total | 2,552.49 | 2,057.12 |

Notes to the Financial Statements as at and for year ended March 31, 2025

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

34. Changes in inventories of finished goods, stock-in-trade & work-in-progress

| Particulars | For the year ended | |
|--|--------------------|-----------------|
| | March 31, 2025 | March 31, 2024 |
| Inventory at the end of the year (Refer Note 10) | | |
| Finished goods | 784.94 | 478.14 |
| Work in progress | 301.15 | 280.15 |
| Stock-in-trade | 739.96 | 448.21 |
| | 1,826.05 | 1,206.50 |
| Inventories at the beginning of the year | | |
| Finished goods ¹ | 478.14 | 614.72 |
| Work in progress | 280.15 | 284.71 |
| Stock-in-trade ¹ | 448.21 | 587.48 |
| | 1,206.50 | 1,486.91 |
| (Increase)/Decrease in Inventories | | |
| Finished goods | (306.80) | 136.58 |
| Work in progress | (21.00) | 4.56 |
| Stock-in-trade | (291.75) | 139.27 |
| (Increase)/Decrease in Right of return assets (Refer Note 16) | (4.39) | 5.54 |
| Changes in inventories of finished goods, work-in-progress & stock-in-trade | (623.94) | 285.95 |

- (1) Inventories at the beginning of the year have been restated to reflect the effect of common control business combination (Note 55). As a result, inventories have increased by INR 1.69 million in finished goods and INR 0.77 million in stock-in-trade. The previously published figures were INR 476.45 million for finished goods and INR 447.44 million for stock-in-trade.

35. Employee benefits expense

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Salaries, wages and bonus (including Directors' remuneration) (Refer Note 45) | 562.16 | 510.29 |
| Contribution to provident and other funds | 10.60 | 10.32 |
| Gratuity expense (Refer Note 42) | 9.80 | 7.69 |
| Staff welfare expenses | 9.84 | 8.82 |
| Equity settled share-based payments (Note 51) | 5.59 | 30.66 |
| Total | 597.99 | 567.78 |

36. Finance costs

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Interest expense on lease liabilities (Refer Note 44) | 433.22 | 335.47 |
| Interest expense on financial liabilities measured at amortised cost ¹ | 118.66 | 107.26 |
| Interest expense on others | 0.20 | 2.27 |
| Total | 552.08 | 445.00 |

- (1) Primarily includes unwinding of interest on security deposits taken from customers.

37. Depreciation and amortisation expense

| Particulars | For the year ended | |
|--|--------------------|-----------------|
| | March 31, 2025 | March 31, 2024 |
| Depreciation on Property, plant and equipment (Refer Note 4) | 65.84 | 65.71 |
| Depreciation on Right of use assets (Refer Note 4) | 1,461.18 | 1,251.08 |
| Amortisation of Intangible assets (Refer Note 5) | 3.59 | 31.75 |
| Total | 1,530.61 | 1,348.54 |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

38. Other expenses

| Particulars | For the year ended | |
|---|--------------------|-----------------|
| | March 31, 2025 | March 31, 2024 |
| Job charges | 859.08 | 697.22 |
| Electricity charges | 13.92 | 13.19 |
| Lease rent (Refer Note 44) | 701.02 | 557.06 |
| Rates and taxes | 20.66 | 40.56 |
| Loss on foreign exchange fluctuations (net) | 3.31 | 2.35 |
| Insurance | 26.71 | 31.96 |
| Repairs and maintenance | | |
| - Others | 3.76 | 4.22 |
| Legal & professional fees | 53.94 | 60.18 |
| Travelling and conveyance | 44.28 | 42.22 |
| Payment to auditors (Refer Note 40) | 4.93 | 5.19 |
| Directors' Fees and Commission (Refer Note 45) | 12.00 | 12.00 |
| Loss allowances on financial assets | 7.27 | 7.61 |
| Bad debts/advances written off | 5.96 | 1.62 |
| Corporate social responsibility expenditure (Refer Note 41) | 100.30 | 75.32 |
| Selling and distribution expenses | | |
| - Advertisement, publicity and sales promotion expenses | 821.01 | 764.37 |
| - Commission | 132.34 | 119.17 |
| - Freight and forwarding expenses | 124.66 | 98.73 |
| Miscellaneous expenses | 214.48 | 201.55 |
| Total | 3,149.63 | 2,734.52 |

39. Earnings per share (EPS)

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Net profit after tax for the year | 3,884.72 | 4,141.72 |
| Basic earnings per share | | |
| Weighted average number of ordinary shares (No. in Million) | 242.90 | 242.81 |
| Nominal value of ordinary share (INR per share) (Refer Note 17) | 1.00 | 1.00 |
| Basic earnings for ordinary shares (in INR per share) | 15.99 | 17.06 |
| Diluted earnings per share | | |
| Weighted average number of ordinary shares (No. in Million) | 242.90 | 242.81 |
| Effect of share options (No. in Million) | 0.16 | 0.27 |
| | 243.06 | 243.08 |
| Nominal value of ordinary share (INR per share) (Refer Note 17) | 1.00 | 1.00 |
| Diluted earnings for ordinary shares (in INR per share) | 15.98 | 17.04 |

40. Payment to auditors

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| As statutory auditors (audit & review of financial statements): | | |
| Statutory Audit fees | 3.20 | 3.20 |
| Tax audit fees | 0.50 | 0.55 |
| Limited review of quarterly results | 0.90 | 0.90 |
| In other Capacity : | | |
| Fees for other audit services (Certification fees) | - | 0.08 |
| Reimbursement of expenses | 0.33 | 0.46 |
| Total | 4.93 | 5.19 |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

41. Corporate social responsibility (CSR) expenditure

| Particulars | For the year ended | |
|--|------------------------|------------------------|
| | March 31, 2025 | March 31, 2024 |
| a) Gross amount to be spent by the Company during the year | 100.27 | 76.49 |
| b) Amount spent and approved by the board during the year | | |
| (i) Construction/ acquisition of any asset | - | - |
| (ii) On purpose other than (i) above | 100.30 | 75.32 |
| c) Amount unspent during the year | Not Applicable | Not Applicable |
| d) Nature of CSR activities | Healthcare & Education | Healthcare & Education |

For movement in CSR, refer below:

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Opening Balance | (0.06) | (1.24) |
| Gross amount to be spent during the year | 100.27 | 76.49 |
| Actual spent during the year | (100.30) | (75.32) |
| (Excess) /short spent | (0.09) | (0.06) |

42. Employee benefits

(I) Defined contribution plan

In accordance with The Employees Provident Funds and Miscellaneous Provisions Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate as per the provisions of applicable statute. Retirement benefit in the form of provident fund and employees' state insurance (ESI) are defined contribution scheme and the contributions are charged to statement of profit and loss of the period when the employee renders the service. There are no obligations other than the contribution payable to the respective funds.

(II) Defined benefit plan - Unfunded

In accordance with the Payment of Gratuity Act, 1972, the Company contributes to a defined benefit plan (the "Gratuity Plan") for employees who have completed 5 years of service. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Company.

A. Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation as at and for the year ended are as follows:

| Particulars | March 31, 2025 | March 31, 2024 |
|--|--|--|
| Discount rate | 6.60% | 7.00% |
| Expected rate of increase in compensation level of covered employees | 7.00% | 7.00% |
| Average duration of defined benefit obligation | 10 years | 10 years |
| Mortality rate | Indian Assured Lives Mortality (2006 -08) Ultimate | Indian Assured Lives Mortality (2006 -08) Ultimate |
| Withdrawal Rate | | |
| - Upto 30 years | 15.00% | 15.00% |
| - 31 to 40 years | 8.00% | 8.00% |
| - 41 years and above | 3.00% | 3.00% |

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

Notes to the Financial Statements as at and for year ended March 31, 2025

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

42. Employee benefits (Contd.)

B. Details of actuarial valuation carried out on Balance Sheet date are as under:

Amount recognised in the balance sheet consists of:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Present value of defined benefit obligations | 59.24 | 49.15 |
| Net liability arising from defined benefit obligations | 59.24 | 49.15 |

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

| Particulars | March 31, 2025 | March 31, 2024 |
|--|----------------|----------------|
| Current service cost | 6.46 | 5.03 |
| Interest cost | 3.34 | 2.66 |
| Total charge to statement of profit or loss | 9.80 | 7.69 |

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

| Particulars | March 31, 2025 | March 31, 2024 |
|---|----------------|----------------|
| Re-measurement (gains)/losses arising from changes in financial assumptions | 2.26 | 0.94 |
| Re-measurement (gains)/losses arising from experience adjustments | 0.69 | 4.22 |
| Re measurement of the net defined benefit liability | 2.95 | 5.16 |

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

| Particulars | March 31, 2025 | March 31, 2024 |
|---|----------------|----------------|
| Opening balance | 49.15 | 37.66 |
| Current service cost | 6.46 | 5.03 |
| Interest cost of scheme liabilities | 3.34 | 2.66 |
| Benefits (paid) | (2.66) | (1.36) |
| Re-measurement losses / (gains) arising from changes in financial assumptions | 2.26 | 0.94 |
| Re-measurement losses /(gains) arising from experience adjustments | 0.69 | 4.22 |
| Closing balance | 59.24 | 49.15 |
| Recognised under: | | |
| Current provision | 3.24 | 3.42 |
| Non current provision | 56.00 | 45.73 |

The gratuity scheme of the Company is unfunded hence there was no plan asset as at March 31, 2025 and March 31, 2024.

C. Sensitivity analysis

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

Increase/(Decrease) impact on defined benefit obligation

| Particulars | March 31, 2025 | March 31, 2024 |
|---|----------------|----------------|
| Discount rate | | |
| Increase by 0.50% | (2.93) | (2.29) |
| Decrease by 0.50% | 2.91 | 2.47 |
| Expected rate of change in compensation level of covered employees | | |
| Increase by 0.50% | 2.43 | 2.10 |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

42. Employee benefits (Contd.)

| Particulars | March 31, 2025 | March 31, 2024 |
|-----------------------|----------------|----------------|
| Decrease by 0.50% | (2.54) | (1.97) |
| Mortality Rate | | |
| Increase by 10% | 0.01 | 0.01 |
| Decrease by 10% | (0.01) | (0.01) |
| Attrition Rate | | |
| Increase by 0.50% | (0.01) | 0.09 |
| Decrease by 0.50% | 0.01 | (0.09) |

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. Maturity Profile of Defined Benefit Obligation as under:

| Particulars | March 31, 2025 | March 31, 2024 |
|---|----------------|----------------|
| For the year ending 31-03-2025 | - | 3.10 |
| For the year ending 31-03-2026 | 3.22 | 2.92 |
| For the year ending 31-03-2027 | 5.44 | 4.91 |
| For the year ending 31-03-2028 | 3.10 | 2.67 |
| For the year ending 31-03-2029 | 3.83 | 3.27 |
| For the year ending 31-03-2030/For the years ending 31-03-2030 through 31-03-2034 | 3.90 | 19.37 |
| For the years ending 31-03-2031 through 31-03-2035 | 21.30 | - |

E. 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.

F. 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.

Notes to the Financial Statements as at and for year ended March 31, 2025

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

43. Contingencies and commitments

(To the extent not provided for)

(i) Contingent liabilities

| | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| 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 * | 184.65 | 234.17 |
| - Indirect Tax demands | 15.94 | 4.00 |
| - Demand for employee state insurance (including interest) | 8.17 | 7.83 |
| Total | 209.75 | 246.99 |
| Payment made under protest against the above | | |
| - Commercial sales tax of various states | 0.43 | 0.43 |
| - Demand for Income tax | 36.61 | 46.51 |
| - Indirect Tax demands | 0.37 | 0.36 |
| - Demand for employee state insurance | 0.84 | 0.84 |
| Total | 38.25 | 48.14 |

*The Income Tax department had carried out a search and seizure operation at the premises of the Company in November 2018. During the earlier years, the department had 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 had been raised by the department on account of disallowances of certain expenses. The Company had 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, 2025. During the previous year ended 31st March, 2024, the Company had received order from Income Tax department in its favour, however the final effect order was still awaited and thus the matter was continued to be reported as Contingent liability as on March 31, 2024. Further, during the year ended 31st March, 2025, the Company has received final effect order for Assessment Years 2016-17 and 2017-18 and accordingly, the Company has reported Contingent liability for Assessment Year 2013-14 to 2015-16 cumulating to INR 183.04 million and the amount paid under protest amounting to INR 36.61 million as final effect order is still awaited for these Assessment Years.

(ii) Commitments

| | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Capital Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account | 0.33 | 5.61 |

44. Leases

- (a) The right of use assets comprise of buildings taken on lease. The effective interest rate for lease liabilities is 9.22% as on March 31, 2025 (March 31, 2024 - 9.07%).

| | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| (b) Carrying value of right of use assets at the end of the reporting period (Refer Note 4) | 4,550.15 | 4,267.10 |

Notes to the Financial Statements

as at and for year ended March 31, 2025

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

44. Leases (Contd.)

(c) Analysis of Lease liabilities:

Movement of lease liabilities

| | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Opening Lease liabilities | 4,444.19 | 2,933.81 |
| Addition during the year | 1,750.96 | 2,705.77 |
| Accretion of interest during the year | 433.22 | 335.47 |
| Cash outflow towards payment of lease liabilities | (1,728.98) | (1,460.28) |
| Deletion during the year on account of termination of lease agreements | (70.45) | (70.58) |
| Closing Lease liabilities | 4,828.94 | 4,444.19 |

The table below summarises the maturity profile of the Company's lease liabilities based on contractual undiscounted payments:

| | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Less than 1 year | 1,790.15 | 1,517.38 |
| Between 2 to 3 year | 2,894.06 | 2,521.93 |
| More than 3 year | 963.72 | 1,210.35 |
| Lease liabilities included in the Balance sheet | | |
| Current | 1,417.06 | 1,177.70 |
| Non-Current | 3,411.88 | 3,266.49 |
| Total | 4,828.94 | 4,444.19 |

(d) Impact on Statement of profit and loss:

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Interest expense on lease liabilities | 433.22 | 335.47 |
| Depreciation on right of use assets* | 1,461.18 | 1,251.08 |
| Gain on termination of lease arrangements | (6.47) | (7.55) |

* includes depreciation on leasehold building.

(e) The Company applies short term lease recognition exemption for the following leases:

| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Lease rent as per Statement of profit and loss | 701.02 | 557.06 |

45. Related party disclosures

(A) Name of Related Parties

i. Enterprise controlling the Company:

Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited

ii. 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) |
| Mr. Manish Mahendra Choksi- Independent Director | Key Managerial Person (KMP) |
| Mr. Tarun Puri- Independent Director | Key Managerial Person (KMP) |
| Mrs. Abanti Mitra- Independent Director | Key Managerial Person (KMP) |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

45. Related party disclosures (Contd.)

| | |
|---|--|
| Mr. Sunish Sharma - Non executive Director | Key Managerial Person (KMP) |
| Mr. Rahul Murarka - Chief Financial Officer | Key Managerial Person (KMP) |
| Mr. Navin Pareek - Company Secretary | Key Managerial Person (KMP) |
| Mr. Vedant Modi - Chief Revenue Officer | Close Member of KMP |
| Mrs. Usha Devi Modi | Close Member of 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 |

(B) Details of transactions with related parties

| Particulars | For the year ended | |
|---|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Sale of products (net of returns) (including taxes) | | |
| Shenayah Retail Stores Private Limited | 415.95 | 316.87 |
| Pranit Fashions | 5.22 | 4.40 |
| Vandana Enterprise | 203.06 | 210.39 |
| Total | 624.23 | 531.66 |
| Rent income (including taxes) | | |
| Mohey Fashions Private Limited | 0.07 | 0.07 |
| Total | 0.07 | 0.07 |
| Recovery of expenses (including taxes) (electricity and other charges) | | |
| Shenayah Retail Stores Private Limited | 0.27 | 0.25 |
| Vandana Enterprise | 1.55 | 1.54 |
| Pranit Fashions | 0.02 | 0.03 |
| Total | 1.84 | 1.82 |
| Reimbursement of Expenses (advertisement charges, electricity expense, etc.) | | |
| Shenayah Retail Stores Private Limited | 0.06 | 0.08 |
| Mohey Fashions Private Limited | - | 0.03 |
| Vandana Enterprise | 0.15 | 0.16 |
| Tarun Puri | 0.02 | 0.01 |
| Abanti Mitra | - | 0.05 |
| Sunish Sharma | - | 0.07 |
| Total | 0.23 | 0.40 |
| Interest Income | | |
| Shenayah Retail Stores Private Limited | 0.10 | - |

Notes to the Financial Statements as at and for year ended March 31, 2025

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

45. Related party disclosures (Contd.)

| Particulars | For the year ended | |
|--|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Others | | |
| Shenayah Retail Stores Private Limited | 0.02 | - |
| Pranit Fashions* | 0.00 | - |
| Total | 0.02 | - |
| Security Deposit Received | | |
| Shenayah Retail Stores Private Limited | 15.00 | 20.50 |
| Vandana Enterprise | 0.50 | 5.10 |
| Total | 15.50 | 25.60 |
| Security Deposit Refunded | | |
| Shenayah Retail Stores Private Limited | 11.50 | 0.75 |
| Total | 11.50 | 0.75 |

Details of transactions with related parties

| Particulars | For the year ended | |
|--|--------------------|-----------------|
| | March 31, 2025 | March 31, 2024 |
| Salary to close member of KMP | | |
| Vedant Modi | 5.28 | 5.12 |
| Total | 5.28 | 5.12 |
| Dividend Paid (Gross) | | |
| Ravi Modi | 14.35 | 15.19 |
| Shilpi Modi | 22.58 | 23.90 |
| Usha Devi Modi* | 0.00 | 0.00 |
| Navin Pareek | 0.05 | 0.07 |
| Rahul Murarka | 0.02 | 0.12 |
| Ravi Modi HUF | 330.49 | 349.93 |
| Ravi Modi Family Trust | 1,180.30 | 1,249.73 |
| Total | 1,547.79 | 1,638.94 |
| Fees to Independent Director (including sitting fees) | | |
| Manish Mahendra Choksi | 3.00 | 3.00 |
| Tarun Puri | 3.00 | 3.00 |
| Sunish Sharma | 3.00 | 3.00 |
| Abanti Mitra | 3.00 | 3.00 |
| Total | 12.00 | 12.00 |

*Amount is below the rounding off norms adopted by the company.

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

| | | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------|-------------------------|-------------------------|
| Receivable from: | | | |
| Pranit Fashions | Trade receivables | 3.02 | 2.41 |
| Shenayah Retail Stores Private Limited | Trade receivables | 160.19 | 139.40 |
| Vandana Enterprise | Trade receivables | 55.98 | 54.96 |
| Mohey Fashions Private Limited | Trade receivables | 0.04 | - |
| Sub Total | | 219.23 | 196.77 |

Notes to the Financial Statements as at and for year ended March 31, 2025

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

45. Related party disclosures (Contd.)

| | | As at March 31, 2025 | As at March 31, 2024 |
|--|---------------------------------|-------------------------|-------------------------|
| Payable to: | | | |
| Ravi Modi | Director's Remuneration payable | 6.55 | 3.38 |
| Shilpi Modi | Director's Remuneration payable | 4.43 | 2.25 |
| Sunish Sharma | | 1.71 | 2.05 |
| Abanti Mitra | | 1.26 | 1.63 |
| Manish Mahendra Choksi | | 1.17 | 1.26 |
| Tarun Puri | | 0.99 | 1.39 |
| Total | | 16.11 | 11.96 |
| Security Deposit Taken: | | | |
| Shenayah Retail Stores Private Limited | | 70.75 | 67.25 |
| Vandana Enterprise | | 25.35 | 24.85 |
| Pranit Fashions | | 1.20 | 1.20 |
| Total | | 97.30 | 93.30 |

(C) Remuneration of key management personnel

The remuneration of key management personnel and a relative of key management personnel of the Company are set out below in aggregate for each of the categories specified in Ind AS 24 'Related party disclosures'.

| | For the year ended | |
|--------------------------------------|--------------------|----------------|
| | March 31, 2025 | March 31, 2024 |
| Salary & Allowances* | | |
| Ravi Modi | 34.80 | 44.84 |
| Shilpi Modi | 23.20 | 29.89 |
| Total Directors' Remuneration | 58.00 | 74.73 |
| Navin Pareek | 3.95 | 3.65 |
| Rahul Murarka | 9.00 | 7.86 |
| Total KMP's Remuneration | 70.95 | 86.24 |

* Salary & Allowances excludes Company's contribution (if any) towards retirement benefits and employee stock options scheme since those are ascertained for the Company as a whole.

Balance of Retirement Benefit of KMP is INR 4.12 million as on March 31, 2025 (INR 3.71 million as on March 31, 2024).

All transactions with related parties are priced on an arm's length basis.

46. Financial Instruments

Financial risk management objectives and policies

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

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

46. Financial Instruments (Contd.)

Financial assets and liabilities as at

| Particulars | March 31, 2025 | | | |
|--------------------------------|-----------------------------------|---|-----------------|------------------|
| | Fair value through profit or loss | Fair value through other comprehensive income | Amortised Cost | Carrying Value |
| Financial Assets | | | | |
| Investments | 6,467.32 | 2,930.12 | 1,111.75 | 10,509.19 |
| Trade receivables* | - | - | 6,186.12 | 6,186.12 |
| Cash and cash equivalents* | - | - | 172.11 | 172.11 |
| Other bank balances* | - | - | 0.19 | 0.19 |
| Other financial assets* | 0.60 | - | 991.88 | 992.48 |
| Total | 6,467.92 | 2,930.12 | 8,462.05 | 17,860.09 |
| Financial Liabilities | | | | |
| Non-current security deposits* | - | - | 1,320.41 | 1,320.41 |
| Lease liabilities | - | - | 4,828.94 | 4,828.94 |
| Trade payables* | - | - | 1,023.42 | 1,023.42 |
| Other financial liabilities* | - | - | 221.23 | 221.23 |
| Total | - | - | 7,394.00 | 7,394.00 |

| Particulars | March 31, 2024 | | | |
|--------------------------------|-----------------------------------|---|-----------------|------------------|
| | Fair value through profit or loss | Fair value through other comprehensive income | Amortised Cost | Carrying Value |
| Financial Assets | | | | |
| Investments | 5,563.60 | 3,415.15 | 613.46 | 9,592.21 |
| Trade receivables* | - | - | 5,645.21 | 5,645.21 |
| Cash and cash equivalents* | - | - | 216.97 | 216.97 |
| Other bank balances* | - | - | 0.13 | 0.13 |
| Other financial assets* | - | - | 936.71 | 936.71 |
| Total | 5,563.60 | 3,415.15 | 7,412.48 | 16,391.23 |
| Financial Liabilities | | | | |
| Non-current security deposits* | - | - | 1,225.37 | 1,225.37 |
| Lease liabilities | - | - | 4,444.19 | 4,444.19 |
| Trade payables* | - | - | 890.79 | 890.79 |
| Other financial liabilities* | 0.34 | - | 288.72 | 289.06 |
| Total | 0.34 | - | 6,849.07 | 6,849.41 |

* The carrying amount of the Company's financial assets and financial liabilities are reasonable approximation of their fair value and hence the Company has not disclosed the fair values.

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

47. Fair Value Hierarchy

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

Level 1: unquoted/quoted prices (unadjusted) in active markets and net asset value (NAV) for identical assets or liabilities

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

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

| Particulars | Fair Value measuring at the end of the reporting year using | | | As at March 31, 2025 |
|-------------------------------------|---|-------------|---------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Investments in mutual funds | 3,729.00 | - | - | 3,729.00 |
| Investments in bonds and debentures | 5,668.44 | - | - | 5,668.44 |
| Derivative instruments | - | 0.60 | - | 0.60 |
| Total | 9,397.44 | 0.60 | - | 9,398.04 |
| Financial Liabilities | | | | |
| Derivative instruments | - | - | - | - |
| Total | - | - | - | - |

| Particulars | Fair Value measuring at the end of the reporting year using | | | As at March 31, 2024 |
|-------------------------------------|---|-------------|---------|----------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Investments in mutual funds | 3,888.93 | - | - | 3,888.93 |
| Investments in bonds and debentures | 5,089.82 | - | - | 5,089.82 |
| Total | 8,978.75 | - | - | 8,978.75 |
| Financial Liabilities | | | | |
| Derivative instruments | - | 0.34 | - | 0.34 |
| Total | - | 0.34 | - | 0.34 |

- Financial assets and liabilities at fair value are reported at amounts that would be received from sale of an asset and amount of resource to be utilised for settlement of a liability respectively in an orderly transaction between market participants.
- Derivative instruments - Forward Rate Contracts: The fair value is determined using Level 2 inputs. The Company uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. All derivative financial instruments are measured at fair value, generally based on quotations obtained from banks.
- Trade receivables, cash and cash equivalents, other bank balances, other financial assets, non current deposits, trade payables, lease liabilities and other financial liabilities: Approximate their carrying amounts largely due to the short-term maturities of these instruments. Fair value of investments in mutual funds are on the basis of net asset value as declared by mutual fund house as on the Balance Sheet date.
- There has been no transfer between level 1, level 2 and level 3 during the above period.

48. Financial Risk Management

The Company's activities expose it to variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is commodity price risk. The Company uses forward contracts to mitigate foreign exchange related risk exposures.

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

48 Financial Risk Management (Contd.)

a) Market Risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency Risk

The Company operates both in domestic and international market and consequently the Company is exposed to foreign exchange risk through its sales in overseas countries. The Company holds forward contracts such as foreign exchange contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

Exposure to Currency risk

The following table analyzes foreign currency risk from financial instruments:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Exposure Currency (USD) | | |
| Trade receivables (INR in Million) ¹ | 70.35 | 59.06 |
| Less: Forward Contracts outstanding | 38.71 | 57.31 |
| Net exposure | 31.64 | 1.75 |
| Exposure Currency (CAD) | | |
| Trade receivables (INR in Million) ² | 0.65 | 0.09 |
| Exposure Currency (GBP) | | |
| Trade receivables (INR in Million) ³ | 0.08 | - |

- (1) For the year ended March 31, 2025, every percentage appreciation/depreciation in the exchange rate between the Indian rupee and USD, would increase/decrease the Company's profit before tax by approx. INR 0.32 Million (INR 0.02 Million for the year ended March 31, 2024) and increase/decrease in equity by INR 0.24 Million (INR 0.01 Million for the year ended March 31, 2024).
- (2) For the year ended March 31, 2025, every percentage appreciation/depreciation in the exchange rate between the Indian rupee and CAD, would increase/decrease the Company's profit before tax by approx. INR 0.01 Million (INR 0.00 Million for the year ended March 31, 2024) and increase/decrease in equity by INR 0.00 Million (INR 0.00 Million for the year ended March 31, 2024).
- (3) For the year ended March 31, 2025, every percentage appreciation/depreciation in the exchange rate between the Indian rupee and GBP, would increase/decrease the Company's profit before tax by approx. INR 0.00 Million (INR 0.00 Million for the year ended March 31, 2024) and increase/decrease in equity by INR 0.00 Million (INR 0.00 Million for the year ended March 31, 2024).

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.

Notes to the Financial Statements as at and for year ended March 31, 2025

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

48 Financial Risk Management (Contd.)

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, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Less than 1 year | | |
| Forward contract - to cover export receivables (Amount in USD Million) | 0.45 | 0.69 |

Commodity Price Risk

The Company is affected by price volatility of its key raw materials and traded goods. Its operating activities requires a continuous supply of key material for manufacturing products. The Company's procurement department continuously monitor the fluctuation in price and take necessary action to minimize its price risk exposure.

Interest rate Risk

The Company is debt-free and the exposure to interest rate risk from the perspective of Financial Liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of safety, liquidity and returns. This ensures that investments are only made within acceptable risk parameters after due evaluation.

Price Risk

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

b) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 6,186.12 Million and INR 5,645.21 Million as at March 31, 2025 and March 31, 2024 respectively. Trade receivable includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Company through taking security deposits and bank guarantees from customers, credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis based on historical data of credit losses.

Credit risk on cash and cash equivalents including other bank balances, investment in mutual funds and debt securities is limited as the Company generally invest in deposits with banks, financial institutions and counterparties with high credit ratings assigned by international and domestic credit rating agencies.

For ageing analysis of the trade receivables, refer Note 12.

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances amounts to INR 50.85 million and INR 44.26 million as at year ended March 31, 2025 and March 31, 2024 respectively.

c) Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds, fixed deposits, bonds and debentures. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

48 Financial Risk Management (Contd.)

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

| Particulars | Contractual Cash Flows | | Carrying Amount | |
|-----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| Less than 1 year | | | | |
| Trade payables | 1,023.42 | 890.79 | 1,023.42 | 890.79 |
| Lease Liabilities | 1,790.15 | 1,517.38 | 1,417.06 | 1,177.70 |
| Other financial liabilities | 173.67 | 129.13 | 221.23 | 289.06 |
| | 2,987.24 | 2,537.30 | 2,661.71 | 2,357.55 |
| Between 2 to 3 year | | | | |
| Lease Liabilities | 2,894.06 | 2,521.93 | 2,502.17 | 2,132.85 |
| Other financial liabilities | 298.36 | 226.54 | 248.33 | 191.91 |
| | 3,192.42 | 2,748.47 | 2,750.50 | 2,324.76 |
| More than 3 year | | | | |
| Lease Liabilities | 963.72 | 1,210.35 | 909.71 | 1,133.64 |
| Other financial liabilities | 1,753.16 | 1,868.28 | 1,072.08 | 1,033.46 |
| | 2,716.88 | 3,078.63 | 1,981.79 | 2,167.10 |
| Total | 8,896.54 | 8,364.40 | 7,394.00 | 6,849.41 |

49. Capital Management

The Company's capital management is driven by its policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is defined as current and non-current borrowings less cash and cash equivalents and current investments. Excess cash and bank balance has been invested by the Company in fixed deposits, bonds, debentures and mutual funds.

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Share capital | 242.94 | 242.87 |
| Other equity | 17,620.16 | 15,775.93 |
| Equity (A) | 17,863.10 | 16,018.80 |
| Cash and cash equivalents | 172.11 | 216.97 |
| Current investments | 7,088.31 | 6,042.93 |
| Other bank balances | 0.19 | 0.13 |
| Total fund (B) | 7,260.61 | 6,260.03 |
| Lease Liabilities (F) | 4,828.94 | 4,444.19 |
| Total debt (C) | 4,828.94 | 4,444.19 |
| Net debt (D=(C-B)) | (2,431.67) | (1,815.84) |
| Total capital (equity + net debt) | 15,431.43 | 14,202.96 |
| Net debt to equity ratio (E=D/A) | * | * |
| Net debt (excluding lease liabilities) [G=(D-F)] | (7,260.61) | (6,260.03) |
| 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 ranging from 8.75% to 9.85% p.a as on March 31, 2025 (March 31, 2024 from 8.00% to 9.75% p.a). Cash credit facility is unsecured. The facility is unutilised as on March 31, 2025 and March 31, 2024.

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

50. Segment Reporting :

Based on the Company's operating structure and information provided to the Chief Operating Decision Maker (CODM) for his review of performance and allocation of resources, the company has only one reportable segment i.e. branded fashion apparel and accessories.

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

| Particulars | Revenue from Operations | |
|--------------|--------------------------------------|--------------------------------------|
| | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
| India | 13,502.03 | 13,354.02 |
| Overseas | 362.80 | 321.30 |
| Total | 13,864.83 | 13,675.32 |

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, 2025 | As at March 31, 2024 |
| India | 7,040.07 | 6,798.13 |
| Overseas | - | - |
| Total | 7,040.07 | 6,798.13 |

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

(ii) Disaggregated revenue information

For disaggregation of revenue, refer Note 30.1.

(iii) The Company is not reliant on revenue from transaction with any single customer and does not receive 10% or more of its revenue from transaction with any single customer.

51. Share based payments

The Company has an Employee Stock Option Scheme 2018 ("ESOP") as approved by the shareholders at their extra ordinary general meeting held on September 3, 2018. The ESOP scheme includes both tenure based and performance based stock options. The performance conditions attached to the option is measured by comparing Company's performance in terms of revenue and profit before tax over the performance period with budgeted revenue and budgeted profit before tax respectively as defined in the Scheme, and individual employee performance.

| Vesting Conditions | Exercise Period | Tranches | Date of Grant | Numbers of options granted | Exercise Price per share |
|--|--|-----------|-------------------|----------------------------|--------------------------|
| On continued employment with the Company and achievement of performance parameters over a period of 2 to 4 years from the date of grant. | 10 years from the date of grant of stock options | Tranche 1 | September 3, 2018 | 3,32,124 | 344 |
| | | Tranche 4 | December 18, 2020 | 32,193 | 685 |
| | | Tranche 5 | September 4, 2021 | 4,95,140 | 400 |
| | | Tranche 6 | January 25, 2024 | 25,058 | 858 |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

51. Share based payments (Contd.)

Movement of Options Granted

The movement of the options for the year is as given below:

| Particulars | Tranche 1 | | Tranche 4 | | Tranche 5 | | Tranche 6 | |
|---|-------------------------|--|-------------------------|--|-------------------------|--|-------------------------|--|
| | 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, 2023 | 49,895 | 172 | 25,330 | 343 | 4,27,942 | 400 | - | - |
| Options granted during the year | - | - | - | - | - | - | 25,058 | 858 |
| Options exercised during the year | (20,024) | 172 | (5,680) | 343 | (64,169) | 400 | - | - |
| Options lapsed during the year (Unvested) | - | - | (8,093) | 343 | (25,428) | 400 | - | - |
| Options exercisable as at March 31, 2024 | 29,871 | 172 | 11,557 | 343 | 3,38,345 | 400 | 25,058 | 858 |
| Options granted during the year | - | - | - | - | - | - | - | - |
| Options exercised during the year | (29,864) | 172 | (4,095) | 343 | (40,187) | 400 | - | - |
| Options lapsed during the year (Unvested) | (7) | 172 | (3,584) | 343 | (60,749) | 400 | - | - |
| Options exercisable as at March 31, 2025 | - | - | 3,878 | 343 | 2,37,409 | 400 | 25,058 | 858 |

The weighted-average share price at the date of exercise for share options exercised in year ended March 31, 2025 was INR 1,068.30 (March 31, 2024: INR 1,210.43).

The weighted-average remaining contractual life of outstanding options as at March 31, 2025 and March 31, 2024 is 6.65 year and 7.34 years.

51.1 There were 1,11,452 (post split) number of vested options as on March 31, 2025 (March 31, 2024 - 1,01,192 (post split) number of vested options). Also no vested options lapsed at the end of each reporting date.

51.2 There were no options forfeited in any of the reporting period.

Fair Valuation:

The fair valuation of options was carried out by an independent valuer using Black Scholes Model. The various inputs and assumptions considered in the pricing model at grant date for the stock options granted under ESOP Scheme 2018 are as under.

| Particulars | Tranche 1 | Tranche 4 | Tranche 5* | Tranche 6* |
|--|-----------|-----------|------------|------------|
| Risk Free interest rate (%) | 7.95 | 6.18 | 6.18 | 7.17 |
| Option Life (Years) | 7 | 7 | 7 | 7 |
| Expected Volatility (%) | 37 | 43 | 43 | 43 |
| Fair value (in Rs. per option) | 190.00 | 660.00 | 310.50 | 630.00 |
| Share price at options grant date (in Rs. per share) | 344.97 | 1,008.80 | 504.40 | 1,125.05 |
| Expected annual dividend (%) | - | - | - | 1.40 |

*During the financial year 21-22, pursuant to a resolution passed by the Board of Directors and a resolution passed by the Company's equity shareholders in the Extra-ordinary General Meeting held on July 16, 2021, the Company had split face value of its equity shares from INR 2 per equity share to INR 1 per equity share. The details mentioned in above table for Tranche 5 & Tranche 6 is post split.

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

51. Share based payments (Contd.)

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, 2025 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Employee Compensation Cost pertaining to share-based payment plans (in INR Million) | 5.59 | 30.66 |

52. Ratio Analysis and its elements

Ratio

| Particulars | March 31, 2025 | March 31, 2024 | % change from March 31, 2024 to March 31, 2025 |
|---------------------------------|----------------|----------------|--|
| Current ratio | 4.01 | 3.73 | 7.51% |
| Debt- Equity Ratio | 0.27 | 0.28 | (3.57%) |
| Debt Service Coverage ratio | 3.44 | 4.02 | (14.43%) |
| Return on Equity | 22.93% | 27.60% | (16.92%) |
| Inventory Turnover ratio | 8.14 | 8.76 | (7.08%) |
| Trade Receivable Turnover Ratio | 2.34 | 2.64 | (11.36%) |
| Trade Payable Turnover Ratio | 7.81 | 7.05 | 10.78% |
| Net Capital Turnover Ratio | 1.15 | 1.34 | (14.18%) |
| Net Profit ratio | 28.02% | 30.29% | (7.49%) |
| Return on Capital Employed | 34.34% | 40.22% | (14.62%) |
| Return on Investment | 7.27% | 6.26% | 16.13% |

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

52. Ratio Analysis and its elements (Contd.)

Elements of Ratio

| Ratios | Numerator | Denominator | March 31, 2025 | | March 31, 2024 | |
|---------------------------------|---|---|----------------|-------------|----------------|-------------|
| | | | Numerator | Denominator | Numerator | Denominator |
| Current Ratio | Current Assets | Current Liabilities | 16,063.42 | 4,003.48 | 13,917.57 | 3,728.51 |
| Debt- Equity Ratio | Debt (Borrowing + Lease liabilities) | Total Equity | 4,828.94 | 17,863.10 | 4,444.19 | 16,018.80 |
| Debt Service Coverage ratio | Earnings for Debt Service (Profit for the year + Finance cost + Depreciation - Profit on sale of property, plant and equipment - Liabilities/provisions no longer required written back - Gain on termination of lease arrangements - Other miscellaneous income + Loss allowances on financial assets + Bad debts/ advances written off) | Debt Service (Interest & Lease Payments + Principal Re-payments) | 5,945.19 | 1,730.08 | 5,884.43 | 1,462.11 |
| Return on Equity ratio | Profit for the year | Average Shareholder's Equity | 3,884.72 | 16,940.95 | 4,141.72 | 15,008.80 |
| Inventory Turnover ratio | Revenue from operations | Average Inventory | 13,864.83 | 1,702.99 | 13,675.32 | 1,561.38 |
| Trade Receivable Turnover Ratio | Revenue from operations | Average Trade Receivable | 13,864.83 | 5,915.66 | 13,675.32 | 5,189.82 |
| Trade Payable Turnover Ratio | Purchases during the year of raw materials, accessories and stock in trade + other expenses | Average Trade Payable | 7,478.52 | 957.10 | 6,170.95 | 874.80 |
| Net Capital Turnover Ratio | Revenue from operations | Working Capital * | 13,864.83 | 12,059.94 | 13,675.32 | 10,189.06 |
| Net Profit ratio | Profit for the year | Revenue from operations | 3,884.72 | 13,864.83 | 4,141.72 | 13,675.32 |
| Return on Capital Employed | Earnings before interest and taxes (Profit Before Tax + Finance Cost) | Capital Employed [Tangible Net Worth + Total Debt (Borrowing + Lease liabilities) + Deferred Tax Liability] | 5,747.04 | 16,737.61 | 5,929.06 | 14,740.10 |
| Return on Investment | Interest Income on fixed deposits, bonds and debentures + Profit on sale of investments + Gain on fair valuation of investments carried at FVTPL + Changes in fair valuation of investments carried at FVTOCI | Current investments + Non current Investments | 764.03 | 10,509.19 | 600.77 | 9,592.21 |

* Working capital has been calculated as current assets minus current liabilities.

Notes to the Financial Statements

as at and for year ended March 31, 2025
(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, 2025 | March 31, 2024 | % change from March 31, 2024 to March 31, 2025 |
|--|----------------|----------------|--|
| Debt- Equity Ratio | - | - | Not Applicable |
| Debt Service Coverage ratio ¹ | 5,454.30 | 3,233.20 | 68.70% |
| Return on Capital Employed | 44.62% | 54.33% | (16.67%) |

Reasons for variance of more than 25% in above ratios

- 1) Increase in debt service coverage ratio is due to increase in earnings on debt service and lower interest paid (other than interest on lease liabilities).

Elements of Ratio

| Ratios | Numerator | Denominator | March 31, 2025 | | March 31, 2024 | |
|-----------------------------|---|--|----------------|-------------|----------------|-------------|
| | | | Numerator | Denominator | Numerator | Denominator |
| Debt-Equity Ratio | Debt (Borrowing) | Total Equity | - | 17,863.10 | - | 16,018.80 |
| Debt Service Coverage ratio | Earnings for Debt Service (Profit for the year + Finance cost + Depreciation - Profit on sale of property, plant and equipment - Liabilities/provisions no longer required written back - Gain on termination of lease arrangements - Other miscellaneous income + Loss allowances on financial assets + Bad debts/ advances written off) | Debt Service (Interest paid other than interest on lease liabilities) | 5,945.19 | 1.09 | 5,884.43 | 1.82 |
| Return on Capital Employed | Earnings before interest and taxes (Profit Before Tax + Finance cost - Interest on lease liabilities) | Capital Employed [Tangible Net Worth + Total Debt (Borrowing) + Deferred Tax Liability] | 5,313.82 | 11,908.67 | 5,593.60 | 10,295.92 |

53. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries..

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

54. Critical estimates and judgements in applying accounting policies

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

i) Revenue Recognition

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

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

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

The Company updates its assessment of expected returns based on the best estimates and judgements and the refund liabilities are adjusted accordingly. Estimates of expected returns are sensitive to changes in circumstances & judgements and the Company's past experience regarding returns may not be representative of customers' actual returns in the future. As at March 31, 2025, the amount recognised as refund liabilities for the expected returns is INR 1,099.22 Million and corresponding right of return asset is INR 363.30 Million (March 31, 2024: expected returns was INR 1,083.20 Million and corresponding right of return asset is INR 358.91 Million).

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

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

iii) Impairment of non-financial assets (including intangible assets)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to the goodwill and brand.

iv) Estimation of provisions and contingencies

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

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Notes to the Financial Statements as at and for year ended March 31, 2025

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

v) Defined benefit plan

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. (Refer Note 42)

vi) Leases

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

vii) Share-based payment

The Company uses the most appropriate valuation model depending on the terms and conditions of the grant, including the expected life of the share option and volatility. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 51.

viii) Fair Value Measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

ix) Recoverability of Deferred Tax Assets

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

55. Consequent to the approval of the National Company Law Tribunal (NCLT), the Company on April 01, 2024, has recorded the net assets (net asset represents assets, liabilities and reserves) of Manyavar Creations Private Limited. The Company has accounted the acquisition in accordance with Appendix C to IND AS 103 being business combination of entities under common control. Accordingly, the financial information in respect of prior year has been restated for the amalgamation as if the business combination has occurred from the beginning of previous year. The Company has recorded assets at carrying value of INR 267.65 million, liabilities at INR 20.87 million, reserves at INR 206.68 million and cancelled the investments held amounting to INR 200.10 million. The difference between the investment cancelled and the net assets taken over on amalgamation of INR 160 million has been adjusted with retained earnings.

Notes to the Financial Statements

as at and for year ended March 31, 2025
(All amounts are in INR Million, unless otherwise stated)

The effect of amalgamation on the amount of the standalone revenue, profit and loss, assets, liabilities and equity published in previous year are as shown below:

| Particulars | As at March 31, 2024 (Amounts in INR million) |
|--------------------------------------|---|
| Revenue from Operations | |
| As published in previous year | 13,648.88 |
| As restated for the effect of merger | 13,675.32 |
| Profit before tax | |
| As published in previous year | 5,484.16 |
| As restated for the effect of merger | 5,484.06 |
| Profit after tax | |
| As published in previous year | 4,145.74 |
| As restated for the effect of merger | 4,141.72 |
| Total Assets | |
| As published in previous year | 25,025.99 |
| As restated for the effect of merger | 25,083.07 |
| Total Liabilities | |
| As published in previous year | 9,051.51 |
| As restated for the effect of merger | 9,064.27 |
| Total Equity | |
| As published in previous year | 15,974.48 |
| As restated for the effect of merger | 16,018.80 |

56. Subsequent event

There are no material non-adjusting events after the reporting period till the date of issue of these financial statements (i.e. May 06, 2025) which require disclosure in financial statement.

In terms of our report attached of the even date

For B S R & Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

Seema Mohnot

Partner

Membership No. 060715

Place: Kolkata

Date: May 06, 2025

Vedant Fashions Limited

For and on behalf of the Board of Directors

Ravi Modi

Chairman and Managing Director

DIN : 00361853

Rahul Murarka

Chief Financial Officer

Shilpi Modi

Wholtime Director

DIN : 00361954

Navin Pareek

Company Secretary

ICSI Membership No. F10672

VEDANT FASHIONS
— LIMITED —

Registered Office

Vedant Fashions Limited

CIN: L51311WB2002PLC094677

A501-A502, SDF-1, 4th Floor, Paridhan Garment Park,
19 Canal South Road, Kolkata-700 015.

Website: www.vedantfashions.com