

Manyavar Mohey

VEDANT FASHIONS LIMITED

Our Company was originally incorporated as “*Vedant Fashions Private Limited*” at Kolkata, West Bengal as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 24, 2002, issued by the Registrar of Companies, West Bengal at Kolkata (“**RoC**”). Pursuant to a takeover agreement dated June 1, 2002, the business of a proprietorship firm by the name of “*M/s Vedant Creation*”, which was being carried out by one of our individual Promoters namely Ravi Modi, was transferred to our Company as a going concern. Subsequently, our Company was converted into a public limited company under the Companies Act, 2013, pursuant to the approval accorded by our Shareholders at their extra-ordinary general meeting held on July 16, 2021. Consequently, the name of our Company was changed to “*Vedant Fashions Limited*” and a fresh certificate of incorporation consequent upon conversion from a private limited company to a public limited company was issued to our Company by the RoC on August 25, 2021. For further details relating to the changes in the name of our Company and the registered office of our Company, see “*History and Certain Corporate Matters*” on page 159.

Corporate Identity Number: U51311WB2002PLC094677

Registered and Corporate Office: Paridhan Garment Park, 19, Canal South Road, SDF-1, 4th Floor, A501-502, Kolkata 700 015, West Bengal, India; **Telephone:** +91 33 6125 5495;
Contact Person: Navin Pareek, Company Secretary and Compliance Officer; **Telephone:** +91 33 6125 5495; **E-mail:** complianceofficer@manyavar.com; **Website:** www.vedantfashions.com

THE PROMOTERS OF OUR COMPANY ARE RAVI MODI, SHILPI MODI AND RAVI MODI FAMILY TRUST (ACTING THROUGH ITS TRUSTEE, MODI FIDUCIARY SERVICES PRIVATE LIMITED)

INITIAL PUBLIC OFFERING OF UP TO 36,364,838 EQUITY SHARES OF FACE VALUE OF ₹1 EACH (“EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (“OFFER PRICE”) AGGREGATING UP TO ₹[•] MILLION (“OFFER”). THE OFFER COMPRISES OF AN OFFER FOR SALE OF UP TO 36,364,838 EQUITY SHARES (“OFFERED SHARES”) AGGREGATING UP TO ₹[•] MILLION, COMPRISING OF UP TO 17,459,392 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY RHINE HOLDINGS LIMITED, UP TO 723,014 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY KEDAARA CAPITAL ALTERNATIVE INVESTMENT FUND-KEDAARA CAPITAL AIF 1 AND UP TO 18,182,432 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY RAVI MODI FAMILY TRUST (ACTING THROUGH ITS TRUSTEE, MODI FIDUCIARY SERVICES PRIVATE LIMITED) (TOGETHER THE “SELLING SHAREHOLDERS” AND SUCH OFFER, THE “OFFER FOR SALE”). THE OFFER SHALL CONSTITUTE [•]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF JANSATTA (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND KOLKATA EDITION OF DAINIK STATESMAN (A WIDELY CIRCULATED BENGALI DAILY NEWSPAPER, BENGALI BEING THE REGIONAL LANGUAGE OF WEST BENGAL WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED (“BSE”) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”), TOGETHER WITH BSE, THE “STOCK EXCHANGES”) FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE “SEBI ICDR REGULATIONS”).

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders may, for reasons to be recorded in writing, extend the Bid /Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the members of the Syndicate and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“**SCRR**”) read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“**QIBs**”) (the “**QIB Portion**”), provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis (“**Anchor Investor Portion**”). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the Anchor Investor Allocation Price in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount (“**ASBA**”) process by providing details of their respective ASBA Account (as defined hereinafter), and UPI ID in case of RIIs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks (“**SCSBs**”) or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see “*Offer Procedure*” on page 335.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹1. The Offer Price, Floor Price or the Price Band should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“**SEBI**”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to “*Risk Factors*” on page 27.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders severally, and not jointly, accepts responsibility for and confirms that the statements specifically made or confirmed by such Selling Shareholder in this Red Herring Prospectus solely to the extent of information specifically pertaining to itself and its portion of the Equity Shares offered by it in the Offer for Sale, and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholders, severally and not jointly, assume no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to our Company or any other Selling Shareholder.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received ‘in-principle’ approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated September 20, 2021 and September 27, 2021, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be NSE. A copy of this Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus until the Bid/Offer Closing Date, see “*Material Contracts and Documents for Inspection*” on page 407.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

					
Axis Capital Limited 1 st Floor, Axis House C-2 Wadia International Center Pandurang Budhkar Marg, Worli Mumbai – 400 025 Maharashtra, India Telephone: +91 22 4325 2183 E-mail: vedantfashions.ipo@axiscap.in Website: www.axiscapital.co.in Investor grievance e-mail: complaints@axiscap.in Contact Person: Sagar Jatakiya SEBI registration no.: INM000012029	Edelweiss Financial Services Limited 6th Floor, Edelweiss House Off CST Road, Kalina Mumbai 400 098 Maharashtra, India Telephone: +91 22 4009 4400 E-mail: manyavar.ipo@edelweissfin.com Investor grievance e-mail: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Dhruv Bhavsar / Nikhil Joshi SEBI registration no.: INM0000010650	ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400025, Maharashtra, India Telephone: +91 22 6807 7100 E-mail: vedant.ipo@icicisecurities.com Investor grievance e-mail: customercare@icicisecurities.com Contact Person: Monank Mehta Website: www.icicisecurities.com SEBI Registration No.: INM000011179	IIFL Securities Limited 10 th Floor, IIFL Centre Kamala City, Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra, India Telephone: +91 22 4646 4600 E-mail: manyavar.ipo@iiflcap.com Website: www.iiflcap.com Investor grievance E-mail: ig.ib@iiflcap.com Contact Person: Shirish Chikalge SEBI Registration No.: INM000010940	Kotak Mahindra Capital Company Limited 1 st Floor, 27 BKC, Plot No. C-27 G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India Telephone: +91 22 4336 0000 E-mail: vfl.ipo@kotak.com Investor grievance e-mail: kmcaredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	Kfin Technologies Private Limited Selenium Tower B Plot 31 & 32, Gachibowli Financial District, Nanakramguda Serilingampally, Hyderabad 500 032 Telangana, India Telephone: +91 40 6716 2222 Email: manyavar.ipo@kfintech.com Website: www.kfintech.com Investor grievance E-mail: einward.ris@kfintech.com Contact Person: M. Murali Krishna SEBI Registration No: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENS ON

FRIDAY, FEBRUARY 4, 2022*

BID/OFFER CLOSING ON

TUESDAY, FEBRUARY 8, 2022

*Our Company and the Selling Shareholders in consultation with the BRLMs may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date, that is on Thursday, February 3, 2022.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policy as amended from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

Unless the context otherwise indicates, all references to “the Company”, and “our Company”, are references to Vedant Fashions Limited, a public limited company incorporated in India under the Companies Act 1956. Furthermore, unless the context otherwise indicates, all references to the terms “we”, “us” and “our” are to our Company and our Subsidiary (as defined below) on a consolidated basis. The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Basis for the Offer Price”, “Key Regulations and Policies in India”, “Restated Consolidated Financial Statements” and “Outstanding Litigation and Other Material Developments”, on pages 355, 100, 105, 97, 156, 190 and 297 will have the meaning ascribed to such terms in those respective sections.

General terms

Term	Description
our Company / the Company / the Issuer / we / us / our	Vedant Fashions Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at Paridhan Garment Park, 19, Canal South Road, SDF-1, 4 th Floor, A501-502, Kolkata 700 015, West Bengal, India and its Subsidiary, on a consolidated basis, unless otherwise specified or unless the context requires otherwise

Company and Selling Shareholder related terms

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended
Audit Committee	Audit committee of our Company, described in “Our Management” on page 166
Auditors/ Statutory Auditors	Statutory auditors of our Company, being S.R. Batliboi & Co. LLP, Chartered Accountants,
Board/ Board of Directors	The board of directors of our Company, as constituted from time to time
Chairman and Managing Director	The chairman and managing director of our Company, Ravi Modi
Chief Financial Officer/ CFO	Chief financial officer of our Company, Rahul Murarka
Company Secretary and Compliance Officer	Company secretary and compliance officer of our Company, Navin Pareek
CSR Committee/ Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company, described in “Our Management” on page 166
Director(s)	The director(s) on our Board
ESOP Plan	The VFL Employee Stock Option Plan 2018
Equity Shares	The equity shares of our Company of face value of ₹1 each
Executive Director(s)	Executive Directors of our Company, Ravi Modi and Shilpi Modi
Group Companies	The Group Companies of our Company, namely ModiFi Investment Services Private Limited (previously known as Dynamic Storage & Retrieval Systems Private Limited), Shenayah Retail Stores Private Limited and Mohey Fashions Private Limited, as disclosed on page 186
Independent Directors	Independent directors of our Company, namely, Manish Mahendra Choksi, Tarun Puri and Abanti Mitra
Investor Selling Shareholders	Together, Rhine and Kedaara AIF
Investment Agreement	The investment agreement dated July 24, 2017, entered into among our Company, our Promoters, Ravi Modi HUF, erstwhile Rainbow Iron & Steel Suppliers Private Limited, Rhine and Kedaara AIF in relation to certain investments made into our

Term	Description
	Company, as amended by the agreement dated August 10, 2018, read with the Waiver cum Amendment Agreement
IPO Committee	The IPO committee of our Board constituted to facilitate the Offer
Kedaara AIF	Kedaara Capital Alternative Investment Fund-Kedaara Capital AIF 1, one of the Selling Shareholders in the Offer
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations in addition to Section 2(51) of the Companies Act, 2013 and as further described in “ <i>Our Management-Key Managerial Personnel</i> ” on page 178
Materiality Policy	The policy adopted by our Board on August 28, 2021, for identification of material: (a) outstanding litigation proceedings; (b) Group Companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Red Herring Prospectus and the Prospectus
MoA/ Memorandum of Association	The memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of our Company, described in “ <i>Our Management</i> ” on page 166
Nominee Director	A nominee Director to the Board of our Company
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Promoters and Promoter Group</i> ” on page 182
Promoters	The Promoters of our Company, being Ravi Modi, Shilpi Modi and Ravi Modi Family Trust (acting through its trustee Modi Fiduciary Services Private Limited). For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 182
Promoter Selling Shareholder	Ravi Modi Family Trust (acting through its trustee Modi Fiduciary Services Private Limited)
Registered and Corporate Office	The registered and corporate office of our Company, situated at Paridhan Garment Park, 19, Canal South Road, SDF-1, 4 th Floor, A501-502, Kolkata 700 015, West Bengal, India
Restated Consolidated Financial Statements	The restated consolidated financial statements of our Company together with its subsidiaries, which comprises of the restated consolidated summary statements of assets and liabilities as at September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019, and the restated consolidated summary statements of profit and loss (including other comprehensive income), restated consolidated summary statements of cash flows, restated consolidated summary statements of changes in equity and the restated consolidated summary statements of significant accounting policies and other explanatory information for the six months period ended September 30, 2021 and September 30, 2020, and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, derived from the audited Ind AS consolidated financial statements of the Company and its subsidiaries, as at and for the six months period ended September 30, 2021 prepared in accordance with Ind AS 34-Interim Financial Reporting, and the audited Ind AS consolidated financial statements of the Company and its subsidiaries as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Ind AS specified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the requirements of Section 26 of Part 1 of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI) and included in “ <i>Financial Information</i> ” on page 190
Rhine	Rhine Holdings Limited, one of the Selling Shareholders in the Offer
RoC/Registrar of Companies	The Registrar of Companies, West Bengal at Kolkata
Scheme of Amalgamation	The scheme of arrangement among Rainbow Iron & Steel Suppliers Private Limited and our Company
Shareholders	The holders of the Equity Shares from time to time.
Stakeholders Relationship Committee	The stakeholders’ relationship committee of our Company, described in “ <i>Our Management</i> ” on page 166
Subsidiary	The subsidiary of our Company as on the date of this Red Herring Prospectus, namely Manyavar Creations Private Limited. For the purpose of financial information included in this Red Herring Prospectus, “subsidiaries” would mean subsidiaries of our Company as at and for the relevant Fiscal/financial period, including Mohey Fashions Private Limited, from which our Company has divested its entire shareholding with effect from August 20, 2021.

Term	Description
Selling Shareholders	The Selling Shareholders participating in the Offer, being Rhine, Kedaara AIF and Ravi Modi Family Trust (acting through its trustee Modi Fiduciary Services Private Limited)
Waiver and Amendment Agreement	The waiver and amendment agreement to the Investment Agreement dated September 1, 2021, entered into among our Company, our Promoters, Ravi Modi HUF, Rhine and Kedaara AIF, for purposes of facilitating the Offer

Offer Related Terms

Term	Description
Abridged Prospectus	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
Acknowledgement Slip	The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot/ Allotment/ Allotted	Unless the context otherwise requires, transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Red Herring Prospectus
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors in terms of this Red Herring Prospectus and Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs on the Anchor Investor Bidding Date
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.
Anchor Investor Pay-In Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/Offer Closing Date
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIIs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus

Term	Description
Axis	Axis Capital Limited
Banker(s) to the Offer	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” on page 335
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case maybe, upon submission of the Bid in the Offer, as applicable
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	<p>Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being Tuesday, February 8, 2022, which shall be published in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), and Kolkata edition of Dainik Statesman (a widely circulated Bengali daily newspaper) (Bengali being the regional language of West Bengal, where our Registered and Corporate Office is located). In case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the members of the Syndicate, as required under the SEBI ICDR Regulations and communicated to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations</p> <p>In case of any revision, the extended Bid/ Offer Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members, which shall also be notified in an advertisement in same newspapers in which the Bid/ Offer Opening Date was published, as required under the SEBI ICDR Regulations</p>
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being Friday, February 4, 2022, which shall be published in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), and Kolkata edition of Dainik Statesman, a widely circulated Bengali daily newspaper (Bengali being the regional language of West Bengal, where our Registered and Corporate Office is located).
Bid/ Offer Period	Except in relation to Bid by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors
Bidder	Any investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
Book Running Lead Managers/ BRLMs	The book running lead managers to the Offer namely, Axis Capital Limited, Edelweiss Financial Services Limited, ICICI Securities Limited, IIFL Securities Limited and Kotak Mahindra Capital Company Limited
Broker Centres	Broker centres of the Registered Brokers where ASBA Bidders can submit the ASBA Forms, provided that Retail Individual Investors may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such broker centres, along with the names and contact details of the Registered Brokers,

Term	Description
	are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	The agreement dated January 20, 2022 entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, Syndicate Members, and Banker(s) to the Offer in accordance with the UPI Circulars, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof
Client ID	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.
Collecting Depository Participant/ CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations as per the list available on the websites of BSE and NSE
Collecting Registrar and Share Transfer Agents/ CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of, among others, circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by our Company and the Selling Shareholders, in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Investors are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, where applicable
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Date	The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as applicable, in terms of this Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer
Designated Intermediaries	In relation to ASBA Forms submitted by Retail Individual Investors (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by Retail Individual Investors (Bidding using the UPI Mechanism) where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and CRTAs. In relation to ASBA Forms submitted by QIBs and NIIs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and CRTAs
Designated RTA Locations	Such locations of the CRTAs where Bidders can submit the ASBA Forms to CRTAs. The details of such Designated CRTA Locations, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	NSE
Draft Red Herring Prospectus/ DRHP	The draft red herring prospectus dated September 9, 2021, issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer including any addenda or corrigenda thereto

Term	Description
Eligible FPI(s)	FPIs that are eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices
Eligible NRI(s)	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom this Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares
Escrow Account(s)	Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) will be opened, in this case being ICICI Bank Limited
First Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
General Information Document	The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant to, the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 and the UPI Circulars and any subsequent circulars or notifications issued by SEBI from time to time.
Mobile App(s)	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
Non-Institutional Investors/ NIIs	All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
Offer/ Offer for Sale	The initial public offering of up to 36,364,838 Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹[●] million comprising of the Offer for Sale of up to 17,459,392 Equity Shares by Rhine aggregating up to ₹[●] million and up to 723,014 Equity Shares by Kedaara AIF aggregating up to ₹[●] million and up to 18,182,432 Equity Shares by Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited) aggregating up to ₹[●] million
Offer Agreement	The agreement dated September 9, 2021, amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	₹[●] per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of this Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of this Red Herring Prospectus.
Offered Shares	The cumulative number of Equity Shares being offered by the Selling Shareholders in the Offer for Sale comprising of an aggregate of up to 36,364,838 Equity Shares aggregating up to ₹[●] million

Term	Description
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Cap Price shall be at least one hundred and five percent of the Floor Price. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and will be advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and Kolkata edition of Dainik Statesman (a widely circulated Bengali daily newspaper, Bengali also being the regional language of West Bengal, where our Registered and Corporate Office is situated) at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	Bank account(s) to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	The banks with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being ICICI Bank Limited
QIB Category/ QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of [●] Equity Shares aggregating to ₹[●] million which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price (for Anchor Investors)
Qualified Institutional Buyers/ QIBs/ QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Red Herring Prospectus/ RHP	<p>This red herring prospectus dated January 22, 2022 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto</p> <p>The Bid/Offer Opening Date shall be at least three Working Days after the filing of this Red Herring Prospectus with the RoC. This Red Herring Prospectus will become the Prospectus upon filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto</p>
Refund Account(s)	The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) has been opened, in this case being ICICI Bank Limited
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI
Registrar Agreement	The agreement dated September 6, 2021, among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer
Registrar to the Offer/ Registrar	KFin Technologies Private Limited
Retail Individual Investors(s)/ RII(s)/RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares aggregating to ₹[●] million, which shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations (subject to valid Bids being received at or above the Offer Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail

Term	Description
	Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
Self-Certified Syndicate Bank(s)/SCSB(s)	<p>The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.</p> <p>In relation to Bids (other than Bids by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time.</p> <p>In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs whose names appear on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and Mobile Apps , as updated from time to time</p>
Share Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, KFin Technologies Private Limited
Share Escrow Agreement	Agreement dated January 19, 2022 entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form
Sponsor Bank	The Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the RILs using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being ICICI Bank Limited
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	Agreement dated January 21, 2022 entered into among our Company, the Selling Shareholders, the BRLMs, the Registrar to the Offer and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate
Syndicate Members	Intermediaries (other than the BRLMs) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, Kotak Securities Limited and Edelweiss Securities Limited
Syndicate/members of the Syndicate	Together, the BRLMs and the Syndicate Members
Underwriters	●
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date, but prior to filing of the Prospectus
UPI	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard

Term	Description
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the Retail Individual Investor, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the Retail Individual Investor to such UPI linked mobile application) to the Retail Individual Investor using the UPI Mechanism initiated by the Sponsor Bank to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment
UPI Mechanism	The Bidding mechanism that may be used by Retail Individual Investors to make Bids in the Offer in accordance with UPI Circulars
UPI PIN	Password to authenticate UPI transaction
Working Day	All days on which commercial banks in Mumbai, Maharashtra are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, Maharashtra India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

Conventional and General Terms and Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
A/c	Account
AGM	Annual general meeting
AIFs	Alternative investment funds as defined in and registered under the SEBI AIF Regulations
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
CDSL	Central Depository Services (India) Limited
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CSR	Corporate social responsibility
Demat	Dematerialised
Depositories Act	Depositories Act, 1996
Depository or Depositories	NSDL and CDSL
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
DP/ Depository Participant	A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
EBITDA	Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit / (loss) for the year and adding back finance costs, total tax expense, depreciation and amortisation expense and reducing other finance income.
EGM	Extraordinary general meeting
EPS	Earnings per share
EUR/ €	Euro
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year, Fiscal, Fiscal year, FY/ F.Y.	Period of twelve months ending on March 31 of that particular year, unless stated otherwise

Term	Description
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVTPL	Fair value through profit and loss
GDP	Gross domestic product
GoI	Government of India
GST	Goods and services tax
HUF	Hindu undivided family
I.T. Act	The Income Tax Act, 1961
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	The Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Companies Act, read with the Companies (Accounts) Rules, 2014
IPO	Initial public offer
IRDAI	Insurance Regulatory Development Authority of India
IT	Information technology
MCA	Ministry of Corporate Affairs, Government of India.
Mn/ mn	Million
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value
NEFT	National electronic fund transfer
Non-Resident	A person resident outside India, as defined under FEMA
No.	Number
NPCI	National payments corporation of India
NRE Account	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
P/E Ratio	Price/earnings ratio
PAN	Permanent account number allotted under the I.T. Act
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RONW	Return on net worth
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000

Term	Description
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI (SBEB) Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The <i>erstwhile</i> Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
State Government	Government of a state of India
US GAAP	Generally Accepted Accounting Principles in the United States of America
USA/ U.S. / US	The United States of America
USD / US\$	United States Dollars
U.S. Securities Act	The United States Securities Act of 1933, as amended
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
Wilful Defaulter	Wilful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

Technical and Industry Related Terms

Term	Description
ARS	Automated replenishment system
Casual ethnic wear	Casual ethnic wear consists of apparel typically seen as regular wear
CAGR	Compound annual growth rate
CSR	Corporate social responsibility
EBOs	Exclusive brand outlets of a brand or company
ERP	Enterprise resource planning system
Ethnic apparels	Consists of casual ethnic wear and Indian wedding and celebration wear
Indian wedding and celebration wear	Apparel worn on special occasions such as weddings; close-knit family functions like puja, house warming, etc.; festivals such as <i>Diwali</i> , <i>Eid</i> , <i>Holi</i> and <i>Rakshabandhan</i> ; and other events such as Independence Day and Republic Day.
Indo-western	A combination of traditional Indian ethnic apparel and western wear
LFS	Large format stores
MBO	Multi-brand outlets
Metro	Certain cities in India with a population of over five million, i.e., Delhi/NCR and Greater Mumbai
Men's ethnic wear or apparel	Apparel including <i>Kurtas</i> , Indo-westerns, <i>Sherwanis</i> , jackets and other accessories
MRP	Maximum retail price
OPBDIT	Operating profit before depreciation, interest and tax
POS	Point-of-sale
Private label	Products exclusive to a retailer
Ready-to-wear	Apparel made for the general market and sold through shops rather than made to order for an individual customer
RSP	Retail selling price
Sales of our Customers	Comprises of sales of products of our brands (a) made by our EBOs, LFSs and online channel customers, and (b) made by us to MBOs (including shop-in-shops) and certain lateral e-commerce platforms customers at RSP
Shop-in-shops	An arrangement where a separate retail space is allocated in stores for retailing our products
SKU	Stock-keeping unit
Tier I cities	Cities in India with a population between one million to five million
Tier II cities	Cities in India with a population between 0.3 million to one million
Tier III cities	Cities in India with a population less than 0.3 million
Women's ethnic wear or apparel	Apparel such as <i>lehengas</i> , <i>sarees</i> and stitched suits

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Red Herring Prospectus to “India” are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

All references herein to the “US”, the “U.S.” or the “United States” are to the United States of America and its territories and possessions.

Unless indicated otherwise, all references to page numbers in this Red Herring Prospectus are to page numbers of this Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context requires otherwise, the financial information and financial ratios in this Red Herring Prospectus are derived from our Restated Consolidated Financial Statements. For further information, see “*Financial Information*” on page 190.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year and accordingly, all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Red Herring Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31, of that calendar year. Certain other financial information pertaining to our Group Companies are derived from their respective audited financial statements.

Our Restated Consolidated Financial Statements, which comprises of the restated consolidated summary statements of assets and liabilities as at September 30, 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019, and the restated consolidated summary statements of profit and loss (including other comprehensive income), restated consolidated summary statements of cash flows, restated consolidated summary statements of changes in equity and the restated consolidated summary statements of significant accounting policies and other explanatory information for the six months period ended September 30, 2021 and September 30, 2020, and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, derived from the audited Ind AS consolidated financial statements of the Company and its subsidiary, as at and for the six months period ended September 30, 2021 and September 30, 2020 prepared in accordance with Ind AS 34-Interim Financial Reporting and the audited Ind AS consolidated financial statements of the Company and its subsidiary as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with Ind AS specified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the requirements of Section 26 of Part 1 of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI. Financial information for the six months period ended September 30, 2021 and September 30, 2020 are not indicative of full year results and are not comparable with the annual financial statements presented in this Red Herring Prospectus.

There are significant differences between Ind AS, Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see “*Risk Factors – Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which may affect investors’ assessments of our Company’s financial condition.*” on page 55. The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless the context otherwise indicates, any percentage amounts as set forth in “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 27, 136 and 262, respectively, and elsewhere in this Red Herring Prospectus have been calculated and amounts derived from our Restated Consolidated Financial Statements or non-GAAP financial measures as described below.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Non-GAAP Financial Measures

Certain non-GAAP and certain other statistical information relating to our operations and financial measures relating to our financial performance such as, EBITDA, EBITDA margin, ROCE, net worth and net asset value per share have been included in this Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to operations and financial performance are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these non-GAAP Measures and other statistical and other information relating to operations and financial performance should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these non-GAAP Measures and other statistical and other information relating to operations and financial performance, are not standardised terms and may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies. Further, they may have limited utility as a comparative measure. Although such non-GAAP financial measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company’s operating performance.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from the report titled “Assessment of the apparel industry with a special focus on Indian wedding and celebration wear market in India” dated September 2021 as updated by the addendum dated December 2021 prepared by CRISIL (“**CRISIL Report**”) and publicly available information as well as other industry publications and sources. The CRISIL Report and its excerpts as used for this Red Herring Prospectus, has been exclusively commissioned and paid for by our Company specifically in connection with the Offer and is available at <https://www.vedantfashions.com/material-contracts>.

The CRISIL Report is subject to the following disclaimer:

“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Vedant Fashions Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL Ratings Limited / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which

may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL Ratings Limited / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval".

The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Red Herring Prospectus. There are no material parts, data or information (which may be relevant for the proposed Offer), that have been left out or changed in any manner. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Red Herring Prospectus is meaningful and depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodology in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "Risk Factors - This Red Herring Prospectus contains information derived from third parties and excerpted from an industry report prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer." on page 51.

Currency and Units of Presentation

All references to "Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India.

All references to "U.S.\$", "U.S. Dollar", "USD" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

All references to "CAD" are to the Canadian Dollar, the official currency of Canada.

In this Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in million. In this regard, please note: (a) One million is equal to 1,000,000/10 lakhs; and (b) 10 million is equal to 10,000,000/100 lakhs/ one crore.

Time

All references to time in this Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

Exchange Rates

This Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates for the periods indicated are provided below.

Currency	Exchange rate as at				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019*
1 USD	74.26	73.80	73.50	75.39	69.17
1 CAD	58.54	55.21	58.20	53.39	51.85

Source: www.rbi.org.in, www.fbi.org.in and www.xe.com

* Exchange rate as at March 29, 2019, as March 30, 2019 being a Saturday and March 31, 2019 being a Sunday.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain statements which are not statements of historical fact and may be described as “forward-looking statements”. These forward-looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “propose”, “will continue”, “seek to”, “will achieve”, “will likely”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Red Herring Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater to and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- The COVID-19 pandemic or any future pandemic or widespread public health emergency could adversely affect our business, results of operations, financial condition and cash flows.
- Our business is highly concentrated on Indian wedding and celebration wear and vulnerable to changes in consumer preferences which could have an adverse effect on our business, results of operations and financial condition.
- Our business prospects depend on the strength of our key brands, and any failure to maintain or grow sales of our products could adversely affect our business.
- If any new products or brands that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected.
- A significant portion of the Sales of our Customers are by franchisee-owned EBOs. Our inability to maintain, renew or enhance relationships with our franchisees could adversely affect our business, results of operations and financial condition.
- Other than designing of our products, we rely on outsourcing a significant proportion of our production processes and activities to third-parties, without exclusivity arrangements. Any inability to obtain sufficient quantities of attires and accessories of the requisite quality in a timely manner and at acceptable prices, or a slowdown, shutdown or disruption in such third parties’ operations and performance, could adversely affect our business, results of operations and financial condition.
- Our inability to identify and retain skilled third-party suppliers, vendors and manufacturers for various parts of our production or procurement processes may adversely affect our business, financial condition and results of operations.
- Our warehouse, factory and a majority of our jobbers are exclusively based in a single geographical region. This may expose our manufacturing processes and our supply chain to regional risks, which may adversely affect our business, financial condition and results of operations.

For a further discussion of factors that could cause our actual results to differ from the expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 27, 136 and 262, respectively. By their nature, certain market risk disclosures are estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These

statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Neither our Company, the Directors, the Selling Shareholders, nor the Book Running Lead Managers, or the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and each of the Selling Shareholders in respect of statements/ disclosures made by them in this Red Herring Prospectus with respect to themselves and the Equity Shares offered by them in the Offer shall, severally and not jointly, ensure that investors in India are informed of material developments from the date of this Red Herring Prospectus until the date of Allotment.

SUMMARY OF THIS OFFER DOCUMENT

This section is a general summary of the terms of Offer, certain disclosures included in this Red Herring Prospectus and are not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections titled “Risk Factors”, “Industry Overview”, “Our Business”, “Capital Structure”, “The Offer”, “Restated Consolidated Financial Statements”, “Objects of the Offer” “Our Promoters and Promoter Group”, “Management’s Discussions and Analysis of Financial Position and Results of Operations” and “Outstanding Litigation and Other Material Developments” on pages 27, 105, 136, 78, 60, 190, 95, 182, 262 and 297 respectively of this Red Herring Prospectus.

Primary business of our Company

According to CRISIL, we are the largest company in India in the men’s Indian wedding and celebration wear segment in terms of revenue, OPBDIT and profit after tax for the Financial Year 2020. Moreover, our ‘Manyavar’ brand is a category leader in the branded Indian wedding and celebration wear market with a pan India presence. Through our multi-channel network, we forecast and launch on-trend designs of a diverse range of attires and accessories for every celebratory occasion, and cater to the needs of our customers through our portfolio of leading and differentiated brands. (Source: CRISIL Report).

Summary of industry in which the Company operates

CRISIL estimates the Indian wedding and celebration wear apparel market to grow at a 15% to 17% over Financial Years 2022 to 2025, with an estimated 9.5 million to 10 million weddings per year. The average expenditure on Indian weddings ranges from ₹1 million to ₹2 million for a single-day function, with multi-day and multi-event weddings now an increasing trend in urban India. Consumers are also increasingly preferring ready-to-wear Indian wedding and celebration wear with the branded celebration wear market expected to grow at 18% to 20% as consumers migrate towards branded Indian wedding and celebration wear.

Name of Promoters

As on the date of this Red Herring Prospectus, Ravi Modi, Shilpi Modi and Ravi Modi Family Trust (acting through its trustee Modi Fiduciary Services Private Limited) are the Promoters of our Company. For further details, see “Our Promoters and Promoter Group” at page 182.

The Offer

Offer for Sale ¹	Up to 36,364,838 Equity Shares, aggregating up to ₹[●] million (comprising up to 17,459,392 Equity Shares aggregating up to ₹[●] million by Rhine, up to 723,014 Equity Shares aggregating up to ₹[●] million by Kedaara AIF, and up to 18,182,432 Equity Shares aggregating up to ₹[●] million by Ravi Modi Family Trust (acting through its trustee Modi Fiduciary Services Private Limited)
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¹ The Offer has been authorized by a resolution of our Board dated September 6, 2021. The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. For details, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 309.

The Offer shall constitute [●]% of the post-Offer paid up equity share capital of our Company.

For further details, see “The Offer” and “Offer Structure” on pages 60 and 332, respectively.

Objects of the Offer

The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer. The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to 36,364,838 Equity Shares by the Selling Shareholders. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders and will also provide a public market for the Equity Shares in India. For further details, see “Objects of the Offer” on page 95.

Aggregate pre-Offer shareholding of our Promoters, Promoter Group and the Selling Shareholders

- (a) The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer paid-up equity share capital of our Company is set out below:

Sr. No.	Name of the Shareholder	No. of Equity Shares held	Percentage of the pre-Offer paid up Equity Share capital (%)
Promoters			
1.	Ravi Modi	1,688,134	0.70%
2.	Shilpi Modi	2,656,104	1.09%
3.	Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited)	181,024,186	74.59%
Total (A)		185,368,424	76.38%
Promoter Group			
4.	Ravi Modi HUF	38,881,422	16.02%
5.	Usha Devi Modi	2	Negligible
Total (B)		38,881,424	16.02%
Total (A+B)		224,249,848	92.40%

- (b) The aggregate pre-Offer shareholding of the Selling Shareholders as a percentage of the pre-Offer paid-up equity share capital of our Company and the aggregate post-Offer shareholding of the Selling Shareholders is set out below:

Sr. No.	Name of the Selling Shareholder	No. of Equity Shares held pre-Offer	Percentage of the pre-Offer paid up equity share capital	No. of Equity Shares held post-Offer	Percentage of the post-Offer paid up equity share capital
1.	Rhine	17,459,392	7.19%	[●]	[●]
2.	Kedaara AIF	723,014	0.30%	[●]	[●]
3.	Ravi Modi Family Trust (acting through its trustee Modi Fiduciary Services Private Limited)	181,024,186	74.59%	[●]	[●]
Total		199,206,592	82.08%	[●]	[●]

For further details, see “Capital Structure” at page 78.

Select Financial Information

Select financial information of our Company as derived from the Restated Consolidated Financial Statements is as follows:

(in ₹ million, except per share data)

Particulars	As at and for the period/Fiscal ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Equity Share Capital	242.44	247.87	247.87	250.46	250.46
Net worth**	8,585.91	9,398.88	10,906.48	10,652.52	8,820.08
Revenue from operations	3,598.43	717.05	5,648.16	9,155.49	8,007.42
Total income	3,872.90	1,088.94	6,250.19	9,479.76	8,197.99
Profit/ (loss) for the period / year	984.07	(176.47)	1,329.03	2,366.37	1,764.27
Earnings per Equity Share ^{##}					
- Basic	4.01*	(0.71)*	5.36	9.45	7.04
- Diluted	4.01*	(0.71)*	5.36	9.45	7.04
Net asset value per Equity Share ^{##}	35.45	37.95	44.03	42.56	35.25
Borrowings [@]	-	-	-	-	0.02

*Not annualised.

***'Net worth' is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. As capital reserve is not created out of the profits, same has not been considered for the purpose of calculation of Net worth.

^{###} Pursuant to a resolution of our shareholders dated July 16, 2021, each equity share of our Company of face value of ₹ 2 was sub-divided into 2 equity shares of face value of ₹ 1 each. All per share data has been calculated after giving effect to such sub-division in accordance with principles of Ind AS 33- "Earnings per share".

@ Borrowings consist of current borrowings as per our Restated Consolidated Financial Statements.

^{ss} Net Assets Value per equity share (₹): Net assets at the end of the respective periods/years divided by number equity shares outstanding at the end of respective periods/years. Net Assets means total assets minus total liabilities (excluding revaluation reserves).

(in ₹ million)

Particulars	As at period/Fiscal ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Equity share capital (A)	242.44	247.87	247.87	250.46	250.46
Other equity					
- Securities Premium (B)	-	1,298.87	1,298.87	2,383.28	2,383.28
- General Reserve (C)	-	-	-	-	-
- Capital Redemption Reserve (D)	8.02	2.59	2.59	-	-
- Retained Earnings (E)	8,290.11	7,815.50	9,322.39	7,992.70	6,173.83
- Share based on payment reserve (ESOP) (F)	45.34	34.05	34.76	26.08	12.51
Total (G) = (B)+(C)+(D)+(E)+(F)	8,343.47	9,151.01	10,658.61	10,402.06	8,569.62
Net worth (H) = (A)+(G)	8,585.91	9,398.88	10,906.48	10,652.52	8,820.08

Reconciliation of Net Asset Value per Equity Share

(in ₹ million, except per share data and number of equity shares outstanding)

Particulars	As at and for the period/Fiscal ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Total Assets (A)	14,455.03	14,342.28	16,256.53	15,915.53	13,185.07
Total liabilities (B)	5,861.50	4,935.78	5,342.43	5,255.39	4,357.37
Net Assets (C) = (A)-(B)	8,593.53	9,406.50	10,914.10	10,660.14	8,827.70
Number of equity shares outstanding (D)*	242,432,254	247,866,598	247,866,598	250,454,840	250,454,840
Net asset value per Equity Share (E) = (C)/(D)	35.45	37.95	44.03	42.56	35.25

* Pursuant to a resolution of our shareholders dated July 16, 2021, each equity share of our Company of face value of ₹ 2 was sub-divided into 2 equity shares of face value of ₹ 1 each.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Statements

There are no qualifications by the Statutory Auditors in their audit reports on the Ind AS consolidated financial statements as at and for the six months period ended September 30, 2021 and September 30, 2020, and as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, which have not been given effect to in the Restated Consolidated Financial Statements.

Summary of outstanding litigation

A summary of outstanding litigation proceedings involving our Company, our Subsidiary, Directors and our Promoters as on the date of this Red Herring Prospectus is provided below. As on date of this Red Herring Prospectus, there are no outstanding litigations involving our Group Companies, which may have a material impact on our Company.

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved* (₹ in million)
Company						
By the Company	Nil	Nil	Nil	Nil	2	Nil
Against the Company	3	10	6	Nil	1	240.53
Directors						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	3	1	Nil	Nil	183.08
Promoters[§]						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	3	1	Nil	Nil	183.08
Subsidiary						
By the Subsidiary	1	Nil	Nil	Nil	1	2.83
Against the Subsidiary	Nil	Nil	2	Nil	Nil	Nil

*To the extent quantifiable.

[§]As on the date of this Red Herring Prospectus, outstanding litigation involving our Promoters and our Directors pertain to the same litigations.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Other Material Developments*” on page 297.

Risk factors

Specific attention of Investors is invited to the section “*Risk Factors*” on page 27. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary of contingent liabilities of our Company

A summary table of contingent liabilities as at September 30, 2021, as per Ind AS 37-Provisions, Contingent Liabilities and Contingent Assets, is set forth below:

Particulars	Amount (as at September 30, 2021) (₹ in million)
Demands/claims by various government authorities and other claims not acknowledged as debts:	
- Commercial sales tax of various states	0.99
- Income tax demands (excluding interest)	155.42
- Demand for employee state insurance	6.98

Related party transactions

Name of Related Parties

- i. **Subsidiaries:**
Manyavar Creations Private Limited - Wholly owned subsidiary
Mohey Fashions Private Limited – Wholly owned subsidiary (ceased to be subsidiary w.e.f. August 20, 2021)
- ii. **Enterprise controlling the Holding Company:**
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited

iii. **Other related parties and related party relationships with whom transactions have taken place during the period/year:**

Mr. Ravi Modi – Chairman and Managing Director	Key Managerial Person (KMP)
Mrs. Shilpi Modi - Whole- time Director	Key Managerial Person (KMP)
Mrs. Usha Devi Modi - Whole- time Director	Key Managerial Person (KMP) (upto September 6, 2021)
Mr. Ajay Modi- Whole - time Director	Key Managerial Person (KMP) (upto September 6, 2021)
Mr. Manish Mahendra Choksi- Independent Director	Key Managerial Person (KMP) (w.e.f. September 6, 2021)
Mr. Tarun Puri- Independent Director	Key Managerial Person (KMP) (w.e.f. September 6, 2021)
Mrs. Abanti Mitra- Independent Director	Key Managerial Person (KMP) (w.e.f. September 6, 2021)
Mr. Dalpat Raj Jain - Chief Financial Officer	Key Managerial Person (KMP) (w.e.f. April 18, 2018 till December 31, 2020)
Mr. Rahul Murarka - Chief Financial Officer	Key Managerial Person (KMP) (w.e.f. May 17, 2021)
Mr. Navin Pareek - Company Secretary	Key Managerial Person (KMP)
Ms. Kavita Modi	Relative of KMP
Mr. Vedant Modi	Relative of KMP
ModiFi Investment Services Private Limited (formerly Dynamic Storage & Retrieval Systems Private Limited)	Enterprises owned or significantly influenced by KMP
Manas Foundation (Trust)	Enterprises owned or significantly influenced by KMP
Ravi Modi HUF	Enterprises owned or significantly influenced by KMP
Shenayah Retail Stores Private Ltd	Enterprises owned or significantly influenced by the relative of KMP
Vandana Enterprise	Enterprises owned or significantly influenced by the relative of KMP
Pranit Fashions	Enterprises owned or significantly influenced by the relative of KMP
Mohey Fashions Private Limited	Enterprises owned or significantly influenced by the relative of KMP (w.e.f. August 20, 2021)

Summary of the related party transactions as per Ind AS 24-Related Party Disclosures, read with the SEBI ICDR Regulations, derived from the Restated Consolidated Financial Statements, is set forth below:

Particulars	For the period/year ended (₹ in million)				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Rent expense					
Kavita Modi	-		-	-	0.24
Shilpi Modi	-		-	-	0.30
Total	-		-	-	0.54
Sale of products (including taxes)					
Shenayah Retail Stores Private Limited	96.67	6.94	158.88	210.70	195.99
Pranit Fashions	2.46	0.68	4.22	6.29	7.76
Vandana Enterprise	42.83	5.94	63.82	118.93	110.72
Total	141.96	13.56	226.92	335.92	314.47
Rent income (including taxes)					
Mohey Fashions Private Limited (w.e.f. August 20, 2021)	0.01	-	-	-	-
Total	0.01	-	-	-	-
Recovery of expenses (including taxes)					
Shenayah Retail Stores Private Limited	0.10	0.02	0.20	0.20	-
Vandana Enterprise	0.33	0.02	0.55	1.11	0.45

Particulars	For the period/year ended (₹ in million)				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Pranit Fashions*	0.01	0.00	0.02	0.03	0.01
Total	0.44	0.04	0.77	1.34	0.46
Reimbursement of Expenses					
Shenayah Retail Stores Private Limited	0.10	0.10	0.24	0.30	0.14
Vandana Enterprise	0.22	0.10	0.22	0.34	-
Pranit Fashions*	0.00	-	0.00	0.00	-
Total	0.32	0.20	0.46	0.64	0.14
Security Deposit Received					
Shenayah Retail Stores Private Limited	0.50	-	-	-	-
Total	0.50	-	-	-	-
Corporate social responsibility expenditure					
Manas Foundation	14.95	8.20	38.12	23.10	17.75
Total	14.95	8.20	38.12	23.10	17.75
Advances received					
Usha Devi Modi	-	-	0.10	-	-
Total	-	-	0.10	-	-
Loan taken					
Ravi Modi	-	-	-	-	0.02
Total	-	-	-	-	0.02
Refund of loan taken					
Ravi Modi	-	-	-	0.02	-
Total	-	-	-	0.02	-
Dividend paid (excluding taxes)					
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	-	-	-	374.03	-
Ravi Modi HUF	-	-	-	80.34	-
Ravi Modi	-	-	-	3.49	-
Shilpi Modi	-	-	-	5.49	-
Total	-	-	-	463.35	-
Buy back of shares (excluding taxes)					
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	2,008.62	657.10	657.10	-	-
Ravi Modi HUF	431.42	141.14	141.14	-	-
Ravi Modi	18.73	6.13	6.13	-	-
Shilpi Modi	29.47	9.64	9.64	-	-
Total	2,488.24	814.01	814.01	-	-

Particulars	For the period/year ended (₹ in million)				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Salary to relative of KMP					
Vedant Modi	0.63	-	-	-	-
Total	0.63	-	-	-	-
Sale of Subsidiary Company					
Ravi Modi	0.50	-	-	-	-
Shilpi Modi	0.50	-	-	-	-
Total	1.00	-	-	-	-
Sale of property, plant & equipment					
ModiFi Investment Services Private Limited (formerly Dynamic Storage & Retrieval Systems Private Limited)	-	-	-	0.12	-
Total	-	-	-	0.12	-
Commission to Independent Director (including sitting fees)					
Mr. Manish Mahendra Choksi	0.21	-	-	-	-
Mr. Tarun Puri	0.21	-	-	-	-
Mrs. Abanti Mitra	0.21	-	-	-	-
Total	0.63	-	-	-	-
IPO expense recovery from selling shareholder	78.94				

*Amount is below the rounding off norms adopted by the Group.

The remuneration of KMP and a relative of KMP of the Group are set out below in aggregate for each of the categories specified in Ind AS 24 'Related party disclosures':

Particulars	For the period/year ended (₹ in million)				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Salary & Allowances*					
Ravi Modi	36.88	16.67	59.29	110.28	95.00
Shilpi Modi	30.94	8.33	29.65	50.10	47.50
Usha Devi Modi	0.05	-	5.00	4.00	4.80
Ajay Modi (upto September 6, 2021)	4.42	4.35	8.55	10.20	9.60
Total Directors' Remuneration	72.29	29.35	102.49	174.58	156.90
Dalpat Raj Jain	-	3.86	7.47	12.85	8.90
Navin Pareek	1.13	0.55	1.40	1.50	1.13
Rahul Murarka (with effect from May 17, 2021)	2.61	-	-	-	-
Total Other KMP remuneration	3.74	4.41	8.87	14.35	10.03
Vedant Modi	0.63	-	-	-	-
Total salary to relative	0.63	-	-	-	-

Particulars	For the period/year ended (₹ in million)				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
of KMP					

*Salary and allowances excludes Group's contribution towards retirement benefits and employee stock options scheme since those are ascertained for the Group as a whole.

The following are the details of the transactions eliminated on consolidation as per Ind AS 24 read with the SEBI ICDR Regulations during the period/year ended September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019

Particulars	For the period/year ended (₹ in million)				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Transaction by the Holding Company with other group companies					
Investment in subsidiary's equity shares					
Manyavar Creations Private Limited	-		-	200.00	-
Sale of products (including taxes)					
Manyavar Creations Private Limited	93.40	42.81	123.50	538.27	159.92
Rent income (including taxes)					
Mohey Fashions Private Limited	0.02	0.04	0.07	0.07	0.07
Manyavar Creations Private Limited	0.03	0.04	0.07	0.07	0.07
Recovery of expenses (including taxes)					
Manyavar Creations Private Limited	0.71	0.67	2.41	3.00	0.83
Mohey Fashions Private Limited	-	-	-	-	0.00
Reimbursement of Expenses (Rent, etc) (including taxes)					
Manyavar Creations Private Limited	1.33	0.71	11.66	29.04	9.05
Mohey Fashions Private Limited	0.03	-	0.03	0.06	-
Loan given (repayable on demand)					
Manyavar Creations Private Limited	4.00	14.90	14.90	75.00	37.50
Refund of loan given					
Manyavar Creations Private Limited	4.00	-	14.90	112.50	-
Interest income on loan given					
Manyavar Creations Private Limited*	0.00	0.50	0.78	1.60	1.09

Particulars	For the period/year ended (₹ in million)				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Gratuity liabilities transferred					
Manyavar Creations Private Limited	-	-	-	0.05	-
Sale of property, plant & equipment					
Manyavar Creations Private Limited	-	-	0.01	-	-
Transaction by Manyavar Creations Private Limited with Holding Company					
Purchase of traded goods	93.40	42.81	123.50	538.27	159.92
Rent expense	0.03	0.04	0.07	0.07	0.07
Reimbursement of expenses	1.33	0.71	2.41	3.00	0.83
Recovery of expenses	0.71	0.67	11.66	29.04	9.05
Subscription of share capital (including securities premium)	-	-	-	200.00	-
Short term loan taken	4.00	14.90	14.90	75.00	37.50
Refund of loan taken	4.00	-	14.90	112.50	-
Interest on short term loan*	0.00	0.50	0.78	1.60	1.09
Purchase of property, plant & equipment	-	-	0.01	-	-
Gratuity liabilities transferred from	-	-	-	0.05	-
Transaction by Mohey Fashions Private Limited with Holding Company					
Rent expense	0.02	0.04	0.07	0.07	0.07
Recovery of expenses	0.03	-	0.03	0.06	-

*Amount is below the rounding off norms adopted by the Group.

For further details, see “Related Party Transactions” at page 261.

Financing arrangements

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of the Draft Red Herring Prospectus and this Red Herring Prospectus.

Weighted average price at which Equity Shares were acquired by each of our Promoters and the Selling Shareholders in the one year preceding the date of this Red Herring Prospectus

No Equity Shares were acquired by our Promoters or the Selling Shareholders in the one year preceding the date of this Red Herring Prospectus.

Average cost of acquisition of Equity Shares by our Promoters and the Selling Shareholders

The average cost of acquisition of equity shares by our Promoters and the Selling Shareholders, as at the date of this Red Herring Prospectus, is:

Name of the Promoter/Selling Shareholder	Number of Equity Shares held	Average cost of acquisition per Equity Share (in ₹)
Promoters		
Ravi Modi	1,688,134	0.10
Shilpi Modi	2,656,104	0.10
Ravi Modi Family Trust (acting through its trustee Modi Fiduciary Services Private Limited)	181,024,186	NIL
Selling Shareholders		
Ravi Modi Family Trust (acting through its trustee Modi Fiduciary Services Private Limited)	181,024,186	NIL
Rhine Holdings Limited	17,459,392	166.27
Kedaara Capital Alternative Investment Fund (AIF)	723,014	166.27

* As certified by Singhi & Co Chartered Accountants, by way of their certificate dated January 22, 2022.

Details of pre-IPO placement

Our Company does not contemplate any fresh issuance of Equity Shares as a pre-IPO placement, from the date of this Red Herring Prospectus till the listing of the Equity Shares.

Issue of equity shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Red Herring Prospectus.

Split or consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken split or consolidation of its equity shares in the one year preceding the date of this Red Herring Prospectus:

Date of Shareholder's resolution	Particulars
July 16, 2021	Our Company sub-divided the face value of its equity shares from ₹2 each into Equity Shares of ₹1 each. Accordingly, subsequent to such sub-division, 121,216,127 equity shares of ₹ 2 each were sub-divided into 242,432,254 equity shares of face value of ₹ 1 each.

For details, see “Capital Structure – Equity Share capital history of our Company” on page 78.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective investors should carefully consider all information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares of the Company.

If any or some combination of the following risks actually occur, our business, prospects, cash flows, financial condition and results of operations could suffer, the trading price of the Equity Shares of the Company could decline and prospective investors may lose all or part of their investment. Investors in the Equity Shares of the Company should pay particular attention to the fact that we are subject to regulations that may differ from one jurisdiction to other.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Some risks may be unknown to us and other risks, currently believed to be immaterial, could be or become material. To obtain a complete understanding of our business, prospective investors should read this section in conjunction with the sections “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information” beginning on pages 136, 262 and 190, respectively. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Offer, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the consequences to them of an investment in the Equity Shares of the Company.

This Red Herring Prospectus also contains forward-looking statements, which refer to future events that involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. See “Forward-Looking Statements” on page 15. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless otherwise stated and unless the context otherwise requires, the financial information used in this section is based on the Restated Consolidated Financial Statements derived from our audited consolidated financial statements prepared in accordance with Ind AS or Ind AS 34, as applicable, specified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectus (Revised 2019) (as amended) issued by the ICAI.

Unless otherwise indicated, industry and market data used in this section has been derived and excerpted from the Industry Report (the “CRISIL Report”) prepared and released by CRISIL in September 2021, as updated by the addendum dated December 2021, who we appointed on June 23, 2021 and which was paid for by us for the purposes of understanding the industry exclusively in connection with the Offer. Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Red Herring Prospectus. There are no material parts, data or information, that have been left out or changed in any material manner. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant financial year.

Our financial year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that year. Financial information for the six months ended September 30, 2020 and 2021 is not indicative of full year results of operations and is not comparable with the annual financial statements presented in this Red Herring Prospectus.

INTERNAL RISK FACTORS

Risk Related to Our Business

- 1. The Offer Price, market capitalization to revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Company on listing or thereafter.***

Our revenue from operations and restated profit after tax for Fiscal 2021 was ₹ 5,648.16 million and ₹ 1,329.03 million and for the six months ended September 30, 2021 was ₹ 3,598.43 million and ₹ 984.07 million, respectively and our market capitalization to revenue from operations (Fiscal 2021) multiple is [●] times and our price to earnings ratio (based on Fiscal 2021 restated profit after tax for the year) is [●] at the

upper end of the price band. The Offer Price of the Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through a book-building process, and certain quantitative and qualitative factors as set out in the section titled “*Basis for Offer Price*” on page 97 and the Offer Price, multiples and ratios may not be indicative of the market price of the Company on listing or thereafter.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares.

Any valuation exercise undertaken for the purposes of the Offer by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, is not based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band.

The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by us or our competitors of significant acquisitions, strategic alliances, our competitors launching new products or superior products, COVID-19 related or similar situations, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

2. *The cumulative cost of the total number of stores opened by our Company or Franchisees across regions may not be indicative of the market capitalization of our Company after the Offer as the basis are independent of each other.*

We are the largest company in India in the men’s Indian wedding and celebration wear segment in terms of revenue, OPBDIT and profit after tax for the Financial Year 2020 (*Source: CRISIL Report*). We primarily follow the franchisee model of retailing through our franchise-owned exclusive brand outlets (“EBOs”), and as of September 30, 2021, we had a retail footprint of 1.2 million square feet covering 535 EBOs (including 58 shop-in-shops) spanning across 212 cities and towns in India, and 11 EBOs overseas. The cumulative cost of the total number of stores opened by our Company across regions may not be indicative of the market capitalization of our Company or Franchisees after the Offer as the basis of determining both are independent of each other.

3. *The COVID-19 pandemic or any future pandemic or widespread public health emergency could adversely affect our business, results of operations, financial condition and cash flows.*

Our business and operations could be adversely affected by health epidemics, including the ongoing COVID-19 pandemic, that affects the markets and communities in which we, our franchisees and suppliers operate, and our customers are located.

Since first being reported in December 2019, the outbreak of COVID-19 has spread globally and the virus has mutated several times, though the vaccines developed have generally reduced infection rates and fatalities. The COVID-19 pandemic has had, and any future pandemic or widespread public health emergency could have, repercussions across regional and global economies and financial markets. The outbreak of COVID-19 in many countries and regions, including India, has significantly and adversely impacted economic activity and has contributed to significant volatility and negative pressure in financial markets. The outbreak of COVID-19 may cause a prolonged global economic crisis, recession or depression, despite monetary and fiscal interventions by governments and central banks globally.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, including in India, where a significant majority of our operations are based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing “stay-at-home” orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a “notified disaster” for the purposes of the Disaster Management Act, 2005 and imposed a nationwide lockdown from March 25, 2020, which has also impacted business activities across the industry in which we operate. During

that period, we took various precautionary measures to protect our employees and their families from COVID-19. The nationwide lockdown lasted until May 31, 2020, and has since been extended periodically in varying degrees by state governments and local administrations. The lifting of the lockdowns across various regions had been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Similarly, we resumed our business activities on a gradual basis in line with the prevailing guidelines issued by the governmental authorities at that time. During that period, we assessed the impact of the COVID-19 pandemic on our business operations and considered all relevant internal and external information available up to March 31, 2020, in determination of the recoverability and carrying value of property, plant and equipment, goodwill, other intangible assets, and in relation to other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain at that time may have affected the underlying assumptions and estimates used in respect of our financial statements for the Financial Year 2020.

Recently, from March 2021 onwards, due to a “second wave” of increases in the number of daily COVID-19 cases, several state governments in India re-imposed lockdowns, curfews and other restrictions to curb the spread of the virus. This “second wave” and its associated lockdowns have affected us in terms of reducing our sales, revenues and store expansion plans, as well as disrupting our supply chains. We have monitored and are monitoring the situation closely and is operating its activities with the required workforce as permitted by governmental authorities. As a result of the detection of new mutated strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, it is anticipated that we may be subject to further reinstatements of lockdown protocols or other restrictions, which may adversely affect our business and operations.

There remains significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government of India, which makes it difficult for us to predict with certainty the impact that the COVID-19 pandemic will have on our business, results of operations, financial condition and cash flows in the future.

However, the COVID-19 pandemic has affected and may continue to affect our business, financial condition, results of operations and cash flows in a number of ways such as:

- government measures related to the COVID-19 pandemic include restrictions on holding large-scale weddings and celebrations (including festivals), travel and business operations, and advising or requiring individuals to limit their time outside of their homes, thereby affecting customer demand for our products, resulting in a significant decrease in the number of customers that visit our physical stores to purchase our products, as well as a decrease in revenue from operations from ₹ 9,155.49 million for the Financial Year 2020 to ₹ 5,648.16 million for the Financial Year 2021 (although our revenue from operations increased from ₹ 717.05 million for the six months ended September 30, 2020 to ₹ 3,598.43 million for the six months ended September 30, 2021), while we continued to incur costs for operating and maintaining our offline retail presence (for stores where we are the tenant), such as rent, as well as other fixed expenses such as administrative expenses, office and warehouse maintenance expenses, employee costs and other fixed costs;
- a decrease in our profit for the year from ₹ 2,366.37 million in Financial Year 2020 to ₹ 1,329.03 million in Financial Year 2021, primarily due to a decrease in our revenue from operations;
- causing disruptions to our supply chains (such as our ability to procure raw materials), reducing our ability to fulfil orders in a timely manner, disrupting the efficient operation of our warehouses and jobbers’ manufacturing operations, affecting the ability of our delivery partners to make deliveries or of our sellers to initiate the delivery due to various restrictive measures imposed by governmental authorities;
- our stores, our office and our warehouse were not operating during the lockdowns, or were operating under the applicable restrictions, which included modifying our operations and adjusting our services; for example, our fulfilment and delivery operations require social distancing measures and system-wide use of personal protective equipment; shopping malls, in which certain of our franchisee-owned EBOs or LFSs that sell our products were operating, were also closed during the lockdowns and operating under restrictions as imposed thereafter. We received rent concession on lease arrangements, for which right of use assets have been recognised in accordance with Ind AS 116, aggregating to ₹ 71.65 million, ₹ 338.97 million and ₹ 248.72 million for the six months ended September 30, 2021, Financial Year 2021 and the six months ended September 30, 2020, respectively;

- a decrease in our trade receivables by ₹ 108.14 million from Financial Year 2020 to Financial Year 2021, primarily due to a decrease in our revenue from operations; and
- disruptions to our expansion plans, including for opening new stores, due to lockdowns and restrictions, as well as the poor economic environment and consumer confidence.

Our management has made an initial assessment, based on the current situation of the likely impact of the COVID-19 pandemic on the overall economic environment and us, in particular, and based on which it does not expect further reduction in demand of our products and any challenge in our ability to continue as a going concern or meeting our financial obligations or in the recoverability and carrying value of our property, plant and equipment, goodwill, other intangible assets, and other financial statement captions. The above evaluations are based on information available till date, which is very dynamic and subject to uncertainties that the COVID-19 pandemic might pose on economic recovery.

Our Statutory Auditor has included emphasis of matter in their reports on our Ind AS consolidated financial statements for Financial Years 2020 and 2021, as well as for the six months ended September 30, 2021 and September 30, 2020, in relation to possible consequential implications on our operations on account of COVID-19, which did not give rise to modifications. We cannot assure you that our Statutory Auditor's observations for any future fiscal period will not contain a similar emphasis of matter in the report on our financial statements and that such matter will not otherwise affect our results of operations.

The full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency, impacts our business, financial condition and results of operations is uncertain. Such effects will depend on numerous evolving factors that we may not be able to accurately predict, including the scope, severity, and duration of the pandemic; actions taken by governments, businesses and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure and product development projects; disruptions or restrictions on our employees', franchisees', jobbers' and suppliers' ability to work, operate and travel as well as their business continuity plans; and any extended period of remote work arrangements. While we do not expect significant further reductions in the demand of our products, we continue to closely monitor developments relating to the COVID-19 pandemic and the effects they have on future economic conditions and on our business and operations closely. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may materially and adversely impact our business, financial condition, results of operations and cash flows.

Further, as much as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many other risks described in this "Risk Factors" section, such as "*Internal Risk Factors – Risks Related to Our Business – Any failure to procure adequate amounts of raw materials, finished goods, accessories and packing materials of the requisite quality at competitive prices in a timely manner may adversely affect our business, results of operations and financial condition.*" on page 37. See also "*Management's Discussions and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations – Current COVID-19 Pandemic*" on page 268.

4. *Our business is highly concentrated on Indian wedding and celebration wear and vulnerable to variations in demand, as well as changes in consumer preferences which could have an adverse effect on our business, results of operations and financial condition.*

Our business is currently highly concentrated on a single discretionary product category – Indian wedding and celebration wear. Our sales of Indian wedding and celebration wear are dependent on a number of factors, and may decline as a result of increased competition, regulatory action, pricing pressures or fluctuations in the demand for or supply of our products and other factors outside our control. In particular, our business is characterized by rapidly-changing customer preferences. Our results of operations are dependent on our ability to attract customers by anticipating, gauging and responding to such changes in customer preferences, and design new attires and accessories or modify our existing products in line with changes in fashion trends as well as customer demands and preferences. For our mid-premium and premium celebration wear brands in particular, we believe that continued increases in their sales largely depend on customers continuing to demand superior quality of products. The number of customers demanding mid-premium and premium Indian wedding and celebration wear may not continue to increase, or our customers may not consider our premium celebration wear preferable to the alternatives. In the longer term, consumer attitudes towards Indian wedding and celebration wear may change, such as the younger generations of people in India becoming less likely to purchase and wear Indian wedding and celebration wear, or host the types of

weddings, celebrations and other functions at which such celebration wear are worn, leading to decreased demand for our products. If we are unable to anticipate, gauge and respond to changing customer preferences or fashion trends, or if we are unable to adapt to such changes by modifying our existing products or launch new products on a timely basis, we may lose or fail to attract customers. A decline in demand for our products or a misjudgment on our part could lead to increased market acceptance of our competitors' products or may result in the substitution of our products in the market, which could lead to us having lower sales and excess inventories. This may render us unable to support new growth platforms and cause a decline in our revenues and profits, which would adversely affect our business, results of operations, financial condition and cash flows.

Demand for Indian wedding and celebration wear is dependent on the frequency and volume of weddings, festivals and other celebrations. We are affected by seasonal variations, which may cause our revenues to vary between different quarters in a financial year. Seasonal variations include the peak wedding season in India as well as other celebrations and festival events. Therefore, our results of operations and cash flows across quarters in a financial year may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods.

5. *Our business prospects depend on the strength of our key brands, and any failure to maintain or grow sales of our products could adversely affect our business.*

We have three distinctive brands in the men's ethnic and celebration wear market, Manyavar, Twamev and Manthan, a women's ethnic and celebration wear brand, Mohey, as well as a regional heritage brand catering to the entire family, Mebaz. Our brand names, images and recognition are key factors in customers' decision-making of purchasing ethnic and celebration wear, and thus are critical to maintaining and expanding our customer base. We have leveraged the strength and image of our brands to grow and scale our operations. By owning multiple brands catering to the Indian wedding and celebration wear market and operating each brand within the same omni-channel network, we are able to up-sell and cross-sell our products through our existing retail channels. We cannot assure you that we will be able to successfully maintain or enhance the recognition and reputation of any of our brands and any inability to do so may adversely affect our business and competitiveness.

Among our existing brands, a significant portion of the Sales of our Customers is derived from the sale of products under our Manyavar brand. Our Manyavar brand contributed to ₹ 9,354 million, ₹ 10,357 million, ₹ 7,041 million and ₹ 3,900 million, representing 82.38%, 81.86%, 84.20% and 82.51% of the Sales of our Customers for the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2021, respectively. Additionally, we rely on the strong brand recall and established presence of our Manyavar brand to introduce our customers to our emerging brands such as Twamev and Mohey. While our other brands have experienced growth, if the brand image, reputation or brand recall of our Manyavar brand weakens, or our Manyavar brand experiences reduced sales for any reason, including the aforementioned risks, our business and results of operations may be adversely affected.

We intend to continue to enhance the brand recall of our attires and accessories through the expansion of our footprint of our franchisee-owned EBOs, multi-brand outlets ("MBOs") and large format stores ("LFSs") as well as the use of targeted marketing initiatives such as digital and social media marketing campaigns, television, advertisements in multiplexes, billboards and live events. Our marketing strategies rely on subtle, underlying core messages based on shared values and are focused on traditional Indian values and cultures. Our messages are contained in distinctive marketing, advertising and customer engagement initiatives. In particular, part of our brand-building is also, and continues to be, driven by celebrity endorsements. In this regard, our relationships with our celebrity endorsees may be discontinued on account of various factors, including endorsing our competitor brands, which may impact our brand recognition. Many factors, some of which are beyond our control, are important in maintaining and enhancing our brand recall, including maintaining or improving customer satisfaction and the popularity of our products and increasing brand awareness through brand building initiatives, especially with respect to our emerging brands, the new products we launch or in geographic markets where we intend to expand our operations. Maintaining and enhancing our brands may require us to make substantial investments and incur substantial expenses in many areas including product design, marketing, advertising, e-commerce, community relations and employee training. For the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, our advertisement, publicity and sales promotion expenses were ₹ 666.67 million, ₹ 693.52 million, ₹ 272.15 million, ₹ 76.15 million and ₹ 113.36 million, or 8.33%, 7.57%, 4.82%, 10.62% and 3.15% of our revenue from operations, respectively.

Our investments in marketing our brands may not be successful, and our results of operations would also suffer if such investments and initiatives are not appropriately timed with market opportunities or are not effectively brought to market. We anticipate that, as our business continues to expand through entering new markets and launching new designs and attires, and as the market becomes increasingly competitive, maintaining and enhancing our brands may continue to take significant effort and be a significant cost for us. Consumers in new markets may be less compelled by our brand image as compared to consumers in our existing markets, and thus may be less willing to purchase our products. If our marketing initiatives fail to yield the intended results, or we fail to maintain or enhance our brand recognition and reputation or increase positive awareness of our products, or the quality of our products declines, our business and prospects may be adversely affected.

Our brands may also be adversely affected if our public image or reputation is tarnished by negative publicity. In addition, ineffective marketing, product diversion to unauthorized distribution channels, product defects, counterfeit products, unfair labor practices, failure to protect the intellectual property rights in our brand and other factors may threaten the strength of our brands and could rapidly and severely diminish consumer confidence in us. Maintaining and enhancing our brands will depend largely on our ability to retain our leadership position in the Indian wedding and celebration wear market, and that our range of products is of a high quality. We cannot assure you that the quality of our products will be maintained or enhanced. For our retail stores, we have established certain quality control policies, but as the majority of our franchisee-owned EBOs and all of our MBOs and LFSs are operated by franchisees and third-parties, we have limited control over their actions and practices. If these franchisees or third-parties fail to perform their obligations under their relevant agreements with us, take inappropriate, uncivil or other actions damaging our brand and reputation, deal improperly with customers or fail to comply with our policies and procedures and relevant laws and regulations with respect to the operations of the stores, this could adversely affect our reputation and sales. Any of the above factors could adversely affect our business and results of operations.

6. *If any new products or brands that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected.*

In Financial Years 2019 and 2020, we launched two new brands, Manthan (large scale operations commenced following a refreshed launch) and Twamev, respectively and in Financial Year 2021, in response to the COVID-19 pandemic, we launched face masks, a new product category which generated a negligible amount of revenue. Through our brands, Mohey, Twamev and Manthan, we continue to introduce a wide range of attires and accessories in the Indian wedding and celebration wear market. These also include lehenga and sarees under our Mohey brand, premium offerings for men under our Twamev brand, as well as value offerings for men under our Manthan brand. To expand our product range and price spectrums, we intend to grow our three emerging brands, and may also launch additional brands. However, we cannot assure you that any new products or brands that we develop or launch will accurately reflect the prevailing fashion trends or be well-received by our customers and the market, within the anticipated timeframe or at all, or that we will be able to recover costs incurred in developing these products and brands, or earn adequate profits and profit margins. If any of our Mohey, Twamev and Manthan brands, or the products and brands that we may launch in the future are not as successful in gaining market acceptance as we anticipate, our brand image and reputation may be affected, contrary to our projections or future growth expectations, which could adversely affect our business, results of operations and financial condition. Further, the launch of any new brands or any future expansion to our product offerings may place a strain on our management, operational and financial resources, as well as our information systems, which could also adversely affect our business.

7. *A significant portion of the Sales of our Customers are by our franchisee-owned EBOs. Our inability to maintain, renew or enhance relationships with our franchisees could adversely affect our business, results of operations and financial condition.*

A majority of our Company's EBOs are owned and operated by our franchisees, and such franchisee-owned EBOs' contribute to a significant portion of our sales. As of September 30, 2021, we have over 300 franchisees and a total of 546 EBOs (including 58 shop-in-shops and 11 international stores) globally, spread over an aggregate retail floor space of approximately 1.2 million square feet in 212 cities and towns in India and 8 cities internationally. We also replaced a number of existing stores with new stores in the same or a nearby location for a range of reasons, including for upgradation, a change in location, or a change in store size. The table below sets out the number of franchisee-owned EBOs that we opened and closed (including replacement stores) in the Financial Years 2019, 2020, 2021 and the six months ended September 30, 2021:

Year / Period	Franchisee-owned EBOs opened (including replacement stores)	Franchisee-owned EBOs closed (including replacement stores)
Financial Year 2019	84 (including 3 replacement stores)	26 (including 9 replacement stores)
Financial Year 2020	75 (including 11 replacement stores)	26 (including 10 replacement stores)
Financial Year 2021	33 (including 10 replacement stores)	34 (including 14 replacement stores)
Six months ended September 30, 2021	19 (including 6 replacement stores)	12 (including 2 replacement stores)

In Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2021, 92.20%, 91.14%, 90.14% and 88.09% of the Sales of our Customers, respectively, was generated by our franchisee-owned EBOs. As of September 30, 2021, 73% of our franchisees have been with us for three or more years.

Our sales derived from franchisee-owned EBOs depend on our ability to retain existing and attract new franchisees on terms acceptable to us. Our agreements with our franchisees are renewable on terms mutually agreed between the franchisee and us. With each franchisee, we typically enter into one of two possible types of arrangements, where: either (i) the franchisee is responsible for all of the store-related costs; or (ii) we are responsible for the rental expenses of the EBO, but not other store-related costs. See “*Our Business — Our EBO distribution model*” on page 141. For the latter type of arrangement, an increase in the rental costs may render the EBO and franchise agreement unprofitable for us, and we may seek to close the EBO and terminate the franchise agreement. Though our ability to terminate our arrangements with certain franchisees and close the relevant EBOs may be limited by the terms of our agreements with them. We cannot assure you that we will be able to successfully renew our existing franchise agreements upon expiry, on acceptable terms or at all. Furthermore, if we fail to maintain our relationships with our existing franchisees and are unable to attract new franchisees, or if we elect to terminate the relationships with one or more of our franchisees as a result of their breach of our franchise agreements, our ability to effectively sell our products in a given region could be negatively impacted, adversely affecting our results of operations and brand image in that particular region. If a franchisee is unable to pay for the quantity and price of inventory they have purchased from us, or is adjudged bankrupt or insolvent, we may also terminate the franchise agreement with them. Our inability to find suitable replacements may adversely affect our business, results of operations and prospects.

For our franchisee-owned EBOs, certain franchisees contribute significantly to our total sales of products. Our five largest franchisees by revenues accounted for 36%, 33%, 27% and 31% of Sale of our Customers for the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2021, respectively. All our subsisting contractual agreements with our five largest franchisees by revenues are valid until termination by us, as franchisor. Some of our agreements with our five largest franchisees (in terms of contribution to our revenue) are terminable by us by providing 15 or 30 days’ notice, as specified in the respective agreements, on various grounds, including breach, non-payment, willful misconduct or breach of permitted use of licensed property by the franchisee. Some of the other agreements are terminable (i) by either party providing 15 days’ or 30 days’ notice, as specified in the respective agreements, on various grounds, including insolvency of either party or on revocation of applicable government approvals, or (ii) by us by providing one month’s notice to the franchisee on various grounds, including the franchisee’s non-compliance with our directions, on breach of the terms of the agreement by the franchisee or the poor performance of the franchisee. The loss of any of our key franchisees may have an adverse effect on our sales and consequently on our business, results of operations and financial condition.

Lastly, our business model entails that we and our franchisee-owned EBOs aim to deliver an aristocratic yet seamless purchase experience to our customers through aesthetic franchisee-owned exclusive brand stores. While we focus on ensuring that such an enhanced retail experience is provided to our customers, we cannot assure you that each EBO will consistently be able to provide such an experience, and the lack of such quality service could adversely affect our brands and business.

8. ***Other than designing of our products, we rely on outsourcing a significant proportion of our production processes and activities to third-parties, without exclusivity arrangements. Any inability to obtain sufficient quantities of attires and accessories of the requisite quality in a timely manner and at acceptable prices, or a slowdown, shutdown or disruption in such third parties’ operations and performance, could adversely affect our business, results of operations and financial condition.***

For a large portion of our attires and accessories, we engage third-party manufacturers (“**jobbers**”) to manufacture such products on our behalf. These jobbers perform the different stages of the manufacturing process, including cutting, embroidery, stitching and finishing, with the final products sold by us under our brands. We rely on our jobbers and vendors to provide us with an uninterrupted supply of our products. However, we cannot assure you that they may do so in a timely manner, or if at all. While we have long-term relationships with certain major jobbers and many of our jobbers only work for us, they may decide not to accept our future orders on the same or similar terms, or at all. We have subsisting service contracts with some of our major jobbers (on the basis of total job charges), which are terminable by us on various grounds specified in such contracts. We may face the risk of our competitors offering our jobbers better terms, which may cause them to cater to our competitors alongside, or even instead of us. They may discontinue their work on short notice and our production process may be stalled or hindered due to this. Conversely, due to increased customer demand for our products, we may need to obtain more products from more jobbers, and any inability to do so may render us unable to execute our growth strategy. While there have been certain instances of failures by jobbers in the ordinary course of business in the last three financial years, there has been no material impact on the business or results of operations of the Company due to such occurrences.

Our jobbers’ manufacturing facilities may be subject to operating risks, such as performance below expected levels of efficiency, excessive wastage of raw materials, delays in production of attires and accessories, decrease in quality of products made, labor disputes, natural disasters, industrial accidents, interruptions in power supply and statutory and regulatory restrictions. Any non-compliance by our jobbers with the applicable laws which may result in a shutdown of their facilities, could result in the delay or non-availability of the delivery of our products, as well as negative publicity which in turn may adversely affect our brand image. Lost sales or increased costs arising from such disruptions may not be recoverable under our existing insurance policies. In Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2021, the aggregate of job charges of our five largest jobbers (on the basis of total job charges paid / payable to them) accounted for 37.2%, 33.7%, 39.5% and 39.4% of our total job charges, respectively. See “— *Internal Risk Factors — Risks Related to Our Business — Our insurance coverage may not be sufficient or adequate to cover our losses or liabilities. If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected*” on page 49 and “*Our Business — Insurance*” on page 154. Additionally, prolonged business disruptions could result in a loss of customers. If we are unable to make available our products in a prompt manner across our stores across India, our business, results of operations and financial condition may be adversely affected.

In addition, while we visit certain jobbers’ manufacturing locations to inspect their production process as part of our quality control policies, we cannot ensure that the products they supply us will be of satisfactory quality and adhere to our quality control policies and guidelines. See “—*Internal Risk Factors — Risks Related to Our Business — Any failure in our quality control processes may damage our reputation, and adversely affect our business, results of operations and financial condition. We may face reputational harm or proceedings if the quality of our products does not meet our customers’ expectations.*” on page 35. Any defects in the products they supply could expose us to product liability or damage our reputation and reduce demand for our products. If our jobbers perform unsatisfactorily, substantially reduce their volume of supply, substantially increase their prices or terminate their business relationship with us, the cost and time required to manufacture our products would increase. We may also need to replace jobbers or take other remedial actions. Any deficiency in the quality of products that our jobbers supply to us may adversely affect our business, financial condition and results of operations.

Further, we provide the designs of our products to our jobbers and vendors at various stages of the design and manufacturing process. As we do not have direct operational control over our jobbers, if any of them are involved in unauthorized production using our designs or our brands, or other misappropriation of trade secrets, our reputation, business and result of operations may be adversely affected.

We rely upon third-party logistics providers at various stages of our supply chain, such as transporting materials from our suppliers to our warehouse, and finished attires and accessories from our warehouses to our stores or directly to buyers. Our suppliers are responsible for the former, whereas we are responsible for the latter. Our reliance on such third-party logistics providers may increase as we expand our retail operations and warehouses. We cannot assure you that third-party logistics providers will be able to fulfil their obligations under such agreements entirely, in a manner acceptable to us, or at all. They may be affected by transport strikes, labour shortages or labour disagreements in the transportation or logistics industry or long term disruption in the national and international transport infrastructures, which may affect our delivery

schedules. If we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, our business, results of operations and financial condition may be adversely affected.

9. *Our inability to identify and retain skilled third-party suppliers, vendors and manufacturers for various parts of our production or procurement processes may adversely affect our business, financial condition and results of operations.*

We outsource various parts of our production processes to jobbers, obtain finished products from vendors, and procure raw materials from suppliers. See “— *Internal Risk Factors — Risks Related to Our Business — Other than designing of our products, we rely on outsourcing a significant proportion of our production processes and activities to third-parties, without exclusivity arrangements. Any inability to obtain sufficient quantities of attires and accessories of the requisite quality in a timely manner and at acceptable prices, or a slowdown, shutdown or disruption in such third parties’ operations and performance, could adversely affect our business, results of operations and financial condition.*” on page 33. In this regard, the success of our outsourced processes depends heavily on the consistency and reliability of our third-party suppliers’ and contractors’ performance. We cannot assure you that we will be able to identify and retain such third-party suppliers and manufacturers in a timely manner and on terms favorable to us. Conversely, the acts of the third-party suppliers or contractors we retain may expose us to loss, damage or liability. See “— *Internal Risk Factors — Risks Related to Our Business — Any failure in our quality control processes may damage our reputation, and adversely affect our business, results of operations and financial condition. We may face reputational harm or proceedings if the quality of our products does not meet our customers’ expectations.*” on page 35. If the scale of our business operations expands, or we enter into new markets, we may need to engage new third-party suppliers, vendors and manufacturers, with whom we may be unfamiliar. Our inability to identify and retain third-party suppliers and manufacturers could adversely affect our business, financial condition and results of operations.

10. *Our warehouse, factory and a majority of our jobbers are exclusively based in a single geographical region. This may expose our manufacturing processes and our supply chain to regional risks, which may adversely affect our business, financial condition and results of operations.*

Our warehouse, factory and a majority of our jobbers are exclusively based in a single geographical region in and around Kolkata, West Bengal, India, and we depend on our jobbers for a significant portion of the manufacturing processes of our products. Our warehouse acts as a facility for storage and onward delivery of our merchandise across the country. The geographical concentration of our warehouse, factory and our jobbers renders our operations more susceptible to regional risks and any adverse changes and events occurring in or around the region. Adverse changes and events that may impact our operations may include disruptions to infrastructure and services (such as supplies, transportation and utilities for our facilities), significant natural disasters and man-made incidents, political agitations and workforce disruptions, as well as changes in the general economic conditions, the regulatory environment and local government policies. In particular, incidents of fire, damage to, or inability to access, our warehouse, our factory or manufacturing facilities of our jobbers, or other issues preventing the normal operation of those facilities could hinder the manufacturing or distribution of our products. In such case, we may need to utilize alternative facilities to manufacture our products. However, we may not be able to do so in a timely manner, or at all. While we have not experienced any such disruptions in the past, we cannot assure you that we will be able to effectively manage any potential losses arising from any such events, which may adversely affect our business, financial condition and results of operations. See also “— *Internal Risk Factors – Risks Related to Our Business – Other than designing of our products, we rely on outsourcing a significant proportion of our production processes and activities to third-parties, without exclusivity arrangements. Any inability to obtain sufficient quantities of attires and accessories of the requisite quality in a timely manner and at acceptable prices, or a slowdown, shutdown or disruption in such third parties’ operations and performance, could adversely affect our business, results of operations and financial condition.*” and “— *Internal Risk Factors – Risks Related to Our Business – Our operations could be adversely affected by labour shortages, strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.*” on pages 33 and 36 respectively.

11. *Any failure in our quality control processes may damage our reputation, and adversely affect our business, results of operations and financial condition. We may face reputational harm or proceedings if the quality of our products does not meet our customers’ expectations.*

Our products may contain quality issues or undetected errors or defects, especially when first introduced or when new products are developed, resulting from manufacturing defects and negligence in storage or

handling of our products or other raw materials. We set internal quality standards, including consistent definitions of defects to be detected. Our dedicated quality control teams perform quality control processes for raw materials such as fabrics and finished goods, which we track, including regular inspections of our jobbers and before our products leave our warehouse. However, given the high volume of raw materials and scale of production of finished goods, we are not able to inspect every single item or all of our jobbers locations, and may rely instead on selective methods such as sampling. We cannot assure you that our quality standards will be adhered to, and if they are not, that our quality control processes and inspections will accurately detect all deficiencies in the quality of our products at all times before such products reach the customers. We have, from time to time, due to quality defects, exchanged or accepted returns of products sold to our customers, or otherwise, in accordance with our exchange and returns policy. In the event the quality of our products is not in accordance with our standards or our products are defective, our customers may return our products, we may be required to recall or exchange such products at additional cost to us and our reputation may be impacted.

Any deficiencies in the quality of our products may cause adverse reactions to users of such products, such as inflammation of skin. This may expose us to product liability claims and legal proceedings brought against us by various entities, including customers, EBOs, MBOs, LFSs and online retailers. We cannot assure you that we will not experience any material product liability losses in the future or that we will not incur significant costs to defend any such claims. See “— *Internal Risk Factors — Risks Related to Our Business — Our insurance coverage may not be sufficient or adequate to cover our losses or liabilities. If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected*” on page 49. Product liability claims, successful or otherwise, may adversely affect our reputation, brand image and sales. Our inability to avoid or defend product liability claims may adversely affect our business, results of operations and financial condition.

12. *Our operations could be adversely affected by labour shortages, strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.*

Our operations and supply chain could be adversely affected by labour shortages, increased labour costs or work stoppages by our employees, those of our franchisees, our jobbers and our suppliers. We believe that such personnel are critical to maintaining our competitive position. In the event of labour shortages, we, our franchisees, our jobbers and our suppliers may have difficulties recruiting or retaining employees or may cause us to incur additional costs and result in delays or disruption to our production and sales. Any failure to attract qualified personnel at reasonable cost and in a timely manner could reduce our competitive advantages relative to our competitors and undermine our ability to expand. To sustain our operations and relations with our jobbers and vendors, we may need to increase the wages paid to them, and as we do not maintain long-term fixed-price contracts with our jobbers or suppliers, the price we pay for their services may increase due to increased labour costs incurred by them. If we are not able to pass on the increased labour costs to our customers, our business and results of operations may be adversely affected.

Any labour unrest directed against us, our franchisees, our jobbers or our suppliers could directly or indirectly prevent or hinder our normal operating activities (including at our warehouse) and we cannot assure you that any disruptions in work due to strikes, wage disputes or other problems with the work force will not arise in the future. Further, the imposition of new laws, rules and regulations in such area could also adversely affect our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

13. *Our business depends on the timely and continual purchases of and payments for our products by our franchisee and retailing vendors, both in the short and long term. Their delay or failure to do so may adversely impact our business, cash flows and results of operations.*

We sell our finished goods to our franchisee-owned EBOs, MBOs and LFSs, who then sell the products to end-consumers. As we derive a significant proportion of our sale of products from our franchisee-owned EBOs, we depend on them being able to continue selling our products in the requisite quantities, at the stipulated prices and in a timely manner. We extend credit to our franchisee-owned EBOs, MBOs and LFSs in respect of products sales, and thus face the risk of uncertainty in receiving outstanding amounts. We have credit periods for both our franchisee-owned EBOs and MBOs and LFSs. We cannot assure you that we would be able to accurately assess the creditworthiness of our franchisee and retailing vendors. Further, macroeconomic conditions, which are beyond our control, could also result in financial difficulties for our franchisee and retailing vendors, including limited access to the credit markets, insolvency or bankruptcy.

Limited consumer demand may also impact their cash flows and ability to purchase products from us. See “— *Internal Risk Factors — Our growth and profitability depend on the level of consumer confidence and spending in India and the other jurisdictions in which we operate.*” on page 41. Such conditions could cause our counterparties to delay payment, request modifications to their payment terms, or default on their payment obligations to us, all of which could increase our trade receivables and/or write-offs of trade receivables, as well as our cash flows. While there have been no past instances in the last three financial years of the Company modifying payment terms outside the ordinary course of business which had a material impact of the Company’s business or results of operations, we cannot assure that such instances may not occur in the future.

For the financial years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, our bad debts / advances written off were ₹ 0.82 million, ₹ 3.22 million, ₹ 4.20 million, ₹ 0.01 million and ₹ 1.30 million, constituting 0.02%, 0.09%, 0.12%, 0.00% and 0.03% of our trade receivables, respectively. If our franchisee and retailing vendors are unable to purchase our finished products, or are unable to pay us at all or in a timely manner, our cash flows and results of operations may be adversely affected.

Further, our franchisee-owned EBOs, MBOs and LFSs have access to confidential information relating to our business model and strategy and customer information in connection with all sales made by them. While the agreements and arrangements (as applicable) we have with such franchisee and retailing vendors generally provide for protection of confidential information, we cannot assure you that such vendors will comply with the terms of such agreements and arrangements and keep such information confidential. While we may be entitled to legal recourse against our franchisees, stores and vendors under such agreements for breaches of confidentiality, any such non-compliance by the franchisee and retailing vendors may be costly or irreversible and adversely affecting our business, financial condition, cash flows and results of operations.

14. Any failure to procure adequate amounts of raw materials, finished goods, accessories and packing materials of the requisite quality at competitive prices in a timely manner may adversely affect our business, results of operations and cash flows.

We depend on third-party suppliers for raw materials used in the manufacture of our products and for finished goods, accessories and packing materials for our products. Our manufacturing operations require a sufficient and stable supply of raw materials. However, the amount of raw materials we procure may fluctuate from time to time. Although we have a portal which sends out our purchase orders to all our raw materials suppliers, they may, individually or collectively, fail to provide us with the amounts of raw materials that we need. Such failure may result from disruptions of their manufacturing operations or supply and transportation chains, financial hardships, or losses, damage or delays due to accidents and natural disasters. We may experience reductions or interruptions in the supply of raw materials, and abrupt increases in raw materials and their transportation prices. We may be unable to procure sufficient quantities of raw materials, or find alternate sources for their procurement, which may lead to the slowdown, shut-down or under-utilization of our and our jobbers’ manufacturing operations and facilities. In addition, we also procure finished products from our suppliers, and an inability to obtain adequate finished goods of the requisite quality may adversely affect our sales.

Further, we also cannot assure you that we will always be able to meet our raw material requirements at prices acceptable to us, or at all. Our cost of raw materials is affected by the price volatility of raw materials used to make them, which is caused by various factors outside of our control, including commodity market fluctuations, the quality and availability of supply, currency fluctuations, consumer demand and changes in government policies, rules and regulations. If demand for such raw materials exceeds supply, our suppliers may increase the prices they charge us. If the price of raw materials increases, our product costs will also correspondingly increase, and we cannot assure you that we will be able to increase the price of our products to offset such costs.

While we have quality control process in place at the point of receipt of the raw material, due to the high frequency and large amounts of raw materials received, as well as the difficulty in detecting defects until later stages of manufacturing such as the cutting process, we cannot assure you that we will be able to detect all defects in and maintain high quality standards of the raw materials that our third-party suppliers provide us. See “—*Internal Risk Factors — Risks Related to Our Business — Any failure in our quality control processes may damage our reputation, and adversely affect our business, results of operations and financial condition. We may face reputational harm or proceedings if the quality of our products does not meet our customers’ expectations*” on page 35. Our inability to obtain adequate supplies of our raw materials

that meet our quality standards, at acceptable prices and in a timely manner, may adversely affect our business, results of operations and cash flows.

As of September 30, 2021, we had over 458 vendors registered on our vendor portal from whom we have sourced fabrics and other materials. While we have established working relationships and contracts with many of our raw material suppliers, we do not have long-term contracts or exclusivity arrangements with any of them. If there are any decreases or disruptions in supply or increases in cost of one or more of our major suppliers, and we fail to find replacement suppliers on similar or favorable terms, or at all, our business, results of operations and cash flows may be adversely affected.

15. *Our inability to adapt, adopt or successfully execute existing and new technologies in our operations may adversely affect our business and results of operations.*

Our business model relies on the strength of our technology systems and our established systems and processes. Most of our business processes are system-driven with minimal manual intervention. Moreover, our entire supply chain and inventory management process is organized, data-based and algorithmically managed with every stage in our manufacturing and distribution chain being system-driven, including the procurement of raw materials, manufacturing (on an SKU-identifiable basis), warehouse inventory management, store replenishment and new store opening fill. For example, we have developed a digital order system, an independent vendor portal, and have adopted business analytical tools and modules for communication within our stores whereby our stores can place orders for any products not in stock and requested by our customers (POS order management module and *Sansar* application). See “*Our Business – Technology-based strong supply chain and inventory replenishment systems driven by systemwide data analytics, strong processes and longstanding vendor relationships*” on page 142. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. Although to date we have not experienced a major disruption in our operations due to failure of or attack on such systems, we cannot assure you that we will not encounter such events or disruptions in the future, and any such event or disruption may adversely affect our business. We have data backup and remote disaster recovery systems in place which creates backup of all data that is stored on our servers, with backup synchronization taking place at periodic intervals in a day. However, any significant disruptions could result in the loss of key information and disruption of production and business processes, which could adversely affect our business. We also maintain a cyber risk insurance policy, and our systems are secured by anti-virus software and firewall protection. We also have a policy which includes measures to prevent data leakage, including limiting access by our employees to sensitive data and restricting access to our servers and server rooms to authorised personnel only. Our systems may still be potentially vulnerable to data security breaches, whether by employees or others that could expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property, or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Any such security breaches could have an adverse effect on our reputation, business and results of operations.

Our business undergoes changes, with the frequent introduction of new products and designs and changes in prices. Although we strive to maintain and upgrade our technologies and facilities in line with current international standards, we cannot assure you that we will be able to successfully make timely and cost effective enhancements and additions to our technological infrastructure, keep up with technological improvements in order to meet our customers’ needs or that the technology developed by competitors will not render our products less competitive or attractive. The cost of implementing new technologies for our operations could be significant, and changes in technology may render our current technologies obsolete or require us to make substantial capital investments, and could adversely affect our business and results of operations.

16. *The proceeds from this Offer will not be available to us.*

The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to 36,364,838 Equity Shares by the Selling Shareholders. The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. As a result, we will not benefit from such proceeds. For further information, see “*Objects of the Offer*” on page 95.

17. Pricing pressure from our competitors may affect our ability to maintain or increase our product prices and, in turn, our revenue from product sales, gross margin and profitability, which may materially and adversely affect our business, financial condition and results of operations.

We have uniform pricing across our brands for all sales made in India with no discounts or end of season sales for our Manyavar brand. Our franchisee EBOs, MBOs and LFSs have no control over the price points of our products. In contrast, pricing pressure from competitors may manifest in various forms, including, among others, through our competitors lowering their prices for similar products. Pricing pressure from our customers may lead to a decrease in our revenues and profits. Moreover, if our franchisees, MBOs and LFSs fail to follow our retail price stipulations, our brand value and the public perception of our brand positioning could be negatively affected. We may seek to reduce the price of our raw materials and production through negotiations with our suppliers and our jobbers, respectively, and streamline product designs. We cannot assure you that we will be able to avoid future pricing pressure from our competitors or offset the impact of any price reductions through continued technological improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes, or other cost reductions through other productivity initiatives. If we were to face pricing pressure from our competitors, and the aforementioned measures or other steps we take fail to maintain or increase our margins and revenues from product sales, our business, financial condition and results of operations may be adversely affected.

18. Our business depends on the organization of weddings, festivals and other ethnic celebrations, and may be affected by seasonal variations, which may adversely affect our business, financial condition and results of operations.

Sales demand for our Indian wedding and celebration wear is dependent on the frequency and volume with which weddings, festivals and other celebrations are organized. We are impacted by seasonal variations, which may cause our revenues to vary between different quarters in a financial year. Seasonal variations include the peak wedding season in India as well as other celebrations and festival events. Therefore, our results of operations and cash flows across quarters in a financial year may not be comparable and any such comparisons may not be meaningful, or may not be indicative of our annual financial results or our results in any future quarters or periods.

19. Our industry is competitive in both the offline and the rapidly-growing online channels, with the potential to adversely affect our pricing ability and disrupt our sales. Our inability to compete effectively may adversely affect our business and results of operations.

The celebration wear industry in India is competitive, with several regional brands and unorganized retailers present in local markets across the country. The Indian celebration wear industry has been a highly unorganized market (*Source: CRISIL Report*). Our products compete with local retailers, non-branded products, economy brands and products of other established brands. In the future, some of our competitors may develop alliances to compete against us, acquire greater resources, market presence and geographic reach, as well as develop products with better brand recognition than ours. Some of our competitors may be able to procure raw materials or finished products at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or sell their products at more competitive prices.

We also compete with online retailers. Over the last few years, India has witnessed the emergence and growth of the e-commerce industry, and the market penetration of online retail in India is likely to continue to increase, according to the CRISIL Report. We operate an omni-channel network supported by a seamless integration between our online and offline channels. Our online channel comprises our individual brand websites and mobile phone application, which are operated by our subsidiary, Manyavar Creations Private Limited, as well as lateral portals. For the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2021, 0.73%, 1.00%, 2.23% and 3.68% of the total Sales of our Customers, respectively, was generated through the online channel. While we believe that online retailers provide us with an opportunity to increase the visibility of our brands and an opportunity to improve our supply chain efficiencies, they may continue to gain market share and thus increase their relative negotiating power. We cannot assure you that we will be able to negotiate agreements with such online retailers on terms favorable to us or at all, such as in relation to margin or credit terms. Further, our competitors may be able to negotiate better or more favorable terms with such online retailers. Any inability on our part to further develop our own brand websites or enter into agreements with online retailers on terms favorable to us may have an adverse effect on our pricing, and our business and results of operations may be adversely affected.

Additionally, online retailers may sell multiple brands of ethnic wear other than ours on their platforms, possibly including similar products at discounted prices, enhancing customers' comparisons of products and prices between our brands and other brands. We cannot assure you that customers of online retailers will continue to prefer our ethnic wear over our competitors'. While we believe that our customers are attracted by our brands and/or in-store experience, our customers may prefer other brands sold by online retailers over our brands available online or through our offline channels. If the number of customers, that choose other brands sold by online retailers instead of our online or offline channels, increases substantially, our online business and results of operations may be adversely affected.

Consequently, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors, or that our business and results of operations will not be adversely affected by increased competition in the offline and online channels. Our competitors may significantly increase their advertising expenses to promote their brands and products, which may require us to similarly increase our advertising, publicity and sales promotion expenses and engage in effective pricing strategies, which may have an adverse effect on our business and results of operations. See "Industry Overview" on page 105.

20. *If we are unable to accurately identify customer demand and maintain an optimal level of inventory in our stores, our business, results of operations and cash flows may be adversely affected.*

The success of our business depends upon our ability to anticipate and forecast customer demand and trends. We plan our inventory and commence our design process prior to launch and estimate our sales based on the forecasted demand for the forthcoming period. We have inventory manufactured or procured and stored at our warehouses ahead of each upcoming season. We also order raw materials in advance for manufacturing of attires and accessories. While we aim to accurately forecast the demand for our products and avoid under-stocking and over-stocking, our estimates and forecasts may not always be accurate. Our sales to our franchisees may not be reflective of actual sales trends to end-consumers, and we may not be able to gather, in a timely manner, sufficient information regarding the market acceptance of our products and customers' preferences in relation to our products. Failure to effectively monitor and accurately track inventory levels and sales of our franchisees or gather timely market information may cause us to incorrectly predict sales trends and impede our ability to quickly realign our marketing and product strategies to respond to market changes. Internally, our omni-channel system notifies us which stores are experiencing high or low demand of certain products and enables us to move products between stores or from our warehouse. However, if we under-stock inventory across the board, our ability to meet customer demand may be adversely affected. If we over-stock inventory across the board, our capital requirements may increase and we may incur costs relating to aging and obsolescence of inventory as well as excess raw material. For the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2021, our inventory turnover days aggregated to 41 days, 48 days, 65 days and 63 days (on an annualized basis), respectively. Moreover, other than due to the impact of the COVID-19 pandemic and its associated lockdowns, there were no instances of over-stocking or under-stocking of inventory in the last three financial years and the six months ended September 30, 2021 which had a material impact on the business for those respective years. While our products are season-agnostic, they are designed to cater to current trends, and we cannot assure you that we will be able to sell surplus stock in a timely manner, or at all. Our inability to accurately forecast demand for our products and manage our inventory may therefore have an adverse effect on our business, results of operations and cash flows.

21. *Current locations of our franchisee-owned EBOs and other retail stores at which our products are sold may become unattractive, and suitable new locations may not be available at acceptable terms, if at all.*

The success of sales from our franchisee-owned EBOs and other retail stores at which our products are sold depends in part on their location. We aim to make our products available and have new franchisee-owned EBOs opened in strategic locations and in high-density cluster areas. We cannot assure you that the current locations of our franchisee-owned EBOs or other retail stores at which our products are sold will continue to be attractive or profitable as demographic patterns change. Adverse economic conditions in such areas could result in us having reduced sales in the future. As per our business strategy, we plan to continue to increase the number of our franchisee-owned EBOs and retail stores in line with the future growth prospects of our business. However, as the availability of prime retail locations is limited, we cannot assure you that we will be able to identify and secure premises on commercially acceptable terms, if at all. Any inability on our part to secure alternate attractive locations at acceptable terms or at all, will adversely affect our business, growth strategies and results of operations.

22. *Our growth and profitability depend on the level of consumer confidence and spending in India and the overseas jurisdictions in which we operate.*

Our results of operations are sensitive to changes in overall economic and political conditions that impact consumer spending. The Indian wedding and celebration wear market, in particular, is very sensitive to broad economic changes, and retail purchases tend to decline during recessionary periods. Substantially all of our revenues from operations are derived from sales in India, although we also derive revenues from our franchisee-owned EBOs in the United States, the United Arab Emirates and Canada. Many factors outside of our control, including interest rates, volatility of India's and the world's stock markets, inflation, tax rates and other government policies, and unemployment rates can affect consumer confidence and spending. The domestic and international political environments, including conflicts, political turmoil or social instability, may also affect consumer confidence and reduce spending, which could affect our growth and profitability. During the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, our total revenue from contracts with customers outside India contributed to ₹ 106.85 million, ₹ 167.43 million, ₹ 96.06 million, ₹ 36.94 million and ₹ 159.78 million, constituting 1.3%, 1.8%, 1.7%, 5.2% and 4.4% of our total revenue from operations, respectively.

23. *Our success depends on the efforts and abilities of our founder, Chairman and Managing Director, Mr. Ravi Modi, our senior management and other key personnel, as well as our ability to retain and attract qualified and skilled personnel. Our inability to do so may adversely affect our business, results of operations and financial condition.*

Our performance depends largely on the efforts and abilities of our founder, Chairman and Managing Director, Mr. Ravi Modi, our senior management and other key personnel. We believe that the inputs and experience of Mr. Ravi Modi are key for the growth and development of our business and operations and the strategic direction taken by our Company and we rely heavily on his direction and vision for our overall business strategies. Our business and operations teams also include a highly-qualified, experienced and capable management team. The members of our management team and other key personnel are employed pursuant to customary employment agreements, which may not provide adequate incentive for them to remain with us or adequately protect us if they leave our employment. If we lose the services of Mr. Ravi Modi or any member of our management team or key personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which may require a long period of time. This might significantly delay or prevent the achievement of our business objectives, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. We do not maintain insurance against the loss of key personnel, other than a life insurance policy for our Chairman and Managing Director, Mr. Ravi Modi, and do not have a business succession policy. Any inability on our part to retain and hire such personnel or find suitable replacements in a timely manner may adversely affect our business, financial condition and results of operations.

The continued growth of our business also depends in part on our ability to attract, hire, train and retain skilled personnel. As of September 30, 2021, we had 740 employees, and in addition to them, we also had 148 contracted employees. For the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, our employee benefits expense amounted to ₹ 472.13 million, ₹ 532.96 million, ₹ 381.07 million, ₹ 171.31 million and ₹ 230.32 million, respectively, representing 8.60%, 8.38%, 8.60%, 13.15% and 9.04%, respectively, of our total expenses. Given the need to constantly meet our customers' preferences, we rely on our design and merchandising team, comprising skilled designers, for the designing of our apparel products, as well as for clothes styling. See “— *Internal Risk Factors — Risks Related to Our Business — If any new products or brands that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected.*” on page 32.

As we seek to offer new products, develop our brands and expand our retail network, we require experienced retail operations and business development team with relevant knowledge of our target customers, the markets in which we operate and the retail industry, respectively. See “— *Internal Risk Factors — Risks related to our business—Our business and prospects depends on the strength of our key brands, and if we are not able to maintain and enhance our brands, we may not be able to maintain or grow our sales of our products, which would adversely affect our business.*” on page 31. Our retail operations and customer relations team consisted of 117 employees as of September 30, 2021, respectively. See also “*Our Business – Employees*” on page 154.

Competition for skilled personnel is intense and we experienced attrition of 18%, 25%, 35% and 4% for Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2021, respectively. We may

be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining employees that our business requires. We cannot assure you that we will be able to recruit and retain qualified and capable employees or find adequate replacements in a timely manner, or at all. Any inability on our part to do so may adversely affect our business and results of operations. See also “*Our Business – Employees*” on page 154.

24. *Our inability to successfully implement our business plan and strategies for retail and franchise expansion and growth could adversely affect our business, financial condition, results of operations and cash flows.*

Over the last few years, we have expanded our operations and experienced considerable growth. Ensuring that such growth continues requires managing complexities across all aspects of our business, including those associated with increased headcount, integration of acquisitions, expansion into domestic and international markets and cities, introduction of new products and brands, and implementations of appropriate systems and controls to grow the business. Our continued growth requires significant time and attention from our management and may place strains on our operational systems and processes, financial systems and internal controls and other aspects of our business. We cannot assure you that we will be able to sustain the levels of growth that we have previously experienced. Any inability to do so on our part may adversely affect our business, financial condition and results of operations.

Our current growth strategies include: (i) expanding our footprint within and outside India; (ii) scaling up our emerging brands through increased up-selling and cross-selling initiatives; (iii) enhancement of brand appeal through targeted marketing initiatives; (iv) the significant potential and space for growth of our existing and emerging brands; and (v) adopting a disciplined approach towards future acquisitions. See “*Business – Our Strategies*” beginning on page 143. Our growth strategies may be subject to the following risks, among others:

- we may face challenges developing new products and brands, as well as expanding our existing brands; we may also be unable to persuade existing customers to shift to our premium brands, or to cross-sell our other brands;
- we may not be able to increase our market share if, among other things, we face increased competition from online retailers or other competitors;
- we may face challenges developing, integrating, managing and motivating our employees;
- we may lose our existing design, sales or marketing personnel, and/or fail to attract such suitable talent, if our competitors are able to offer them more attractive terms and/or working environment; and
- we may not be able to open new stores in attractive and suitable locations; for our existing stores, we may be unable to expand the floor area and improve their productivity, standards and sales.

In line with our expansion plans, in Financial Years 2019 and 2020, we launched two new brands, Manthan (large scale operations commenced following a refreshed launch) and Twamev, respectively, and in Financial Year 2021, in response to the COVID-19 pandemic, we launched face masks, a new product category.

In respect of franchisee-owned EBOs, in Financial Year 2019, we opened 84 new stores (of which 3 were replacement stores) and closed 26 stores (of which 9 were replacement stores), in Financial Year 2020, we opened 75 new stores (of which 11 were replacement stores) and closed 26 stores (of which 10 were replacement stores), and in Financial Year 2021, we opened 33 new stores (of which 10 were replacement stores) and closed 34 stores (of which 14 were replacement stores). In the six months ended September 30, 2021, we opened 19 new stores (of which 6 were replacement stores) and closed 12 stores (of which 2 were replacement stores).

We cannot assure that we will be able to successfully implement our business expansion plans and growth strategies. If any of the aforementioned risks were to materialize, our business, financial condition and results of operations may be adversely affected.

25. *We may be unable to grow our business in additional geographic regions or international markets.*

As of September 30, 2021, we have an extensive retail network with 546 EBOs (including 58 shop-in-shops) globally, including 11 overseas EBOs across the United States, Canada and the UAE, which are countries with a large Indian diaspora. In India, our EBO network spans across 212 cities and towns, as of September

30, 2021. We seek to grow our retail network and product reach by entering new geographies, including in Tier II and III towns and cities in India, as we believe that these markets offer significant growth opportunities for us. In the six months ended September 30, 2021, 44.76% of the Sales of our Customers was generated by our franchisee-owned EBOs from Tier I cities, 38.64% from Tier II cities and 13% from Tier III towns. The remaining 3.59% of our franchisee-owned EBO revenues were generated from international markets. In Financial Year 2021, 44.22% of the Sales of our Customers was generated by our franchisee-owned EBOs from Tier I cities, 42.05% from Tier II cities and 12.31% from Tier III towns. The remaining 1.42% of our franchisee-owned EBO revenues were generated from international markets. In Financial Year 2020, 53.78% of the Sales of our Customers was generated by our franchisee owned EBOs from Tier I cities, 35.05% from Tier II cities and 9.70% from Tier III towns. The remaining 1.47% of our franchisee owned EBO revenues were generated from international markets. In Financial Year 2019, 54.35% of the Sales of our Customers was generated by our franchisee owned EBOs from Tier I cities, 35.97% from Tier II cities and 8.50% from Tier III towns. The remaining 1.18% of our franchisee owned EBO revenues were generated from international markets. We intend to increase penetration into towns and cities in which we already operate, but we cannot assure you that we will be able to do so. Infrastructural and logistical challenges in these regions may prevent us from expanding our presence or increasing the penetration of our products. Further, customers in new markets or regions may be price-conscious, rendering us unable to compete effectively with our competitors. If we are unable to grow our business in these new markets effectively, our business prospects, results of operations and financial condition may be adversely affected.

Further, possible expansion into new international markets, such as the United Kingdom, Australia and South East Asia and other parts of the United States, Canada and the Middle East, is important to our long-term growth. Competing successfully in international markets requires additional management attention and resources to tailor our services to the unique aspects of each new country. We may face various risks, including legal and regulatory restrictions, increased advertising and brand building expenditure, challenges caused by distance, language and cultural differences, our inexperience with such markets and currency exchange rate fluctuations. These and other risks could adversely affect any international expansion or growth, which could have an adverse effect on our business, results of operations and financial condition.

26. *We appoint contract labor for carrying out certain of our operations and we may be held responsible for paying the wages of such workers if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations.*

We appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations, including at our warehouse. Although we do not engage these labour directly, we may be held responsible to pay their social benefits or shortfall in wages and provide certain amenities and facilities, if the independent contractors fail to do so, by a regulatory body or court, which may adversely affect our results of operations.

27. *The unsuccessful integration of brands we acquire could result in operating difficulties and diversion of attention of our management, which could adversely affect our business, results of operations and financial condition.*

We have a strategy to acquire brands opportunistically. See “*Our Business — Our Strategies — Disciplined approach towards acquisitions*” on page 145. We cannot assure you that we will be able to identify suitable acquisition, strategic investment or joint venture opportunities at acceptable costs and on commercially reasonable terms, obtain the financing necessary to complete and support such acquisitions or investments, integrate and realize synergies from such businesses and investments, or that any business acquired or investment made will be profitable. Further, the process of integrating an acquired company, business or brand is risky and may create unforeseen operating difficulties and expenditures or have an adverse effect on our business, results of operations and financial condition, including:

- potentially dilutive issuances of Equity Shares;
- the incurrence of debt, contingent liabilities or other liabilities of the target;
- difficulties in integrating the brands, products, operations, distribution, marketing and promotion activities of the target;
- inability to generate sufficient revenue and profits to offset the costs of acquisition;

- potential loss of key employees of the target and cultural challenges associated with integrating employees from the target into our organization;
- inability to maintain the key business relationships;
- onerous obligations under the terms of our acquisition, with which we may not be able to comply;
- diversion of resources from our existing business;
- necessity of our management or design team to develop expertise in new areas, manage new business relationships and attract new types of customers;
- exposure to disputes and unknown liability in relation to the target; and
- increased difficulty in maintaining or assessing our standards, internal controls, procedures, policies or financial reporting.

Moreover, acquiring companies based outside of India involves additional risks, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. We may not be able to satisfy certain regulatory requirements for such acquisitions. If an acquisition is unsuccessful as a result of any of the above risks, we may face additional costs, and may have to divest the acquisition, which can be costly and time-consuming. In the future, any inability on our part to identify suitable acquisition opportunities, reach agreements with such parties, complete such acquisitions or obtain the necessary financing could adversely affect our business, results of operations and financial condition.

28. Our international operations may expose us to management, legal, and economic risks, which could adversely affect our business and results of operations.

In addition to our franchisee-owned EBOs in India, we have an overseas presence with 11 franchisee-owned EBOs in the United States, the United Arab Emirates and Canada, and intend to grow our presence overseas. We are subject to risks related to our international presence, which may include risks in connection with compliance with local laws, regulations and restrictions on the trade, import and export of our attires and accessories and cultural and language factors. Further, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations generally. We may also face difficulties in integrating our sales and supply chains to these countries into our existing operations and effectively managing them. Our inability to do so may affect our profitability from such countries, which may adversely affect our business and results of operations.

29. Non-compliance with existing or changes to environmental, health and safety, labour laws and other applicable regulations by us or our jobbers may adversely affect our business, financial condition, results of operations and cash flows.

Our operations, such as our warehousing and manufacturing activities pursuant to arrangements entered into with our workers and jobbers, as well as certain outlets owned by our subsidiary, Manyavar Creations Private Limited, are subject to extensive laws and government regulations, including in relation to safety, health and environmental protection. We, as well as such jobbers, are also subject to the laws and regulations governing relationships with employees in areas such as minimum wages, maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour, work permits, maintenance of regulatory and statutory records and making periodic payments. See “*Key Regulations and Policies in India*” on page 156. We and such jobbers may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities. We and such jobbers may become involved or liable in litigation or other proceedings, incur increased costs or penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business and results of operations.

We have incurred and expect to continue incurring costs for compliance with all applicable environmental, health and safety, and labour laws and regulations. We cannot assure you that we and such jobbers will be able to comply with all applicable environmental, health, safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of our production and operations. While we have undertaken

actions to comply with relevant regulations, there are currently nine pending legal metrology matters against us. We may, in future, be held liable for any regulatory lapses and non-compliances and incur increased costs or be subject to penalties, which are not covered by the insurance we currently carry. Any of the above may adversely affect our business, financial condition, results of operations and cash flows.

In addition, we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in India, generally for carrying out our business. A majority of these approvals are granted for a limited duration and require renewal. Further, while we have applied for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected. For details of such approvals, including the approvals and registrations that we have applied for and are pending renewal or have not applied for see “*Government and Other Approvals*” on page 307.

30. *There are outstanding legal proceedings involving us, our Subsidiary, our Directors and our Promoters.*

There are outstanding legal proceedings involving us, our Subsidiary, our Directors and our Promoters. These proceedings are pending at different levels of adjudication before various judicial authorities, from which further liability may arise. The amounts involved in these proceedings have been summarized to the extent ascertainable and quantifiable. For further details, see “*Outstanding Litigation and Material Developments*” on page 297.

A summary of outstanding litigation proceedings involving our Company, our Subsidiary, Directors and our Promoters as on the date of this Red Herring Prospectus is provided below. As on date of this Red Herring Prospectus, there are no outstanding litigations involving our Group Companies, which may have a material impact on our Company.

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved* (₹ in million)
<i>Company</i>						
By the Company	Nil	Nil	Nil	Nil	2	Nil
Against the Company	3	10	6	Nil	1	240.53
<i>Directors</i>						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	3	1	Nil	Nil	183.08
<i>Promoters^{\$}</i>						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	3	1	Nil	Nil	183.08
<i>Subsidiary</i>						
By the Subsidiary	1	Nil	Nil	Nil	1	2.83
Against the Subsidiary	Nil	Nil	2	Nil	Nil	Nil

*To the extent quantifiable.

\$As on the date of this Red Herring Prospectus, outstanding litigation involving our Promoters and our Directors pertain to the same litigations.

For further details of the outstanding litigation proceedings, see “*Outstanding Litigation and Other Material Developments*” on page 297.

In relation to such outstanding litigation matters involving our Company, Directors and Promoters, the amounts and interests involved in many pending litigations are not ascertainable or quantifiable and are hence not disclosed. We cannot assure you that any of these proceedings will be decided in favor of our Company, Directors and Promoters, or that no further liability will arise out of these proceedings. Such proceedings could, however, divert management time and attention, and consume financial resources in their defense or prosecution. Further, an adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition and results of operations.

31. *If we are unable to obtain, protect or use our intellectual property rights, our business may be adversely affected.*

We rely on our intellectual property which includes our trademarks, designs, copyrights as well as domain names. As of September 30, 2021, we own 209 trademarks in India relating to our brands under several classes, and have 35 applications pending for registration of certain other trademarks. We have also registered five copyrights in India. Outside India, as of September 30, 2021, we own 70 trademarks in countries including the United Kingdom, Australia, Bangladesh, Canada, China, European Union (OHIM), Malaysia, Mauritius, Nepal, Nigeria, Saudi Arabia, Singapore, South Africa, Sri Lanka, the United Arab Emirates and the United States of America, and have 19 applications pending for registration in Bangladesh, Sri Lanka, South Africa, Pakistan and New Zealand. Our intellectual property rights and domain names may expire, and we cannot assure you that we will be able to renew them after expiry. Certain of our intellectual property rights, including those for certain products that we currently sell, are either objected to or are otherwise under dispute. If any of these trademarks are registered in favor of a third party, we may not be able to claim registered ownership of such trademarks, and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive position and, in turn, our business, financial condition and results of operations. For further details, see “*Government and Other Approvals – Intellectual Property*” on page 308.

While we intend to defend against any threats to our intellectual property, we cannot assure you that our intellectual property rights can be adequately protected in a timely manner. We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand names, packaging material and attempting to create counterfeit products. We believe that there may be other companies or vendors which operate in the unorganized segment using our tradename or brand names. For instance, a third-party, Manyavar Dulha House, used the brand name “Manyavar” as their own store name. We have obtained injunctions against them preventing them from using the term “Manyavar”, and a court order was issued penalizing them. Such activities of infringement, passing-off or counterfeiting may harm the reputation of our brand and sales of our products, which could in turn adversely affect our business. We rely on protections available under Indian law, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business. See “*Outstanding Litigation and Material Developments – Trademark Rectification Matters*” on page 301.

Further, while we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. If such claims are raised against us in the future, they could result in costly litigation, divert management’s attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease use of certain of our brands, can result in significant damages being awarded and injunctions that could prevent the manufacture and sale of the relevant products. Any of the foregoing could have an adverse effect on our business.

32. *Increased losses due to fraud, employee financial misappropriation or negligence, theft or similar incidents may have an adverse effect on us.*

Our business and the industry we operate in are vulnerable to the problem of pilferage by employees, damage, misappropriation of cash or inventory and logistical errors. An increase in product losses occurring to our stock in transit or located at our warehouses may require us to install additional security and surveillance equipment and incur additional expenses towards inventory management and handling. We have an employee code of conduct that regulates employee usage and access to our cash, inventory and assets, including (i) a

prohibition on employees accessing our property and equipment for personal use, (ii) restrictions on employees giving and receiving gifts and (iii) mandatory verification and proof of expenditure for all reimbursements to be made to employees. We also have a whistleblower policy which facilitates the anonymous reporting of any wrongdoing within the Company. We cannot assure you if these measures will successfully prevent such losses. Additionally, in case of losses due to theft, financial misappropriation, fire, breakage or damage caused by other casualties, we cannot assure you that we will be able to recover from our insurers the full amount of any such loss in a timely manner, or at all. See “— *Internal Risk Factors — Risks Related to Our Business — Our insurance coverage may not be sufficient or adequate to cover our losses or liabilities. If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected.*” on page 49. In addition, if we file claims under an insurance policy it could lead to increases in the insurance premiums payable by us.

33. *We have significant working capital requirements and may require additional financing. If we fail to obtain additional financing on terms acceptable to us, or otherwise experience insufficient cash flows to fund our working capital, there may be an adverse effect on our business and results of operations.*

Our business requires significant working capital, such as to finance the purchase of raw materials, finished goods, payments for outsourced manufacturing processes and operating expenses for the operation of our warehouses before we receive payment from our counterparties. In addition, the actual amount of our future capital requirements may differ from estimates as a result of, among other factors, cost overruns, unanticipated expenses, regulatory changes, economic conditions, additional market developments and new opportunities in the celebration wear industry. These factors may result in increases in the amount of our trade receivables and write-offs of trade receivables, and may result in the incurrence of future short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our business and results of operations.

While we currently do not have any outstanding debt, if we decide to raise additional funds in the future through the incurrence of debt, our interest and debt repayment obligations will increase or arise. Such debt could also be on variable interest rates. We cannot assure you that such obligations will be undertaken on favorable terms. This will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our indebtedness (if any), general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. In particular, any future performance issues on our part or in our industry may result in a downgrade in the credit ratings in respect of our borrowings, which may increase interest rates for our future borrowings and adversely affect our ability to borrow on a competitive basis or to renew maturing debt, as well as additional terms and conditions being included in any subsequent financing arrangements. As of May 18, 2021, we had been assigned a rating of “AA-/Stable” by CRISIL for our bank loan facilities up to ₹ 1,200.00 million. We may also become subject to additional restrictive covenants in the financing agreements we may enter into, which could limit our ability to access cash flows from operations and undertake certain types of transactions. If any of the foregoing were to occur, our expansion plans, our business, financial condition and results of operations may be adversely affected. Further, any issuance of equity would result in a dilution of the shareholding of existing shareholders, decrease in earnings per Equity Share and could adversely impact our Equity Share price.

34. *Our inability to meet any future obligations, including financial and other covenants under the debt financing arrangements that we may enter into, could adversely affect our business and results of operations.*

As of September 30, 2021, we did not have any outstanding indebtedness. However, our ability to service any future debt we might incur will depend primarily on our future cash flows, and we may not be able to generate sufficient cash to do so. If we fail to service the debt repayment obligations that we may undertake, the relevant lenders could declare us to be in default.

Our financing agreements may contain certain restrictive covenants that limit our ability to undertake certain types of actions, any of which could adversely affect our business and financial condition. We could be required to obtain prior approval from or provide prior information to our lenders for several types of corporate actions such as change in business, mergers or acquisitions, restructurings, change in control or management, sales of brands among others.

Any failure in the future to satisfactorily comply with any condition or covenant under the financing agreements (including technical defaults) we may enter into, may lead to a termination of one or more of our credit facilities, acceleration of amounts due under such facilities, and enforcement of events of default as well as cross-defaults under certain other financing agreements we may enter into, any of which may adversely affect our business, financial condition and results of operations.

Further, we may in the future grant security interests over certain of our assets, including mortgage of certain immovable properties of our Company, charge on all movable fixed assets of our Company, charge on present and future stocks and book debts of our Company and hypothecation of entire current assets of our Company, including plant and equipment, in order to secure our borrowings, and any failure to satisfy any obligations under such borrowings could lead to the forced sale and seizure of any assets secured as such, which may adversely affect our business, financial condition and results of operations.

35. *Our registered and corporate office is utilized on a leasehold basis, and we lease certain EBO premises. If we are unable to comply with the terms of these leases, renew our agreements or enter into new agreements on favorable terms, or at all, our business and results of operations may be adversely affected.*

We do not own our registered and corporate office situated at Paridhan Garment Park, 19, Canal South Road, SDF-1, 4th Floor, A501-502, Kolkata 700 015, West Bengal, which we utilize on a leasehold basis. As of September 30, 2021, we have entered into lease agreements for 239 premises. In the last three financial years and the six month period ended September 30, 2021, a total of 37 lease agreements have been terminated by the Company, out of which 18 lease agreements were entered into for replacement stores. There has been no significant impact on the Company on account of the termination of such lease agreements. For further details, see “*Our Business — Properties*” on page 155. As most of our franchisee-owned EBOs are held on a leasehold basis, lease costs account for a significant portion of our expenses. Our rent and hire charges, including as a percentage of our revenue from operations, may increase in the future as we seek to increase the number of our retail stores, expand our warehousing operations and due to contractual escalation of rents payable in accordance with the lease agreements entered into by us. The lease periods and rental amounts for these properties vary on the basis of their locations.

Under the terms of some of our lease arrangements, we are required to comply with certain ongoing conditions which include, among other things, using the leased premises for only authorized purposes. We cannot assure you that we will be able to fully comply with all the terms of the lease deeds which we have entered into. If we fail to meet any such conditions, we may incur liability, and the lease(s) may be terminated. Our failure to maintain or renew such agreements on favorable conditions and in a timely manner, or at all, could require us to vacate such facilities and lease alternative locations, which may not be on commercially acceptable terms. In particular, certain of our franchisee-owned EBOs rely heavily on their attractive locations for their sales, and suitable alternative premises may not be unavailable. If such EBOs are required to relocate or discontinue our business operations in certain areas, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial condition.

36. *Our Statutory Auditors have included certain comments in the annexure to their Auditor’s reports on the standalone Ind AS financial statements for the Financial Years 2021, 2020 and 2019 issued under the Companies (Auditor’s Report) Order, 2016 (as amended). If similar comments are included in the Statutory Auditors’ reports or their annexures for our financial statements in the future, the trading price of our Equity Shares may be adversely affected.*

Our Statutory Auditor’s reports on the standalone Ind AS financial statements for the Financial Years 2021, 2020 and 2019 included a statement on certain matters specified in the Companies (Auditor’s Report) Order, 2016 (as amended), which contained the observations below.

In respect of the Financial Year 2019:

- registration of title deeds of certain immovable properties, aggregating net block of ₹ 482.07 million as at March 31, 2019, were in progress; and
- there were disputed statutory dues in relation to value added tax, aggregating to ₹ 1.76 million, which were pending before the appropriate authorities.

In respect of the Financial Years 2020 and 2021:

- there were disputed statutory dues in relation to value added tax, aggregating to ₹ 0.56 million, which were pending before the appropriate authorities.

If similar comments are included in the Statutory Auditor's reports or their annexures for our financial statements in the future, the trading price of our Equity Shares may be adversely affected.

37. *We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.*

The following table sets forth our contingent liabilities as of September 30, 2021, as derived from our Restated Consolidated Financial Statements as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets':

Particulars	As of September 30, 2021
	(₹ in million)
Demands/claims by various government authorities and other claims not acknowledged as debts:	
Commercial sales tax of various states	0.99
Income tax demands (excluding interest)	155.42
Demand for employee state insurance	6.98

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialize, our financial condition and results of operations may be adversely affected. For further information, see "Outstanding Litigation and other Material Developments — Outstanding litigation proceedings against our Company — Tax Proceedings" on page 301.

38. *Our insurance coverage may not be sufficient or adequate to cover our losses or liabilities. If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected.*

We currently maintain various types of insurance coverage. Our principal types of insurance coverage include comprehensive general coverage, consequential loss policy for consequential losses resulting from interruptions of our business and operations caused by events including fire, burglary, money, accidents and other natural disasters, cyber protect premium digital business and data protection insurance and commercial crime insurance. We also maintain insurance coverage for transit of goods or stock. We also have a directors and officer's liability insurance policy and key person policy, commercial and industrial care packages, group mediclaim, accident and term life policies, laptop insurance, as well as a comprehensive general liability policy. As of September 30, 2021, we had insured ₹ 763.76 million and ₹ 1,236.95 million, respectively, of our total tangible assets and inventory, which represented more than 100% and 100%, respectively, of the written down value of our total tangible assets and inventory. While we maintain insurance coverage in amounts that we believe are consistent with industry norms and would be adequate to cover the normal risks associated with the operation of our business, such as risks to relating to our assets and data protection, warehouse, inventory, employees, supply chain. Our insurance policies do not cover all risks and are subject to exclusions and deductibles. In addition, we cannot assure you that any claim under the insurance policies maintained by us will be honored fully, in part or at all, or on time, or that we have taken out sufficient insurance to cover all our potential losses. These insurance policies are generally valid for a year and are renewed annually on expiry. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. For further details on insurance arrangements, see "Our Business — Insurance" on page 154.

We could be held liable for accidents that occur during the course of our operations. In particular, our business and assets are subject to hazards inherent in manufacturing facilities and could suffer damage from risks of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage, resulting in the suspension of operations. We may also be subject to product liability claims.

Such damage and losses may not be fully compensated by insurance. If any or all of our facilities are damaged in whole or in part or we are subject to litigation or claims or our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result. To the extent that we suffer loss or damage for which we have not obtained or maintained

insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us. If we suffer a large uninsured loss or if any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition, results of operations and cash flows may be adversely affected.

39. *Our Promoters will be able to exercise significant influence and control over us after the Offer and may have interests that are different from or conflict with those of our other shareholders.*

After the completion of the Offer, our Promoters, Ravi Modi, Shilpi Modi and Ravi Modi Family Trust, will, by virtue of their shareholding, have the ability to exercise significant control and influence over our Company and our affairs and business, including the appointment of Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger or sale of substantially all of our assets and the approval of most other actions requiring the approval of our shareholders. The interests of our Promoters may be different from or conflict with the interests of our other shareholders in material aspects and, as such, our Promoters may not make decisions in our best interests. For more details, see the section “*Our Management*” on page 166. Their influence may also result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to our other shareholders.

Further, while our Promoters do not, as of the date of this Red Herring Prospectus, engage in any other business activities similar to our business lines, we cannot assure you that such a conflict will not arise in the future, or that we will be able to suitably resolve any such conflict without an adverse effect on our business or operations. Further, we cannot assure you that our Promoters or Group Companies will not undertake or acquire interests in competing ventures in the locations or segments in which we operate. Conflicts of interest may arise in the future, which may adversely affect our business, financial condition and results of operations.

40. *Certain of our Key Management Personnel may be interested in our Company other than in terms of remuneration and reimbursement of expenses.*

Some of our Key Management Personnel are interested in our Company, in addition to regular remuneration or benefits (including discretionary performance-based incentives) and reimbursement of expenses, to the extent of their shareholding, direct and indirect, and stock options in our Company and benefits arising therefrom. Our Promoters are also interested in our Company to the extent of their shareholding in our Company and any benefits arising therefrom. We cannot assure you that our Promoter, some of our Directors and key management personnel will always exercise their rights as shareholders to the benefit and best interest of our Company.

41. *We have in the past entered into related-party transactions and may continue to do so in the future.*

We have entered into certain transactions with related parties and are likely to continue to do so in the future. For the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, our sale of products (including taxes) to related parties (after eliminating inter company transactions) was ₹ 314.47 million, ₹ 335.92 million, ₹ 226.92 million, ₹ 13.56 million and ₹ 141.96 million, respectively, constituting 3.84%, 3.54%, 3.63%, 1.25% and 3.67% of our total income, respectively. The arithmetic aggregated absolute total of related party transactions (before elimination of inter company transactions) as a percentage of our revenue from operations, was 8.85%, 21.55%, 24.08% and 80.79% (which consists of 69.15% on account of buy back of shares (excluding taxes)) for the Financial Years 2019, 2020 and 2021 and the six month period ended September 30, 2021, respectively. For the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, our arithmetic aggregate absolute total of expenses from related parties (after eliminating inter company transactions) were ₹ 185.22 million, ₹ 212.03 million, ₹ 149.47 million, ₹ 41.97 million and ₹ 92.22 million, respectively, constituting 3.37%, 3.33%, 3.37%, 3.22% and 3.62% of our total expenses, respectively. For details on our related-party transactions, see “*Related Party Transactions*” on page 261.

All related party transactions entered into by us in the last three financial years and the six months ended September 30, 2021 and September 30, 2020 have been at arms’ length and in the interests of our Company. Although all related-party transactions that we may enter into in the future are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties. Such related party transactions in the future

or any other future transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition and results of operations.

42. *We are subject to risks arising from exchange rate fluctuations.*

Although our reporting currency is Indian Rupees, we may be exposed to exchange rate fluctuations, as we transact a portion of our business in several other currencies, primarily in U.S. Dollars, United Arab Emirates Dirhams and Canadian Dollars. For the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, our total revenue from contracts with customers outside India amounted to ₹ 106.85 million, ₹ 167.43 million, ₹ 96.06 million, ₹ 36.94 million and ₹ 159.78 million, respectively, representing 1.33%, 1.83%, 1.70%, 5.15% and 4.44%, respectively, of our revenue from operations. While we generally have not imported materials from outside India or incurred debt denominated in foreign currency as of September 30, 2021, we may do so in the future and face corresponding exchange rate fluctuations. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our business, financial condition, results of operations and cash flows.

We closely monitor our exposure to foreign currencies and selectively enter into derivative contracts to hedge our exposure to movements in foreign exchange rates. However, these activities may not be sufficient to protect us against incurring potential foreign exchange related losses. Our use of these derivatives broadly subjects us to market and credit risk, including counterparty credit risk and the risk of incurring financial losses when foreign exchange rates move contrary to expectations or if our risk management procedures prove to be inadequate, which could adversely affect our results of operation, liquidity and financial condition. For further details on our foreign currency exposure that we hedge by derivative instruments, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operation – Off-Balance Sheet Commitments and Arrangements*” on page 292.

43. *We have presented certain supplemental information of our performance and liquidity which is not prepared under or required by Ind AS.*

This Red Herring Prospectus includes certain non-GAAP financial measures such as EBITDA, EBITDA margin, ROCE, net worth and net asset value per share (“**Non-GAAP Measures**”), which are supplemental information of our performance and liquidity that are not required by, or presented in accordance with, Ind AS. Further, these Non-GAAP Measures and other statistical and other information relating to operations and financial performance are not a measurement of our financial performance or liquidity under Ind AS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS. In addition, these Non-GAAP Measures are not standardised terms, hence a direct comparison of similarly titled Non-GAAP Measures of other companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting their utility as comparative measures. Although the Non-GAAP Measures are not measures of performance calculated in accordance with applicable accounting standards, our management believes that they are useful to an investor in evaluating us because it is widely used measures to evaluate a company’s operating performance. See also “*Other Financial Information*” on page 258.

Further, the Non-GAAP Measures may be different from financial measures and statistical information disclosed or followed by other companies in our industry. The Non-GAAP Measures relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies in our industry. Accordingly, investors should not place undue reliance on the Non-GAAP financial information included in this Red Herring Prospectus.

44. *This Red Herring Prospectus contains information derived from third parties and extracted from an industry report prepared by an independent third-party research agency, CRISIL, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer.*

The industry and market information contained in this Red Herring Prospectus includes information that is obtained or derived from the report titled “*Assessment of the apparel industry with a special focus on Indian wedding and celebration wear market in India*” dated September 2021 as updated by the addendum dated December 2021 prepared by CRISIL, an independent third-party research agency appointed and paid for by the Company exclusively in connection with the Offer. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Red Herring Prospectus. There are no material parts, data or information (which may be relevant for the proposed issue), that have been left out or changed in any manner. The CRISIL Report has been commissioned and paid for by us for the purposes of confirming our industry exclusively in connection with the Offer. The report uses certain methodologies for market sizing and forecasting. Accordingly, investors should read the industry related disclosure in this Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. For further details, including disclosures made by CRISIL in connection with the preparation and presentation of their report, see “*Certain Conventions, Use of Financial Information and Market Data and Current of Presentation*” on page 12.

45. *Some of the records with respect to a transfer made to one of our Promoters are not traceable.*

A share transfer deed pertaining to a transfer of 100 equity shares of face value of ₹ 10 (amounting to a negligible percentage of the issued and paid-up capital of our Company) each made to our individual Promoter, Ravi Modi on September 26, 2006, is not traceable. Accordingly, reliance has been placed on minutes of the meetings of the Board taking note of such transfer, in order to make disclosures in this Red Herring Prospectus. Our Company believes that it continues to strengthen its internal systems and processes in relation to data and document storage. For details, see “*Capital Structure – Build-up of the Promoters’ shareholding in our Company*” on page 87.

EXTERNAL RISK FACTORS

Risks Related to India

46. *Political, economic or other factors that are beyond our control may have an adverse effect on our business, financial condition, results of operations and cash flows.*

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. Currently, we manufacture only in India and derive most of our sales in India, which are thus dependent on prevailing economic conditions in India. Our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporates;
- volatility in, and actual or perceived trends in trading activity on, India’s principal stock exchanges;
- changes in India’s tax, trade, financial year or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India’s various neighboring countries;
- occurrence of natural or man-made disasters (such as hurricanes, typhoons, floods, earthquakes, tsunamis and fires) which may cause us to suspend our operations;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the Indian markets as well as result in a loss of business confidence in Indian companies; and

- epidemics, pandemics or any other public health concerns in India or in countries in the region or globally, including in India's various neighboring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 pandemic;
- prevailing regional or global economic conditions, including in India's principal export markets;
- any downgrading of India's debt rating by a domestic or international rating agency;
- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
- logistical and communications challenges;
- financial instability in financial markets;
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis;
- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so; and
- other significant regulatory or economic developments in or affecting India.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, financial condition and results of operations, and the price of the Equity Shares.

47. *Changing laws, rules and regulations and legal uncertainties, including any adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.*

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, the Taxation Laws (Amendment) Act, 2019, a tax legislation issued by India's Ministry of Finance effective as of September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains tax on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Further, the Government of India has announced the union budget for Fiscal 2022, pursuant to which the Finance Bill, 2021 ("**Finance Bill**"), has introduced various amendments. The Finance Bill has received assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021 ("**Finance Act**").

The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Any further changes in laws may have an impact on our results of operations. We may incur increased costs and other burdens relating to compliance with new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a

limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our businesses in the future.

48. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.*

The Competition Act, 2002, as amended (the “**Competition Act**”) was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India (the “**CCI**”) to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished.

The combination regulation (merger control) provisions under the Competition Act require that the acquisition of shares, voting rights, assets or control or mergers or amalgamations which exceed any of the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. Any breach of the provisions of the Competition Act by our Company may attract substantial monetary penalties.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, certain agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. Any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, financial condition and results of operations.

49. *Any downgrading of India’s debt rating by an international rating agency could have a negative impact on our business.*

Our access to the debt markets and our costs of financing depend significantly on the credit ratings of India. India’s sovereign rating decreased from Baa2 with a “negative” outlook to Baa3 with a “negative” outlook by Moody’s and from BBB- with a “stable” outlook to BBB- with a “negative” outlook (Fitch) in June 2020; and from BBB “negative” to BBB (low) “stable” by DBRS in May 2021. India’s sovereign ratings from S&P is BBB- with a “stable” outlook. Any further adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any additional overseas financing. A downgrading of India’s credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business.

50. *Current economic conditions may adversely affect our business, results of operations and financial condition.*

The global economy is currently undergoing a period of unprecedented volatility, and the future economic environment may continue to be less favorable than that of recent years. We are exposed to many different companies, including our counterparties under our various manufacturing, sale and franchise agreements, co-branding, raw materials and finished goods supply, as well as other similar arrangements, any of which may be or become unstable in the current economic environment, and any such events could adversely affect our business, financial condition and results of operations.

51. *If the rate of Indian price inflation increases, our business and results of operations may be adversely affected.*

Inflation rates in India have been volatile in recent years, and such volatility may continue. In recent years, India has experienced consistently high inflation, which has increased the price of, among other things, our rent, raw materials and wages. If this trend continues, we may be unable to accurately estimate or control our costs of production and purchase, which could have an adverse effect on our business and results of operations. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. We cannot assure you that Indian inflation levels will not worsen in the future.

52. *Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which may affect investors' assessments of our Company's financial condition.*

Our Restated Consolidated Financial Statements for Financial Years 2021, 2020 and 2019 and the six months ended September 30, 2020 and 2021 included in this Red Herring Prospectus are derived from our audited consolidated financial statements prepared in accordance with Ind AS or Ind AS 34, as applicable, specified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the requirements of Section 26 of Part 1 of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectus (Revised 2019) (as amended) issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP.

We have not attempted to explain in a qualitative manner the impact of the IFRS or U.S. GAAP on the financial information included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP, which may differ from accounting principles with which prospective investors may be familiar in other countries. Accordingly, the degree to which the financial information included in this Red Herring Prospectus, which are restated as per the SEBI ICDR Regulations, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the SEBI ICDR Regulations, on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

53. *Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.*

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under foreign exchange regulations which are currently in force in India, transfer of shares between non-residents and residents is freely permitted (subject to certain restrictions), if they comply with the valuation and reporting requirements specified under applicable law. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Further, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a

country which shares a land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular term or at all in the case of such investment, subscription, purchase or sale of equity instruments, with or without any particular terms or conditions. For further information, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 353. Our ability to raise any foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, financial condition, cash flows, results of operations and prospects.

54. *Our ability to raise foreign debt may be constrained by Indian law.*

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

55. *Rights of shareholders under Indian laws may be different from laws of other jurisdictions.*

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights including in relation to class actions, under Indian law may not be as extensive as shareholders’ rights under the laws of other countries or jurisdictions.

56. *Investors may have difficulty in enforcing foreign judgments against our Company or our management.*

Our Company is a limited liability company incorporated under the laws of India. All of our directors and executive officers are residents of India. All of our Company’s assets are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons in India or to enforce judgments obtained outside India against our Company or such parties.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including the United Kingdom, Singapore, the United Arab Emirates, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended (“**Civil Procedure Code**”). The United States has not been notified as a reciprocating territory.

In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where the judgment has been obtained by fraud or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure Code, a court in India shall, on the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record; such presumption may be displaced by proving want of jurisdiction. The Civil Procedure Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. A foreign judgment rendered by a superior court (as defined under the Civil Procedure Code) in any jurisdiction outside India which the Government of India has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon

the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, entities, their directors and executive officers and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

Risks Related to the Offer

57. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The Offer Price of the Equity Shares has been determined by our Company in consultation with the BRLMs, and through the Book Building Process. This price is based on numerous factors, as described under “*Basis for Offer Price*” beginning on page 97, and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. As a result of these factors, we cannot assure you that investors will be able to resell their Equity Shares at or above the Offer Price.

58. Our Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop.

Prior to the Offer, there has been no public market for the Equity Shares, and after the Offer, an active trading market for the Equity Shares may not develop. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares has been determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors. Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all. There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly because of market volatility. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

59. Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of the Equity Shares, independent of our operating results.

On listing on the Stock Exchanges, the Equity Shares will be quoted in Indian Rupees and any dividends payable in respect of the Equity Shares will also be paid in Indian Rupees, to be subsequently converted into a relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India

the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by our shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on returns on the Equity Shares, independent of our operating results.

60. *Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.*

We may be required to finance our growth through future equity offerings. Any future issuance of Equity Shares, convertible securities or securities linked to Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company. Any future equity issuances by us may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares. We cannot assure you that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

61. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.*

Under the Companies Act, a company incorporated in India and having share capital must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of such equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise any pre-emptive rights granted in respect of the Equity Shares, your ownership position in our Company could be diluted.

62. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("STT") is levied both at the time of sale and acquisition of equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India.

Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital

gains at the rate of 10%, where the long-term capital gains exceed ₹ 100,000, subject to certain exceptions in case of resident individuals and HUF.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020.

The Government of India had announced the union budget for Fiscal 2022 and the Finance Act, 2021 received assent from the President of India on March 28, 2021 and was made effective from April 1, 2021. There is no certainty on the impact that the Finance Act, 2021 may have on our business and operations or in the industry we operate in. Additionally, the Finance Act does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

63. *Certain of our existing shareholders or future shareholders together may be able to exert substantial voting control over us, which may limit your ability to influence corporate matters.*

As on date of this Red Herring Prospectus, our Promoters and members of our Promoter Group shareholders beneficially owned an aggregate of 92.50% of our outstanding Equity Share capital. Our Promoters will continue to exercise control over our Company post listing and such shareholding may limit your ability to influence corporate matters that require shareholder approval. The Promoters and members of the Promoter Group may be able to exercise considerable influence over any matters requiring shareholder approval, including the election of directors, approval of lending and investment policies and the approval of corporate transactions, such as a merger or other sale of our Company or its assets or further fund-raising transactions.

64. *Our ability to pay dividends or conduct share buybacks in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and lender consents and we cannot assure you that we will be able to pay dividends or conduct share buybacks in the future.*

We currently intend to invest our future earnings, in part or in full, to fund our growth. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. In addition, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into, and any dividend payments we make may be subject to the prior consent of certain of our lenders pursuant to the terms of the agreements we have with them. For details, see “*Financial Indebtedness*” on page 295. Although we have paid dividends historically on the Equity Shares and also conducted share buyback programs in the past, we cannot assure you that we will choose, or be able, to pay dividends or conduct share buyback programs in the future. For further details, see “*Dividend Policy*” and “*Capital Structure*” beginning on pages 189 and 78, respectively.

65. *QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.*

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Institutional Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. While our Company is required to complete Allotment pursuant to the Offer within such period as may be prescribed under applicable law, events affecting the Bidders’ decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, financial condition and results of operations may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders’ ability to sell the Equity Shares allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

The Offer comprises of:	
Offer of Equity Shares by way of Offer for Sale by the Selling Shareholders ⁽¹⁾⁽²⁾ <i>which includes:</i>	Up to 36,364,838 Equity Shares, aggregating up to ₹[●] million
A) QIB Portion ⁽³⁾⁽⁴⁾ <i>of which:</i>	Not more than [●] Equity Shares up to ₹[●] million
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) <i>of which:</i>	[●] Equity Shares
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion ⁽⁴⁾	Not less than [●] Equity Shares up to ₹[●] million
C) Retail Portion ⁽⁴⁾	Not less than [●] Equity Shares up to ₹[●] million
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Red Herring Prospectus)	242,694,774 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Offer Proceeds	See “ <i>Objects of the Offer</i> ” on page 95. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Offer has been authorized by a resolution of our Board dated September 6, 2021.

(2) The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	Aggregate number of Equity Shares being offered in the Offer for Sale	Date of approval	Date of consent letter
Rhine	Up to 17,459,392 Equity Shares	September 2, 2021	September 2, 2021
Kedaara AIF	Up to 723,014 Equity Shares	August 28, 2021	September 2, 2021
Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited)	Up to 18,182,432 Equity Shares	August 28, 2021	September 2, 2021

The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale as part of the Offer for Sale in terms of the SEBI ICDR Regulations. Each Selling Shareholder, severally and not jointly, confirms that it has authorized the sale of its portion of the Offered Shares in the Offer for Sale.

- (3) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see “Offer Procedure” on page 335.
- (4) Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange.
- (5) Allocation to Bidders in all categories, except Anchor Investors, if any and Retail Individual Investors, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor shall not be less than

the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see “Offer Procedure” on page 335.

For details, including in relation to grounds for rejection of Bids, refer to “*Offer Structure*” and “*Offer Procedure*” on page 332 and 335, respectively. For details of the terms of the Offer, see “*Terms of the Offer*” on page 326.

SUMMARY FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Consolidated Financial Statements. The summary financial information presented below should be read in conjunction with “*Financial Information*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 190 and 262, respectively.

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SUMMARY OF RESTATED ASSETS AND LIABILITIES

(₹ in million)					
Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
ASSETS					
Non-current assets					
(a) Property, plant and equipment	763.76	780.01	794.76	817.43	736.61
(b) Right of use assets	2,209.10	2,212.29	2,034.70	2,460.22	1,963.30
(c) Capital work in progress	6.50	-	2.47	-	13.67
(d) Goodwill	157.11	157.11	157.11	157.11	157.11
(e) Other intangible assets	1,591.23	1,615.91	1,602.65	1,631.41	1,515.65
(f) Intangible assets under development	1.14	2.54	1.38	2.54	11.12
(g) Financial assets					
(i) Investments	559.61	468.58	799.78	460.39	251.78
(ii) Others	455.32	389.04	433.93	386.86	343.12
(h) Deferred tax assets (net)	14.34	17.75	15.61	6.05	0.49
(i) Other assets	620.66	628.57	621.82	628.77	629.23
(j) Non- current tax assets (net)	121.50	204.15	41.03	49.95	134.34
Total non-current assets	6,500.27	6,475.95	6,505.24	6,600.73	5,756.42
Current assets					
(a) Inventories	1,236.95	1,239.30	1,012.36	1,208.57	909.47
(b) Financial assets					
(i) Investments	2,004.88	2,462.56	4,555.92	3,549.42	1,692.33
(ii) Trade receivables	4,011.31	3,421.15	3,612.42	3,720.56	3,327.42
(iii) Cash and cash equivalents	42.98	53.53	66.10	88.66	21.39
(iv) Bank Balances other than (iii) above	4.94	107.88	4.96	110.37	1,172.53
(v) Others	235.17	161.44	163.30	131.23	17.33
(c) Other assets	418.53	420.47	336.22	420.62	288.18
(d) Current tax assets (net)	-	-	0.01	85.37	-
Total Current assets	7,954.76	7,866.33	9,751.29	9,314.80	7,428.65
Total Assets	14,455.03	14,342.28	16,256.53	15,915.53	13,185.07
EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital	242.44	247.87	247.87	250.46	250.46
(b) Other equity	8,351.09	9,158.63	10,666.23	10,409.68	8,577.24
Total Equity	8,593.53	9,406.50	10,914.10	10,660.14	8,827.70
Liabilities					
Non-current Liabilities					
(a) Financial liabilities					
(i) Lease liabilities	1,538.88	1,534.37	1,396.52	1,696.62	1,296.53
(ii) Deposits	815.96	740.13	817.90	736.75	634.25
(b) Provisions	30.56	26.63	26.01	23.40	17.34
(c) Deferred tax liabilities (net)	165.76	54.47	147.33	80.71	90.15

(₹ in million)					
Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(d) Other non-current liabilities	358.01	366.34	357.49	399.53	394.29
Total Non-current Liabilities	2,909.17	2,721.94	2,745.25	2,937.01	2,432.56
Current Liabilities					
(a) Financial liabilities					
(i) Borrowings	-	-	-	-	0.02
(ii) Lease liabilities	828.57	753.80	707.22	730.85	540.42
(iii) Trade payables					
- total outstanding dues of micro enterprises, small enterprises and medium enterprises	183.10	37.08	121.45	126.59	65.74
- total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises	430.69	222.11	377.48	377.44	515.35
(iv) Others	202.77	148.34	107.15	92.47	74.36
(b) Other current liabilities	1,281.08	1,002.01	1,239.16	940.43	726.43
(c) Provisions	4.16	3.73	3.78	3.83	2.49
(d) Current tax liabilities (net)	21.96	46.77	40.94	46.77	-
Total current liabilities	2,952.33	2,213.84	2,597.18	2,318.38	1,924.81
Total liabilities	5,861.50	4,935.78	5,342.43	5,255.39	4,357.37
Total equity and liabilities	14,455.03	14,342.28	16,256.53	15,915.53	13,185.07

SUMMARY OF RESTATED PROFIT AND LOSS

(₹ in million, except per share data)

Particulars	For the six months period ended September 30, 2021	For the six months period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Income:					
Revenue from operations	3,598.43	717.05	5,648.16	9,155.49	8,007.42
Other income	274.47	371.89	602.03	324.27	190.57
Total income	3,872.90	1,088.94	6,250.19	9,479.76	8,197.99
Expenses:					
Cost of materials used					
- Raw materials	419.72	122.48	554.85	928.61	742.08
- Accessories & packing materials	67.08	28.83	100.81	146.43	120.20
Purchases of stock-in-trade	582.13	70.45	707.61	1,682.39	1,367.39
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(163.88)	(140.94)	100.04	(245.21)	(3.81)
Employee benefits expense	230.32	171.31	381.07	532.96	472.13
Finance costs	122.35	134.15	258.22	256.06	196.30
Depreciation and amortisation expense	431.15	491.00	955.29	887.34	643.00
Other expenses	859.32	425.83	1,373.13	2,172.77	1,951.32
Total expenses	2,548.19	1,303.11	4,431.02	6,361.35	5,488.61
Profit/(loss) before tax	1,324.71	(214.17)	1,819.17	3,118.41	2,709.38
Tax expense/(credit):					
-Current tax {includes charge for earlier period/years (September 30, 2021 - Nil) (September 30, 2020 - Nil) (March 31, 2021 - Nil) (March 31, 2020 - ₹ 0.15 million) (March 31, 2019 - ₹ 1.21 million)}	320.28	-	433.30	796.51	865.67
-Deferred tax charge/(credit)	20.36	(37.70)	56.84	(44.47)	79.44
Profit/(loss) for the period/year	984.07	(176.47)	1,329.03	2,366.37	1,764.27
Other comprehensive income/(loss) for the period/year					
Item that will not be subsequently reclassified to profit or loss					
(a) Re-measurement gains/(losses) on defined benefit obligations	(2.56)	(0.98)	0.88	(2.23)	1.64
(b) Income tax effect on above	0.65	0.25	(0.22)	1.23	(0.57)
Total other comprehensive income/(loss), net of tax	(1.91)	(0.73)	0.66	(1.00)	1.07
Total comprehensive income/(loss) for the period/year	982.16	(177.20)	1,329.69	2,365.37	1,765.34
Earnings per equity share (EPS) (face value of share of INR 1 each) (EPS for six months period ended September 30, 2021 and September 30, 2020 is not annualised)					
Basic (in INR per share)	4.01	(0.71)	5.36	9.45	7.04
Diluted (in INR per share)	4.01	(0.71)	5.36	9.45	7.04

* Pursuant to a resolution of our shareholders dated July 16, 2021, each equity share of our Company of face value of ₹ 2 was sub-divided into 2 equity shares of face value of ₹ 1 each. All per share data has been calculated after giving effect to such sub-division in accordance with principles of Ind AS 33- "Earnings per share".

SUMMARY OF RESTATED CASH FLOWS

(₹ in million)					
Particulars	For the six months period ended September 30, 2021	For the six months period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
<u>A. Cash Flow from Operating Activities</u>					
Profit/(loss) before tax	1,324.71	(214.17)	1,819.17	3,118.41	2,709.38
Adjustments for :					
Depreciation & amortisation expenses	431.15	491.00	955.29	887.34	643.00
(Profit)/Loss on sale/ discard of property, plant and equipment (net)	(0.59)	(0.98)	(7.22)	1.56	(8.20)
Profit on sale of investments in subsidiary	(0.61)	-	-	-	-
Interest income	(30.36)	(88.77)	(136.97)	(158.06)	(49.91)
Dividend income from mutual funds	-	-	-	(38.09)	(39.11)
Profit on sale of investments	(33.31)	(21.57)	(47.24)	(62.87)	(76.35)
Profit on fair valuation of investments carried at FVTPL	(54.40)	(7.16)	(31.42)	(15.14)	(3.77)
Provision for doubtful debts & advances	1.94	10.39	26.38	12.60	2.56
Bad debts/advances written off	1.30	0.01	4.20	3.22	0.82
Liabilities/provisions no longer required written back	(12.92)	(0.50)	(16.07)	(14.92)	(5.56)
Unrealised net loss/(gain) on foreign currency transactions and translations	0.14	(0.24)	(0.24)	(1.03)	0.23
Rent concession on lease arrangements	(71.65)	(248.72)	(338.97)	-	-
Gain on termination of lease arrangements	(12.78)	(0.58)	(13.52)	-	-
Finance cost on lease liabilities	99.05	106.15	204.70	208.57	152.80
Finance cost on others	23.30	28.00	53.52	47.49	43.50
Operating profit before working capital changes	1,664.97	52.86	2,471.61	3,989.08	3,369.39
Movement in working capital:					
Increase in other financial assets	(99.95)	(0.99)	(68.34)	(111.70)	(65.11)
(Increase)/decrease in non financial assets	(89.94)	(1.81)	80.92	(105.29)	(27.67)
(Increase)/decrease in trade receivables	(396.27)	289.26	115.84	(356.26)	(165.15)
(Increase)/decrease in inventories	(224.59)	(30.72)	196.22	(299.11)	(15.58)
Increase in provisions	2.37	2.15	3.44	5.32	5.62
Increase/(decrease) in trade payables	121.76	(244.43)	(27.07)	(84.20)	153.08
Increase in other financial and non financial liabilities	48.39	27.22	98.44	146.93	48.23
Cash Generated from operations	1,026.74	93.54	2,871.06	3,184.77	3,302.81

		(₹ in million)				
Particulars		For the six months period ended September 30, 2021	For the six months period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Income tax paid (net of refund)		(419.73)	(68.83)	(344.84)	(750.30)	(954.43)
Net cash flow from operating activities	(A)	607.01	24.71	2,526.22	2,434.47	2,348.38
<u>B. Cash Flow from Investing Activities</u>						
Purchase of property, plant and equipments, capital work in progress & intangible assets (including capital advances)		(11.91)	(18.18)	(124.99)	(284.39)	(100.57)
Proceeds from sale of property, plant and equipments & intangible assets (including advance received)		79.31	53.68	275.69	100.19	27.80
Interest received		43.31	27.44	110.75	69.42	1.63
Dividend income from investments		-	-	-	38.09	39.11
Proceeds from sale of Investment in subsidiary Company		1.00	-	-	-	-
Purchase of investments		(3,297.65)	(1,078.46)	(8,033.85)	(9,784.82)	(5,843.07)
Sale/redemption of investments		5,996.57	2,493.76	6,609.97	8,339.92	5,380.19
Bank Balances not considered as cash and cash equivalents:						
- Deposits placed		-	(575.04)	(727.54)	(886.28)	(1,170.00)
- Deposits matured		175.00	300.04	1,005.82	1,450.50	36.00
Net cash flow from/(used) in investing activities	(B)	2,985.63	1,203.24	(884.15)	(957.37)	(1,628.91)
<u>C. Cash flow from Financing Activities</u>						
Repayment of cash credit		-	-	-	-	(126.00)
Repayment of short term borrowings		-	-	-	(0.02)	(0.93)
Principal payment of lease liabilities		(201.23)	(73.18)	(373.41)	(594.63)	(428.45)
Interest on lease liabilities		(99.05)	(105.12)	(204.70)	(208.57)	(152.80)
Interest paid other than interest on lease liabilities		(2.17)	(0.37)	(2.11)	(2.74)	(1.72)
Dividend Paid (including Corporate Dividend Tax)		-	-	-	(603.87)	-
Buy Back of shares (including Tax)		(3,313.31)	(1,084.41)	(1,084.41)	-	-
Net cash used in financing activities	(C)	(3,615.76)	(1,263.08)	(1,664.63)	(1,409.83)	(709.90)
Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)		(23.12)	(35.13)	(22.56)	67.27	9.57
Cash and Cash Equivalents at the beginning of the period/year		66.10	88.66	88.66	21.39	11.82
Cash and Cash Equivalents at the end of the period/year		42.98	53.53	66.10	88.66	21.39
Components of Cash & Cash Equivalents						
Balance with Banks		42.66	53.29	65.67	88.34	21.08
Cash on hand		0.32	0.24	0.43	0.32	0.31

(₹ in million)						
Particulars		For the six months period ended September 30, 2021	For the six months period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash and Cash Equivalents as at the end of the period/year		42.98	53.53	66.10	88.66	21.39
Non-cash investing activities						
Acquisition of Right-of-use assets		658.07	189.63	516.13	1,185.17	2,265.39

GENERAL INFORMATION

Our Company was originally incorporated as “*Vedant Fashions Private Limited*” at Kolkata, West Bengal, as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 24, 2002, issued by the RoC. Pursuant to a takeover agreement dated June 1, 2002, the business of a proprietorship firm by the name of “*M/s Vedant Creation*”, which was being carried out by one of our individual Promoters namely Ravi Modi, was transferred to our Company as a going concern. Subsequently, our Company was converted into a public limited company under the Companies Act, 2013, pursuant to the approval accorded by our Shareholders at their extra-ordinary general meeting held on July 16, 2021. Consequently, the name of our Company was changed to “*Vedant Fashions Limited*” and a fresh certificate of incorporation consequent upon conversion from a private limited company to a public limited company was issued to our Company by the RoC on August 25, 2021. For further details relating to the changes in the name of our Company and the registered office of our Company, see “*History and Certain Corporate Matters*” on page 159.

Registered and Corporate Office

The address and certain other details of our Registered and Corporate Office are as follows:

Vedant Fashions Limited

Paridhan Garment Park
19, Canal South Road, SDF-1, 4th Floor
A501-502
Kolkata 700 015
West Bengal
India

For details of the changes in our registered office, see “*History and Certain Corporate Matters - Change in the registered office*” at page 159.

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

- a. Registration number: 094677
- b. Corporate identity number: U51311WB2002PLC094677

The Registrar of Companies

Our Company is registered with the Registrar of Companies, West Bengal at Kolkata, which is situated at the following address:

Nizam Palace
2nd MSO Building
2nd Floor
234/4 A.J.C. Bose Road,
Kolkata 700 020
West Bengal
India

Board of Directors

The following table sets out the brief details of our Board as on the date of this Red Herring Prospectus:

Name	Designations	DIN	Address
Ravi Modi	Chairman and Managing Director	00361853	Flat no. 2C, Shyam Kunj, 12C, Lord Sinha Road, Kolkata, West Bengal 700071
Shilpi Modi	Whole-time Director	00361954	Flat no. 2C, Shyam Kunj, 12C, Lord Sinha Road, Kolkata, West Bengal 700071

Name	Designations	DIN	Address
Sunish Sharma	Nominee Director	00274432	1305 North Tower The Imperial, BB Nakashe Marg, Tardeo, Tulsiwadi, Mumbai, Maharashtra India 400034
Manish Mahendra Choksi	Independent Director	00026496	Flat No. 1801/1802, C Tower, Beaumonde, Appasaheb Marathe Marg, Opp. Tata Motors, Prabhadevi, Mumbai, Maharashtra 400025
Tarun Puri	Independent Director	02117623	6A, Crown Aura, Jakkur Plantation Road, Near ITC Garden Enclave, Jakkuru, Bangalore North, Bengaluru, Karnataka, 560064
Abanti Mitra	Independent Director	02305893	B-2505 Oberoi Woods Mohan Gokhale Marg Goregaon-East Mumbai, Maharashtra 400063

For further details of our Board of Directors, see “*Our Management-Board of Directors*” on page 166.

Company Secretary and Compliance Officer

Navin Pareek is the Company Secretary and Compliance Officer our Company. His contact details are as follows:

Navin Pareek

Paridhan Garment Park
19, Canal South Road
SDF-1, 4th Floor, A501-502
Kolkata 700 015
West Bengal
India
Telephone: +91 33 6125 5495
E-mail: complianceofficer@manyavar.com

Book Running Lead Managers

Axis Capital Limited

1st Floor, Axis House,
C-2 Wadia International Center,
Pandurang Budhkar Marg,
Worli, Mumbai - 400 025
Maharashtra, India
Telephone: +91 22 4325 2183
E-mail: vedantfashions.ipo@axiscap.in
Website: www.axiscapital.co.in
Investor grievance e-mail: complaints@axiscap.in
Contact person: Sagar Jatakiya
SEBI registration no.: INM000012029

ICICI Securities Limited

ICICI Venture House, Appasaheb Marathe Marg,
Prabhadevi
Mumbai – 400025
Maharashtra, India
Telephone: +91 22 6807 7100
E-mail: vedant.ipo@icicisecurities.com
Investor grievance e-mail:
customercare@icicisecurities.com
Contact person: Monank Mehta
Website: www.icicisecurities.com
SEBI Registration No.: INM000011179

Edelweiss Financial Services Limited

6th Floor, Edelweiss House
Off CST Road, Kalina
Mumbai 400 098
Maharashtra, India
Telephone: +91 22 4009 4400
E-mail: manyavar.ipo@edelweissfin.com
Investor grievance e-mail:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact person: Dhruv Bhavsar/Nikhil Joshi
SEBI registration no.: INM0000010650

IIFL Securities Limited

10th Floor, IIFL Centre
Kamala City, Senapati Bapat Marg Lower Parel
(West)
Mumbai 400 013
Maharashtra, India
Telephone: + 91 22 4646 4600
E-mail: manyavar.ipo@iiflcap.com
Website: www.iiflcap.com
Investor grievance E-mail: ig.ib@iiflcap.com
Contact person: Shirish Chikalge
SEBI Registration No.: INM000010940

Kotak Mahindra Capital Company Limited

1st Floor, 27 BKC, Plot No. C-27

G Block, Bandra Kurla Complex

Bandra (East)

Mumbai 400 051

Maharashtra, India

Telephone: +91 22 4336 0000

E-mail: vfl.ipo@kotak.com

Investor grievance e-mail: kmccredressal@kotak.com

Website: www.investmentbank.kotak.com

Contact person: Ganesh Rane

SEBI Registration No: INM000008704

Syndicate Members**Kotak Securities Limited**

4th Floor 12-BKC G Block Plot No. C-12

Bandra Kurla Complex Bandra (East)

Mumbai 400 051

Maharashtra India

Telephone: 022-62185470

E-mail: umesh.gupta@kotak.com

Website: www.kotak.com

Contact person: Umesh Gupta

SEBI Registration No: INZ000200137

Edelweiss Securities Limited

Edelweiss House

Off. C.S.T. Road Kalina

Mumbai 400 098

Maharashtra India

Telephone: +91-22-40635569

E-mail: prakash.boricha@edelweissfin.com

Website: www.edelweissfin.com

Contact person: Prakasha Boricha

SEBI Registration No: INZ000166136

Legal Counsel to the Company and the Promoter Selling Shareholder as to Indian law**Khaitan & Co**

10th & 13th Floor, Tower 1C

One World Centre

841, Senapati Bapat Marg

Mumbai 400 013

Maharashtra, India

Telephone: +91 22 6636 5000

Legal Counsel to the BRLMs as to Indian law**Cyril Amarchand Mangaldas**

5th floor, Peninsula Chambers

Peninsula Corporate Park

Ganpatrao Kadam Marg, Lower Parel

Mumbai 400 013

Maharashtra, India

Telephone: +91 22 2496 4455

International Legal Counsel to the BRLMs**Sidley Austin LLP**

Level 31, Six Battery Road
Singapore 049909
Telephone: +65 6230 3900

Legal Counsel to the Investor Selling Shareholders

IndusLaw
#107, 1st Floor
Mistry Mansion
M.G. Road Fort
Mumbai - 400001
Maharashtra India
Telephone: +91 22 40074400

Registrar to the Offer

KFin Technologies Private Limited
Selenium Tower B
Plot 31 & 32, Gachibowli
Financial District, Nanakramguda
Serilingampally, Hyderabad, Telangana 500 032
India
Telephone: +91 40 6716 2222
Email: manyavar.ipo@kfintech.com
Website: www.kfintech.com/
Investor grievance e-mail: einward.ris@kfintech.com
Contact person: M. Murali Krishna
SEBI registration number: INR000000221

Bankers to our Company

Kotak Mahindra Bank
22 Camac Street, Block C
5th Floor
Kolkata 700 016
West Bengal, India
Tel: +91 (33) 6825 4205
Contact person: Bibhudutta Dash
E-mail: bibhudutta.dash@kotak.com
Website: www.kotak.com

HDFC Bank
3A, Gurusaday Road
Kolkata 700 019
West Bengal
India
Tel: +91 (33) 6638 4124
Contact person: Abhishek Chatterjee
E-mail: Abhishek.Chatterjee@hdfcbank.com
Website: www.hdfcbank.com

ICICI Bank Limited
3A Gurusaday Road
Rowland Road, Ballygunge
Kolkata 700 019
West Bengal, India
Tel: +91 98311 40008
Contact person: Nishith Saraogi
E-mail: nishith.saraogi@icicibank.com
Website: www.icicibank.com

Banker(s) to the Offer

Escrow Collection Bank, Public Offer Account Bank, Refund Bank and Sponsor Bank

ICICI Bank Limited

Capital Market Division 1st Floor
122, Mistry Bhavan, Dinshaw Vachha Road
Backbay Reclamation Churchgate
Mumbai, Maharashtra – 400020
Telephone: 022-66818911/23/24
E-mail: sagar.welekar@icicibank.com
Website: www.icicibank.com
Contact person: Sagar Welekar
SEBI Registration No: INBI00000004

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which a Bidder (other than an Anchor Investor and RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> on the SEBI website, and at such other websites as may be prescribed by SEBI from time to time.

SCSBs eligible as Issuer Banks and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may only apply through the SCSBs specified on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and the Mobile Apps, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, as updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors and RIBs using the UPI Mechanism) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35>. The list comprising the details of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35> and updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated January 22, 2022, from S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this RHP, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated November 8, 2021 on our Restated Consolidated Financial Statements; and (ii) their report dated September 6, 2021 on the statement of special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this RHP. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S Securities Act.

Statutory Auditors

S.R. Batliboi & Co. LLP, Chartered Accountants

Address: 22 Camac Street, Block- B 3rd Floor

Kolkata - 700 016

West Bengal, India

Telephone: +91 33 6615 3400

Firm Registration Number: 301003E/E300005

E-mail: srbco@srb.in

Peer Review Certificate Number: 013326

Changes in Auditors

There has been no change in the auditors of our Company during the three years preceding the date of this Red Herring Prospectus.

IPO Grading

No credit agency registered with SEBI has been appointed for obtaining grading for the Offer.

Appraising Entity

No appraising entity has been appointed in relation to the Offer.

Monitoring Agency

The Offer being made by way of an offer for sale of the Equity Shares by the Selling Shareholders, there is no requirement to appoint a monitoring agency in relation to the Offer.

Credit Rating

As the Offer is of Equity Shares, credit rating is not required.

Debenture Trustee

As the Offer is of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Statement of *inter-se* allocation of responsibilities among the BRLMs

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

Sr. No	Activity	Responsibility	Co-ordinator (s)
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	All BRLMs	Axis
2.	Drafting and approval of all statutory advertisement	All BRLMs	Axis
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	All BRLMs	Edelweiss
4.	Appointment of Registrar to the Offer, Advertising Agency and Printer to the Offer including co-ordination for their agreements.	All BRLMs	Axis
5.	Appointment of all other intermediaries and including co-ordination for all other agreements	All BRLMs	I-Sec
6.	Preparation of road show presentation	All BRLMs	Kotak
7.	Preparation of FAQs for the road show team	All BRLMs	Edelweiss and IIFL
8.	International institutional marketing of the Offer, which will cover, <i>inter alia</i> : Finalizing the list and division of international investors for one-to-one meetings Finalizing international road show and investor meeting schedules	All BRLMs	Kotak
9.	Domestic institutional marketing of the Offer, which will cover, <i>inter alia</i> : Finalizing the list and division of domestic investors for one-to-one meetings Finalizing domestic road show and investor meeting schedules	All BRLMs	Axis
10.	Conduct retail marketing of the Offer, which will cover, <i>inter alia</i> : Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres • Finalising commission structure • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	All BRLMs	Edelweiss and I-Sec
11.	Conduct Non-institutional marketing of the Offer, which will cover, <i>inter alia</i> , • Finalising media, marketing and public relations strategy including list of frequently asked questions at non-institutional road shows; and • Finalising centres for holding conferences for brokers, etc.;	All BRLMs	IIFL
12.	Anchor coordination, Anchor CAN and intimation of anchor allocation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	All BRLMs	Kotak

Sr. No	Activity	Responsibility	Co-ordinator (s)
13.	Managing the book and finalization of pricing in consultation with the Company.	All BRLMs	Axis
14.	<p>Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc.</p> <p>Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds/unblocking of application monies and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.</p> <p>Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.</p> <p>Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI</p>	All BRLMs	I-Sec

Filing

A copy of the Draft Red Herring Prospectus has been filed electronically on SEBI's online portal and at cfddil@sebi.gov.in, in accordance with the instructions issued by SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

A copy of this Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act would be filed with the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through its electronic portal.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of this Red Herring Prospectus and the Bid cum Application Forms. The Price Band will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and if not disclosed in this Red Herring Prospectus, will be advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a Hindi national daily newspaper) and Kolkata edition of Dainik Statesman (a widely circulated Bengali newspaper, Bengali being the regional language of West Bengal where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date.

All investors, other than Retail Individual Investors and Anchor Investors, shall only participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs. Retail Individual Investors shall participate through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs or using the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process or the UPI Mechanism.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors will be on a proportionate basis while allocation to Anchor Investors will be on a discretionary basis. For further details, see “*Terms of the Offer*” and “*Offer Procedure*” on pages 326 and 335, respectively.

The Book Building Process and the Bidding process are subject to change from time to time, and the Bidders are advised to make their own judgment about investment through the aforesaid processes prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, see “*Offer Procedure*” on page 335.

Illustration of Book Building Process and Price Discovery Process.

For an illustration of the Book Building Process and the price discovery process, see “*Terms of the Offer*” and “*Offer Procedure*” on pages 326 and 335, respectively.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name, address, telephone and e-mail of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned underwriting commitment is indicative and will be finalized after determination of the Offer Price and Basis of Allotment and will be subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The Equity Share capital of our Company as on the date of this Red Herring Prospectus is as set forth below:

(in ₹, except share data or indicated otherwise)

		Aggregate value at face value	Aggregate value at Offer Price*
A	AUTHORIZED SHARE CAPITAL		
	301,000,000 Equity Shares (of face value of ₹ 1 each)	301,000,000	-
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE AND AFTER THE OFFER		
	242,694,774 Equity Shares (of face value of ₹ 1 each)	242,694,774	-
C	PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS		
	Offer for Sale of up to 36,364,838 Equity Shares of face value of ₹ 1 each aggregating up to ₹ [●] million ⁽¹⁾	36,364,838	[●]
D	SECURITIES PREMIUM		
	Before the Offer	69,847,384	
	After the Offer		[●]

* To be updated upon finalization of the Offer Price.

(1) The Offer has been authorized by a resolution of our Board dated September 6, 2021. The Selling Shareholders have consented to participate in the Offer for Sale pursuant to their consent letters, each dated September 2, 2021. For further details of authorizations received for the Offer for Sale, see “Other Regulatory and Statutory Disclosures” on page 309.

Changes in the authorised share capital of our Company

For details of the changes to the authorised share capital of our Company in the past 10 years, see “History and Certain Corporate Matters- Amendments to our Memorandum of Association” on page 160.

Notes to the Capital Structure

1. Equity Share Capital history of our Company

The following table sets forth the history of the Equity Share capital of our Company.

Date of allotment/cancellation/buy-back/split of equity shares	Reason/Particulars of allotment/cancellation/buy-back/split of equity shares	No. of equity shares allotted/cancelled/bought-back/split	Cumulative No. of equity shares	Face value (₹)	Issue price per equity share (₹)	Form of consideration
May 24, 2002	Initial subscription to the MOA ⁽¹⁾	10,000	10,000	10	10	Cash
June 10, 2002	Further Issue ⁽²⁾	50,000	60,000	10	10	Cash
September 1, 2002	Further Issue ⁽³⁾	102,100	162,100	10	10	Cash
November 1, 2002	Further Issue ⁽⁴⁾	50,000	212,100	10	10	Cash
December 5, 2002	Further Issue ⁽⁵⁾	100	212,200	10	10	Cash
December 16, 2002	Further Issue ⁽⁶⁾	42,500	254,700	10	10	Cash
February 1, 2003	Further issue ⁽⁷⁾	51,000	305,700	10	10	Cash
October 23, 2003	Further Issue ⁽⁸⁾	25,700	331,400	10	40	Cash
November 20, 2003	Further issue ⁽⁹⁾	166,400	497,800	10	40	Cash
March 31, 2004	Further issue ⁽¹⁰⁾	104,600	602,400	10	40	Cash
March 31, 2005	Further issue ⁽¹¹⁾	675,000	1,277,400	10	40	Cash
March 31, 2006	Further issue ⁽¹²⁾	1,010,000	2,287,400	10	50	Cash
March 31, 2006	Further issue ⁽¹³⁾	170,000	2,457,400	10	67	Cash
September 14, 2006	Further issue ⁽¹⁴⁾	174,000	2,631,400	10	51	Cash
December 16, 2006	Bonus issue in the ratio of 1:2 ⁽¹⁵⁾	5,262,800	7,894,200	10	N.A	Bonus issue

Date of allotment/cancellation/buy-back/split of equity shares	Reason/Particulars of allotment/cancellation/buy-back/split of equity shares	No. of equity shares allotted/cancelled/bought-back/split	Cumulative No. of equity shares	Face value (₹)	Issue price per equity share (₹)	Form of consideration
March 31, 2007	Further issue ⁽¹⁶⁾	560,080	8,454,280	10	50	Cash
March 31, 2008	Further issue ⁽¹⁷⁾	1,080,000	9,534,280	10	50	Cash
March 31, 2009	Further issue ⁽¹⁸⁾	770,000	10,304,280	10	50	Cash
March 31, 2010	Further issue ⁽¹⁹⁾	953,000	11,257,280	10	50	Cash
March 31, 2011	Further issue ⁽²⁰⁾	600,000	11,857,280	10	150	Cash
August 24, 2017	Preferential allotment ⁽²¹⁾	654,237	12,511,517	10	3,439.12	Cash
Pursuant to a shareholders' resolution dated November 22, 2017, the Company sub-divided its share capital by sub-dividing the face value of its equity shares from ₹10 per equity share to ₹2 per equity share. Accordingly, by virtue of such split, with effect from November 22, 2017, the issued capital of our Company stood altered to 62,557,585 equity shares of ₹2 each ⁽²²⁾						
December 5, 2017	Bonus issue in the ratio of 1:1 ⁽²³⁾	62,557,585	125,115,170	2	NA	Bonus issue
November 20, 2018	Cancellation of equity shares ⁽²⁴⁾	(9,530,000)	115,585,170	-	-	-
December 21, 2018	Allotment pursuant to Scheme of Amalgamation ⁽²⁵⁾	9,642,250	125,227,420	2	2*	Other than cash
April 28, 2020	Buy back ⁽²⁶⁾	(1,294,121)	123,933,299	2	680	-
July 14, 2021	Buy-back ⁽²⁷⁾	(2,717,172)	121,216,127	2	990	-
Pursuant to a resolution of our Shareholders dated July 16, 2021, each equity share of our Company of face value of ₹ 2 was sub-divided into 2 equity shares of face value of ₹ 1 each. Accordingly, 121,216,127 equity shares of ₹ 2 each were sub-divided into 242,432,254 equity shares of face value of ₹ 1 each. ⁽²⁸⁾						
October 16, 2021	Exercise of employee stock options ⁽²⁹⁾	262,520	242,694,774	1	172	Cash

- (1) Allotment of 5,000 equity shares each to Ravi Modi and Shilpi Modi pursuant to initial subscription to the MoA.
- (2) Allotment of 50,000 equity shares to Ravi Modi.
- (3) Allotment of 50,000 equity shares each to Ravi Modi and Shilpi Modi, 100 equity shares each to Anil Kumar Tikmani, Urmila Devi Sanghai, Ramu Didwania, Pradip Kumar Bhansali, Premkant Bagaria, Chanda Kumar Jain, Binod Kumar Choudhary, Rakesh Kumar, Sandeep Daga, Rajesh Kumar Kejriwal, Meena Jain, Prinay Kumar Pankaj, Sharwan Kumar Patwari, Sitaram Gadia, Sitaram Gadia HUF, Sarada Devi Gadia, D.N. Modi HUF, Ravi Modi HUF, Uttam Modi, Vandana Tikmani and Kavita Modi.
- (4) Allotment of 50,000 equity shares to Ravi Modi.
- (5) Allotment of 100 equity shares to Usha Devi Modi.
- (6) Allotment of 5,000 equity shares each to Shilpi Modi, D.N. Modi HUF, Ravi Modi HUF, Uttam Modi and Vandana Tikmani and 17,500 equity shares to Kavita Modi.
- (7) Allotment of 30,000 equity shares to Ravi Modi, 12,000 equity shares to Shilpi Modi and 9,000 equity shares to Usha Devi Modi.
- (8) Allotment of 3,250 equity shares to Ravi Modi, 1,250 equity shares to Shilpi Modi, 625 equity shares to D.N. Modi HUF, 625 equity shares to Ravi Modi HUF, 3,250 equity shares to Vandana Tikmani, 1,250 equity shares to Kavita Modi, 25 equity shares to Bishmudutta Goenka, 25 equity shares to Gitadevi Goenka, 15,000 equity shares to K.B. Combines Private Limited, 25 equity shares to Rajesh Agarwal and 375 equity shares to Usha Devi Modi.
- (9) Allotment of 25,000 equity shares to K.B. Combines Private Limited, 37,500 equity shares to MKK Zip Industries Pvt Ltd, 12,500 equity shares to Vimal Poddar, 12,500 equity shares to Basanti Devi Mittal, 12,500 equity shares to Priti Mittal, 12,500 equity shares to Radha Shyam Agarwal, 12,500 equity shares to Sajan Kumar Swaika, 12,500 equity shares to Payal Dealers Pvt. Ltd., 12,500 equity shares to Durga Devi Agarwal, 12,500 equity shares to Punam Agarwal, 1,950 equity shares to Ravi Modi, 950 equity shares to Shilpi Modi and 1,000 equity shares to Usha Devi Modi.
- (10) Allotment of 1,500 equity shares to D.N. Modi HUF, 100 equity shares to Jyoti Chirimar, 1,500 equity shares to Kavita Modi, 1,500 equity shares to Ravi Modi HUF, 12,500 equity shares to Baby Mittal, 12,500 equity shares to Chhote Lal Gupta, 25,000 equity shares to Metropolitan Carriage & Trading Co Ltd, 37,500 equity shares to Pirjee Commerce & Trading Co. Pvt Ltd and 12,500 equity shares to Tobu Engineering.
- (11) Allotment of 37,500 equity shares to Abhyudaya Builders (P) Ltd, 37,500 equity shares to Devgriha Promoters (P) Ltd, 37,500 equity shares to Nivedan Realtors (P) Ltd, 37,500 equity shares to Novex Vinimay (P) Ltd, 50,000 equity shares to Pioneer Zippers (P) Ltd, 75,000 equity shares to Plus Jet Finvest (P) Ltd, 50,000 equity shares to Tobu Toys Ltd, 37,500 equity shares to Prayas Finance & Investment Pvt. Ltd., 62,500 equity shares to Satyavan Sales Promotion (P) Ltd., 25,000 equity shares to Shakun Finex (P) Ltd, 25,000 equity shares to Tobu Financial Services Ltd, 50,000 equity shares to Rahul Traders (P) Ltd, 37,500 equity shares to Payal Dealers (P) Ltd, 75,000 equity shares to Metropolitan Carriage & Trading Co Pvt Ltd and 37,500 equity shares to Tobu Engineering Limited.

- (12) Allotment of 80,000 equity shares to K.B. Combines Pvt Ltd, 20,000 equity shares to Metropolitan Carriage & Trading Co Pvt Ltd, 20,000 equity shares to Pirji Commerce & Trading Co. Pvt Ltd, 60,000 equity shares to Plus Jet Finvest Pvt Ltd, 90,000 equity shares to Tobu Financial Services Pvt Ltd, 80,000 equity shares to Tobu Toys Pvt Ltd, 50,000 equity shares to Daksh Trade Link Pvt Ltd, 90,000 equity shares to Ganesh Shyam Ashiana Pvt Ltd, 90,000 equity shares to Gurukul Properties Pvt Ltd, 90,000 equity shares to Maa Jagdamba Nirman Pvt Ltd, 90,000 equity shares to Rajgharana Properties Pvt Ltd, 60,000 equity shares to Saadgi Commercial & Finance Pvt Ltd, 60,000 equity shares to Seionara Finvest Pvt Ltd, 40,000 equity shares to Symphony Vinimay Pvt Ltd, 50,000 equity shares to Trishla Commercial & Finance Pvt Ltd, 40,000 equity shares to Vedika Vyapaar Pvt Ltd.
- (13) Allotment of 6,000 equity shares to Jagdish Agarwal, 6,000 equity shares to Deepak Jhunjhunwala, 6,000 equity shares to Koshlya Devi Sharma, 6,000 equity shares to Sunita Tulshian, 6,000 equity shares to Raju Agarwal, 5,000 equity shares to Santosh Devi Agarwal, 5,000 equity shares to Archana Agarwal, 7,000 equity shares to Gopal Kumar Agarwal, 7,000 equity shares to Vinod Vijoy, 6,000 equity shares to Shanti Devi Agarwal, 6,000 equity shares to Puspa Devi Agarwal, 4,000 equity shares to Rajendra Kumar Tulshian, 6,000 equity shares to Payal Agarwal, 7,000 equity shares to Manmohan Jhunjhunwala, 7,000 equity shares to Ved Prakash Mittal, 5,000 equity shares to Subhas Chandra Agarwal, 5,000 equity shares to Suman Agarwal, 7,000 equity shares to Binod Agarwal, 7,000 equity shares to Sambhu Agarwal, 7,000 equity shares to Kedar Nath Agarwal, 7,000 equity shares to Prakash Chand Tulshian, 6,000 equity shares to Punam Agarwal, 6,000 equity shares to Ashok Kumar Agarwal, 7,000 equity shares to Bina Agarwal, 7,000 equity shares to Vijay Kumar Agarwal, 6,000 equity shares to Uma Agarwal, 5,000 equity shares to Anita Mittal, 5,000 equity shares to Meena Agarwal.
- (14) Allotment of 9,600 equity shares to Anil Kumar Agarwal, 9,600 equity shares to Bishnudutt Goenka, 6,800 equity shares to Rajesh Kumar Agarwal, 9,600 equity shares to Ramjee Lal Agarwal, 6,800 equity shares to Sajan Kumar Swaika, 6,800 equity shares to Amar Kumar Singhania, 8,200 equity shares to Archana Tulshian, 8,100 equity shares to Baby Mittal, 9,500 equity shares to Bandana Tulshian, 9,500 equity shares to Basanti Devi Mittal, 6,800 equity shares to Bidya Devi Agarwal, 6,500 equity shares to Chhotelal Gupta, 9,600 equity shares to Gita Devi Goenka, 8,100 equity shares to Kailash Chandra Agarwal, 6,800 equity shares to Kamallesh Devi Agarwal, 6,800 equity shares to Laxmi Agarwal, 9,500 equity shares to Madhu Agarwal, 9,500 equity shares to Mamraj Agarwal, 9,500 equity shares to Sashi Prabha Gupta, 8,200 equity shares to Sunita Agarwal and 8,200 equity shares to Suresh Kumar Agarwal.
- (15) Allotment of 1,097,200 equity shares to Shilpi Modi, 2,714,800 equity shares to Ravi Modi, 195,950 equity shares to Usha Devi Modi, 228,000 equity shares to D.N. Modi HUF, 926,850 equity shares to Ravi Modi HUF and 100,000 equity shares to Vedant Modi.
- (16) Allotment of 80 equity shares to Kavita Modi, 140,000 equity shares to Agni Transport Pvt Ltd, 140,000 equity shares to Matajee Exports Pvt Ltd, 1,20,000 equity shares to Rani Sati Vinimay Pvt Ltd, 140,000 equity shares to Sany Nirman Pvt Ltd, 20,000 equity shares to Pioneer Zippers Pvt Ltd.
- (17) Allotment of 80,000 equity shares to Scionara Finvest Pvt Ltd, 50,000 equity shares to Brindavan Tradecom Pvt Ltd, 20,000 equity shares to Giridhar Distributors Pvt Ltd, 20,000 equity shares to Woodland Commerce (P) Ltd., 50,000 equity shares to Sutanati Vincom Pvt Ltd, 80,000 equity shares to Sadasukh Dealers Pvt Ltd, 50,000 equity shares to Starlight Vyapaar Pvt Ltd, 70,000 equity shares to Subhlabh Sales Private Limited, 90,000 equity shares to Subhlabh Management Pvt Ltd, 50,000 equity shares to Admire Dealers Pvt Ltd, 110,000 equity shares to Shivganga Commodeal Pvt Ltd, 1,10,000 equity shares to Shiwa Tie-Up Pvt Ltd, 50,000 equity shares to Balaji Advisory Pvt Ltd, 50,000 equity shares to Brijwasi Vanijya Pvt Ltd, 60,000 equity shares to Dhanlaxmi Dealer Pvt Ltd, 70,000 equity shares to Gangothri Solutions Pvt Ltd, 20,000 equity shares to Lokesh Advisory Pvt Ltd and 50,000 equity shares to Principal Commodities Pvt Ltd.
- (18) Allotment of 40,000 equity shares to Sadasukh Dealers Pvt Ltd, 50,000 equity shares to Starlight Vyapaar Pvt Ltd, 70,000 equity shares to Subhlabh Sales Private Ltd, 30,000 equity shares to Subhlabh Management Pvt Ltd, 50,000 equity shares to Admire Dealers Pvt Ltd, 20,000 equity shares to Shivganga Commodeal Pvt Ltd, 30,000 equity shares to Jackpot Vanijya Pvt Ltd, 20,000 equity shares to Sadasukh Vanijya Pvt Ltd, 120,000 equity shares to Brijwasi Vanijya Pvt Ltd, 60,000 equity shares to Dhanlaxmi Dealer Pvt Ltd, 40,000 equity shares to Gangothri Solutions Pvt Ltd, 130,000 equity shares to Lokesh Advisory Pvt Ltd, 50,000 shares to Principal Commodities Pvt Ltd and 60,000 equity shares to Rashmi Distributors Pvt Ltd.
- (19) Allotment of 134,000 equity shares to Sadasukh Dealers Pvt Ltd, 94,000 equity shares to Subhlabh Sales Private Ltd, 96,000 equity shares to Subhlabh Management Pvt Ltd, 96,000 equity shares to Shivganga Commodeal Pvt Ltd, 40,000 equity shares to Jackpot Vanijya Pvt Ltd, 50,000 equity shares to Brijwasi Vanijya Pvt Ltd, 40,000 equity shares to Dhanlaxmi Dealer Pvt Ltd, 97,000 equity shares to Gangothri Solutions Pvt Ltd, 128,000 equity shares to Lokesh Advisory Pvt Ltd, 50,000 equity shares to Rosevalley Suppliers Pvt Ltd, 58,000 equity shares to Lokpriya Dealer Pvt Ltd, 70,000 equity shares to Vital Vanijya Pvt Ltd.
- (20) Allotment of 600,000 equity shares to Dynamic Storage and Retrieval Systems Private Limited.
- (21) Allotment of 654,237 equity shares to Rhine Holdings Limited.
- (22) Pursuant to a shareholders' resolution dated November 22, 2017, the Company sub-divided its share capital by sub-dividing the face value of its equity shares from ₹10 per equity share to ₹2 per equity share. Accordingly, by virtue of such split, with effect from November 22, 2017, the issued capital of our Company stood altered to 62,557,585 equity shares of ₹2 each.
- (23) Allotment of 436,000 equity shares to Ravi Modi, 686,000 equity shares to Shilpi Modi, 9,559,910 equity shares to Ravi Modi HUF, 4,765,000 equity shares to Rainbow Iron & Steel Suppliers Private Limited, 42,414,650 equity shares to Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited), 186,735 equity shares to Kedaara Capital Alternative Investment Trust (AIF – I) and 4,509,290 equity shares to Rhine Holdings Limited.
- (24) Cancellation of 9,530,000 equity shares held by Rainbow Iron & Steel Suppliers Private Limited, on account of the Scheme of Amalgamation. For details, see "History and Certain Corporate Matters" on page 159.
- (25) Allotment of 964,225 equity shares to Ravi Modi (HUF) and 8,678,025 equity shares to Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited), pursuant to the Scheme of Amalgamation. * Such equity shares were issued and allotted in terms of the Scheme of Amalgamation. The amount of consideration is treated as paid up in accordance with the Scheme of Amalgamation. For details, see "History and Certain Corporate Matters" on page 159.

- (26) Buy-back of a cumulative of 1,294,121 equity shares.
- (27) Buy-back of a cumulative of 2,717,172 equity shares.
- (28) Pursuant to a resolution of our Shareholders dated July 16, 2021, each equity share of our Company of face value of ₹ 2 was sub-divided into 2 equity shares of face value of ₹ 1 each. Accordingly, 121,216,127 equity shares of ₹ 2 each were sub-divided into 242,432,254 equity shares of face value of ₹ 1 each.
- (29) Allotment of 72,600 Equity Shares to Ajay Modi, 71,678 Equity Shares to Amar Sethia, 32,616 Equity Shares to Dalpat Raj Jain, 20,120 Equity Shares to Sushil Kumar Agarwal, 13,582 Equity Shares to Binod Kumar Pareek, 12,922 Equity Shares to Rahul Murarka, 12,750 Equity Shares to Joydeep Das, 10,028 Equity Shares to Basant Kumar Somani, 7,666 Equity Shares to S. Arif Raza, 4,888 Equity Shares to Navin Pareek, and 3,670 Equity Shares to Sneha Jain Paul.

2. Except as detailed below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue since incorporation:

Date of allotment	Reason/Nature of Allotment	No. of equity shares Allotted	Face Value (₹)	Issue price per equity share (₹)	Form of consideration	Benefits to our Company
December 16, 2006	Bonus issue in the ratio of 1:2 ⁽¹⁾	5,262,800	10	NA	Bonus issue	-
December 5, 2017	Bonus issue in the ratio of 1:1 ⁽²⁾	62,557,585	2	NA	Bonus issue	-
December 21, 2018	Allotment pursuant to Scheme of Amalgamation ⁽³⁾	9,642,250	2	2*	Other than cash	-

* Such equity shares were issued and allotted in terms of the Scheme of Amalgamation. The amount of consideration is treated as paid up in accordance with the Scheme of Amalgamation.

- (1) Allotment of 1,097,200 equity shares to Shilpi Modi, 2,714,800 equity shares to Ravi Modi, 195,950 equity shares to Usha Devi Modi, 228,000 equity shares to D.N. Modi HUF, 926,850 equity shares to Ravi Modi HUF and 100,000 equity shares to Vedant Modi.
- (2) Allotment of 436,000 equity shares to Ravi Modi, 686,000 equity shares to Shilpi Modi, 9,559,910 equity shares to Ravi Modi HUF, 4,765,000 equity shares to Rainbow Iron & Steel Suppliers Private Limited, 42,414,650 equity shares to Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited), 186,735 equity shares to Kedaara Capital Alternative Investment Trust (AIF – I), 4,509,290 equity shares to Rhine Holdings Limited.
- (3) Allotment of 964,225 equity shares to Ravi Modi (HUF) and 8,678,025 equity shares to Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited).

3. Issue of shares at a price lower than the Offer Price in the last year

The Offer Price for the Equity Shares is ₹ [●]. For details of allotments made by our Company in the last one year, see “Notes to the Capital Structure-Equity Share Capital history of our Company” on page 78.

4. Details of equity shares granted under employee stock option schemes

For details of shares issued under the ESOP Plan, please refer to “Notes to the Capital Structure-Equity Share Capital history of our Company” on page 78.

5. Our Company has not issued any Equity Shares or preference shares out of its revaluation reserves at any time since incorporation.
6. As on the date of this Red Herring Prospectus, our Company does not have outstanding preference shares.
7. Except for the allotment of 9,642,250 equity shares pursuant to the Scheme of Amalgamation, details of which are set forth above in “Notes to the Capital Structure-Equity Share Capital history of our Company” on page 78, our Company has not issued or allotted any equity shares pursuant to schemes of amalgamation approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-232 of the Companies Act, 2013.
8. All transactions in Equity Shares by our Promoters and members of our Promoter group between the date of filing of the Draft Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.

9. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Red Herring Prospectus.

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class eg: Equity Shares	Class eg: Others	Total								
(A)	Promoter and Promoter Group	5	224,249,848	NIL	NIL	224,249,848	92.40%	Equity Shares	NIL	224,249,848	92.40%	NIL	92.40%	NIL	NIL	NIL	NIL	224,249,848
(B)	Public	13	18,444,926	NIL	NIL	18,444,926	7.60%	Equity Shares	NIL	18,444,926	7.60%	NIL	7.60%	NIL	NIL	92,094	0.50%	18,444,926
(C)	Non Promoter-Non Public	NIL	NIL	NIL	NIL	NIL	NIL	Equity Shares	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(C1)	Shares underlying DRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(C2)	Shares held by Employee Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total	18	242,694,774	NIL	NIL	242,694,774	100%	Equity Shares	NIL	242,694,774	100%	NIL	100%	NIL	NIL	92,094	0.50%	242,694,774

10. Other details of Shareholding of our Company

- (a) As on the date of the filing of this Red Herring Prospectus, our Company has eighteen Shareholders.
- (b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as on the date of filing of this Red Herring Prospectus:

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)
1.	Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited)	181,024,186	74.59%
2.	Ravi Modi HUF	38,881,422	16.02%
3.	Rhine Holdings Limited	17,459,392	7.19%
4.	Shilpi Modi	2,656,104	1.09%
	Total	240,021,104	98.90%

- (c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as of 10 days prior to the date of filing of this Red Herring Prospectus.

No.	Name of the Shareholder	No. of Equity Shares	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)
1.	Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited)	181,024,186	74.59%
2.	Ravi Modi HUF	38,881,422	16.02%
3.	Rhine Holdings Limited	17,459,392	7.19%
4.	Shilpi Modi	2,656,104	1.09%
	Total	240,021,104	98.90%

- (d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as of one year prior to the date of filing of this Red Herring Prospectus.

No.	Name of the Shareholder	No. of equity shares of ₹ 2 each	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)
1.	Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited)	92,541,005	74.62
2.	Ravi Modi HUF	19,876,493	16.03
3.	Rhine Holdings Limited	8,925,380	7.20
4.	Shilpi Modi	1,357,822	1.09
	Total	122,700,700	98.94

- (e) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as of two years prior to the date of filing of this Red Herring Prospectus.

No.	Name of the Shareholder	No. of equity shares of ₹ 2 each	Percentage of the pre-Offer Equity Share capital on a fully diluted basis (%)
1.	Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited)	93,507,325	74.67
2.	Ravi Modi HUF	20,084,045	16.04
3.	Rhine Holdings Limited	9,018,580	7.20
4.	Shilpi Modi	1,372,000	1.10
	Total	123,981,950	99.01

11. Except for Equity Shares or employee stock options that may be allotted pursuant to the ESOP Plan, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.
12. Except for Equity Shares or employee stock options that may be allotted or granted pursuant to the ESOP Plan, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Red Herring Prospectus.
13. **ESOP Plan**

Our Company has formulated one active employee stock option plan, the VFL Employee Stock Option Plan 2018 (“**ESOP Plan**”) as on the date of this Red Herring Prospectus. The ESOP Plan was approved pursuant to a Shareholders resolution dated September 3, 2018. In terms of the ESOP Plan, the Board / the Nomination and Remuneration Committee, is authorised to grant such number of stock options which shall be exercisable into not more than 1% of the fully diluted share capital of our Company, in one or more tranches and through one or more schemes, subject to such conditions as determined by the Board / the Nomination and Remuneration Committee in accordance with the ESOP Plan.

The Shareholders, at their meeting dated September 3, 2018, also accorded their approval to the VFL Employee Stock Scheme 2018 (“**Scheme Pratham**”), which was formulated in accordance with the ESOP Plan pursuant to which the Board was authorised to grant such number of options exercisable into such number Equity Shares as permitted under the ESOP Plan with vesting conditions spanning over four years from the date of the grant and other terms and conditions set out in Scheme Pratham.

Further, our Board and our Shareholders, by way of their respective resolutions dated August 28, 2021 and September 4, 2021, have adopted the updated and amended Scheme Pratham and the updated and amended ESOP Plan in line with the requirements under the SEBI (SBEB) Regulations.

Details of the options granted under Scheme Pratham are set forth below:

Particulars	Details				
	Fiscal 2019	Fiscal 2020	Fiscal 2021	For the six months period ended September 30, 2021	From October 1, 2021 till the date of this Red Herring Prospectus
Total options outstanding as at the beginning of the period	NIL	691,574	564,536	497,548	983,892
Total options granted during the year/period	691,574	38,078	64,386	495,140	NIL
Vesting period	Over a period of two to four years from the date of grant				
Exercise price of options in ₹ (as on the date of grant options)	172	268	342.5	400	NIL
Options forfeited/lapsed/cancelled	NIL	165,116	131,374	8,796	54,581
Variation of terms of options	All options granted shall vest as per given vesting schedule in Scheme Pratham, which is spanned over a period of four years. Options shall vest based on the continuation of employment and apart from that vesting is subject to individual performance and corporate performance parameters				
Money realized by exercise of options	NA	NIL	NIL	NIL	45,153,440
Total number of options outstanding in force	691,574	564,536	497,548	983,892	666,791
Total options vested (excluding the options that have been exercised)	NIL	NIL	152,650	109,870	8,315

Particulars	Details				
	Fiscal 2019	Fiscal 2020	Fiscal 2021	For the six months period ended September 30, 2021	From October 1, 2021 till the date of this Red Herring Prospectus
Options exercised (since implementation of the ESOP Plan)	NIL	NIL	NIL	NIL	262,520
The total number of Equity Shares arising as a result of exercise of granted options (including options that have been exercised)	NIL	NIL	NIL	NIL	262,520
Employee wise details of options granted to:					
(i) Key managerial personnel					
Ajay Modi	116,280	NA	NA	50,000	NIL
Amar Sethia	116,280	NA	NA	125,000	NIL
Rahul Murarka	21,152	NA	NA	15,000	NIL
Navin Pareek	8,140	NA	NA	6,000	NIL
Sushil Kumar Agarwal	34,884	NA	NA	20,570	NIL
Siddhartha Saraf	NIL	NA	17,520	15,898	NIL
Kanchan Banerjee	NIL	NA	11,680	10,372	NIL
Arif Raza	27,324	NA	NA	13,202	NIL
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year					
Paritosh Tiwari	NA	21,268	NA	NA	NIL
Niraj Saraf	NA	NA	3,796	NA	NIL
Nilesh Kedia	NA	NA	4,672	NA	NIL
Raunak Zatakia	NA	NA	4,672	NA	NIL
Ankit Mehra	NA	NA	3,650	NA	NIL
Nishant Kumar	NA	NA	3,796	NA	NIL
Krishna Prateek Bagla	NA	NA	3,942	NA	NIL
Raghav Agarwal	NA	NA	NA	50,000	NIL
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	NIL	NIL	NIL	NIL	NIL
Diluted earnings per share pursuant to the issue of Equity Shares on exercise of options in accordance with IND AS 33 'Earnings Per Share'	NA	NA	NA	NA	NA

Particulars	Details				
	Fiscal 2019	Fiscal 2020	Fiscal 2021	For the six months period ended September 30, 2021	From October 1, 2021 till the date of this Red Herring Prospectus
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference, if any, between employee compensation cost so computed and the employee compensation calculated on the basis of fair value of the stock options and the impact of this difference, on the profits of the Company and on the earnings per share of the Company	NA	NA	NA	NA	NA
Method and significant assumptions used to estimate the fair value of options granted during the year including, weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends, and the price of the underlying share in the market at the time of grant of option	The fair valuation of options was carried out by using the Black Scholes Model. The various inputs and assumptions considered in the pricing model at grant date for the stock options granted under Scheme Pratham are as under:				
Method of Valuation	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Weighted Average Exercise Price	172	268	342.5	400	NA
Expected Volatility (%)	37%	42%	43%	43%	NA
Dividend Yield (%)	NA	NA	NA	NA	NA
Expected Life (Years)	7 years	7 years	7 years	7 years	NA
Risk Free Interest Rate (%)	7.95%	6.41%	6.18%	6.18%	NA
Impact on the profits and on the Earnings Per Share of the last three years if the accounting policies specified in the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 had been followed, in respect of options granted in the last three years	Not Applicable since company is already following Fair Value Method				
Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	Subject to market conditions, the KMPs may sell full or part of the Equity Shares allotted pursuant to Scheme Pratham, within three months from the date of listing of the Equity Shares				
Intention to sell Equity Shares arising out of the ESOP Plan or allotted under an ESOP Plan within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the	Not applicable.				

Particulars	Details				
	Fiscal 2019	Fiscal 2020	Fiscal 2021	For the six months period ended September 30, 2021	From October 1, 2021 till the date of this Red Herring Prospectus
ESOP Plan, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)					

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

14. Details of Shareholding of our Promoters and members of the Promoter Group in the Company

- (a) Except as disclosed below, no equity shares were acquired by Promoters, members of the Promoter Group, Selling Shareholders, or shareholders entitled with right to nominate directors or any other rights in the last three years:

Name of acquirer	Date of acquisition	Number of Equity Shares acquired*	Price of acquisition per Equity Share (in ₹)*
Members of the Promoter Group (other than Promoters)			
Usha Devi Modi	July 6, 2021	2	NIL [^]

Note: As certified by Singhi & Co, Chartered Accountants, pursuant to their certificate dated January 22, 2022.

**The number of equity shares acquired and the price of acquisition, have been adjusted for the sub-division in the face value of the equity shares of our Company from ₹2 each to ₹1 each pursuant to a resolution of our Shareholders dated July 16, 2021, as applicable.*

[^]Acquired by way of gift.

- (b) As on the date of this Red Herring Prospectus, our Promoters, along with our Promoter Group hold 224,249,848 Equity Shares, equivalent to 92.40% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below along with details of the Equity Shares held by members of the Promoter Group.

S. N.	Name of the Shareholder	Pre-Offer Equity Share capital		Post-Offer Equity Share capital*	
		No. of Equity Shares	% of total Shareholding	No. of Equity Shares	% of total Shareholding
Promoters					
1.	Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited)^	181,024,186	74.59%	[●]	[●]
2.	Ravi Modi	1,688,134	0.70%	[●]	[●]
3.	Shilpi Modi	2,656,104	1.09%	[●]	[●]
Promoter Group					
4.	Usha Devi Modi	2	Negligible	[●]	[●]
5.	Ravi Modi HUF	38,881,422	16.02%	[●]	[●]
	Total	224,249,848	92.40%	[●]	[●]

** Subject to finalisation of Basis of Allotment*

[^] The Promoter Selling Shareholder

- (c) All Equity Shares held by our Promoters are in dematerialized form as on the date of this Red Herring Prospectus.

(d) Build-up of the Promoters' shareholding in our Company

The build-up of the Equity Shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Nature of transaction	Date of allotment/ Transfer	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price/buy-back price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)*
Ravi Modi						
Initial subscription to the MoA	May 24, 2002	5,000	10	10	0.02%	[●]
Further issue	June 10, 2002	50,000	10	10	0.21%	[●]
Further issue	September 1, 2002	50,000	10	10	0.21%	[●]
Further issue	November 1, 2002	50,000	10	10	0.21%	[●]
Further issue	February 1, 2003	30,000	10	10	0.12%	[●]
Further issue	October 23, 2003	3,250	10	40	0.01%	[●]
Further issue	November 20, 2003	1,950	10	40	0.01%	[●]
Transfer from Priti Mittal	December 28, 2005	12,500	10	5	0.05%	[●]
Transfer from MKK Zip Industries Pvt Ltd	December 28, 2005	37,500	10	5	0.15%	[●]
Transfer from Payal Dealers Private Limited	December 28, 2005	37,500	10	5	0.15%	[●]
Transfer from Tobu Engineering Limited	December 28, 2005	37,500	10	5	0.15%	[●]
Transfer from Novex Vinimay Private Limited	December 28, 2005	37,500	10	5	0.15%	[●]
Transfer from Pioneer Zippers Private Limited	December 28, 2005	50,000	10	5	0.21%	[●]
Transfer from Meena Agarwal	September 14, 2006	5,000	10	3	0.02%	[●]
Transfer from Jagdish Agarwal	September 14, 2006	6,000	10	3	0.02%	[●]
Transfer from Ravi Kumar Sharma	September 14, 2006	5,000	10	3	0.02%	[●]
Transfer from Trishla Commercial & Finance Pvt Ltd	September 14, 2006	50,000	10	3	0.21%	[●]
Transfer from Vimal Poddar	September 14, 2006	17,000	10	3	0.07%	[●]
Transfer from Baby Mittal	September 14, 2006	27,100	10	3	0.11%	[●]
Transfer from Gita Devi Goenka	September 14, 2006	9,600	10	3	0.04%	[●]

Nature of transaction	Date of allotment/ Transfer	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price/buy-back price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)*
Transfer from Jyoti Chirimar [#]	September 26, 2006	100	10	3	0.00%	[●]
Transfer from Kavita Modi by way to gift	October 11, 2006	413,600	10	NA	1.70%	[●]
Transfer from Uma Agarwal by way of gift	October 11, 2006	421,300	10	NA	1.74%	[●]
Bonus issue in the ratio of 1:2	December 16, 2006	2,714,800	10	NA	11.19%	[●]
Transfer from Agni Transport (P) Ltd	July 15, 2009	140,000	10	2	0.58%	[●]
Transfer from Brindavan Tradecom (P) Ltd	July 15, 2009	50,000	10	2	0.21%	[●]
Transfer from Giridhar Distributor (P) Ltd	July 15, 2009	20,000	10	2	0.08%	[●]
Transfer from Akansha Mercantile (P) Ltd	July 15, 2009	200,000	10	2	0.82%	[●]
Transfer from Sanmati Goods (P) Ltd	July 15, 2009	50,000	10	2	0.21%	[●]
Transfer from Alokand Sales (P) Ltd	July 15, 2009	120,000	10	2	0.49%	[●]
Transfer from Viewpoint Tie-up (P) Ltd	July 15, 2009	130,000	10	2	0.54%	[●]
Transfer to Dynamic Storage & Retrieval Systems Private Limited	March 31, 2011	(420,000)	10	60	(1.73%)	[●]
Transfer to Usha Devi Modi by way of gift	March 24, 2017	(4,125,000)	10	NA	(17.00%)	[●]
Transfer to Rhine Holdings Limited	August 24, 2017	(112,653)	10	3,439.12	(0.46%)	[●]
Transfer to Kedaara Capital Alternative Investment Fund 1 (AIF)	August 24, 2017	(37,347)	10	3,439.12	(0.15%)	[●]

Pursuant to a shareholders' resolution dated November 22, 2017, the Company sub-divided its share capital by sub-dividing the face value of its equity shares from ₹10 per equity share to ₹2 per equity share. Accordingly, by virtue of such split, with effect from November 22, 2017, Ravi Modi held 436,000 equity shares of ₹2 each.

Nature of transaction	Date of allotment/ Transfer	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price/buy-back price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)*
Bonus issue in the ratio of 1:1	December 5, 2017	436,000	2	NA	0.36%	[●]
Buy-back	April 28, 2020	(9,011)	2	680	(0.01%)	[●]
Transfer to Usha Devi Modi by way of gift	July 6, 2021	(1)	2	NA	0.00%	[●]
Buy-back	July 14, 2021	(18,921)	2	990	(0.02%)	[●]
Pursuant to a shareholders’ resolution dated July 16, 2021, the Company sub-divided its share capital by sub-dividing the face value of its equity shares from ₹2 per equity share to ₹1 per equity share. Accordingly, by virtue of such split, with effect from July 16, 2021, Ravi Modi held 1,688,134 equity shares of ₹1 each.						
TOTAL	1,688,134 Equity Shares, aggregating to 0.70% of the pre-Offer paid-up Equity Share capital of our Company.					
Shilpi Modi						
Initial subscription to the MoA	May 24, 2002	5,000	10	10	0.02%	[●]
Further issue	September 1, 2002	50,000	10	10	0.21%	[●]
Further issue	December 16, 2002	5,000	10	10	0.02%	[●]
Further issue	February 1, 2003	12,000	10	10	0.05%	[●]
Further issue	October 23, 2003	1,250	10	40	0.01%	[●]
Further issue	November 20, 2003	950	10	40	0.00%	[●]
Transfer from Pirjee Commerce & Trading Company Private Limited	December 28, 2005	37,500	10	5	0.15%	[●]
Transfer from Devgriha Promoters Private Limited	December 28, 2005	37,500	10	5	0.15%	[●]
Transfer from Vandana Tikmani by way of gift	October 11, 2006	399,400	10	NA	1.65%	[●]
Bonus issue in the ratio of 1:2	December 16, 2006	1,097,200	10	NA	4.52%	[●]
Transfer from Silpi Distributors Pvt Ltd	July 15, 2009	200,000	10	2	0.82%	[●]
Transfer from Matajee Exports (P) Ltd	July 15, 2009	140,000	10	2	0.58%	[●]
Transfer from Pioneer Zippers (P) Ltd	July 15, 2009	20,000	10	2	0.08%	[●]
Transfer from Sutanati	July 15, 2009	50,000	10	2	0.21%	[●]

Nature of transaction	Date of allotment/ Transfer	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price/buy-back price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)*
Vincom (P) Ltd						
Transfer from Sanmati Good Pvt Ltd	July 15, 2009	120,000	10	2	0.49%	[●]
Transfer from Alokand Sales Pvt Ltd	July 15, 2009	90,000	10	2	0.37%	[●]
Transfer from Viewpoint Tie-up Pvt Ltd	July 15, 2009	40,000	10	2	0.16%	[●]
Transfer to Dynamic Storage & Retrieval Systems Private Limited	March 31, 2011	(43,000)	10	60	(0.18%)	[●]
Transfer to Usha Devi Modi by way of gift	March 24, 2017	(2,025,600)	10	NA	(8.35%)	[●]
Transfer to Rhine Holdings Limited	August 24, 2017	(100,000)	10	3,439.12	(0.41%)	[●]
Pursuant to a shareholders’ resolution dated 22 November, 2017, the Company sub-divided its share capital by sub-dividing the face value of its equity shares from ₹10 per equity share to ₹2 per equity share. Accordingly, by virtue of such split, with effect from November 22, 2017, Shilpi Modi held 686,000 equity shares of ₹2 each.						
Bonus issue in the ratio of 1:1	December 5, 2017	686,000	2	NA	0.57%	[●]
Buy-back	April 28, 2020	(14,178)	2	680	(0.01%)	[●]
Buy-back	July 14, 2021	(29,770)	2	990	(0.02%)	[●]
Pursuant to a shareholders’ resolution dated July 16, 2021, the Company sub-divided its share capital by sub-dividing the face value of its equity shares from ₹2 per equity share to ₹1 per equity share. Accordingly, by virtue of such split, with effect from July 16, 2021, Shilpi Modi held 2,656,104 equity shares of ₹1 each.						
TOTAL	2,656,104 Equity Shares, aggregating to 1.09 % of the pre-Offer paid-up Equity Share capital of our Company.					
Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited)						
Transfer from Usha Devi Modi by way of gift	March 27, 2017	8,509,605	10	NA	35.06%	[●]
Transfer to Rhine Holdings Limited	August 24, 2017	(26,675)	10	3,439.12	(0.11%)	[●]
Pursuant to a shareholders’ resolution dated November 22, 2017, the Company sub-divided its share capital by sub-dividing the face value of its equity shares from ₹10 per equity share to ₹2 per equity share. Accordingly, by virtue of such split, with effect from November 22, 2017, Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited) held 4,24,14,650 equity shares of ₹2 each.						
Bonus issue in the ratio of 1:1	December 5, 2017	42,414,650	2	NA	34.95%	[●]
Allotment pursuant to Scheme of Amalgamation	December 21, 2018	8,678,025	2	2^	7.15%	[●]
Buy-back	April 28, 2020	(966,320)	2	680	(0.80%)	[●]
Buy-back	July 14, 2021	(2,028,912)	2	990	(1.67%)	[●]

Nature of transaction	Date of allotment/ Transfer	No. of equity shares	Face value per equity share (₹)	Issue price/ Transfer price/buy-back price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%) [*]
Pursuant to a shareholders' resolution dated July 16, 2021, the Company sub-divided its share capital by sub-dividing the face value of its equity shares from ₹2 per equity share to ₹1 per equity share. Accordingly, by virtue of such split, with effect from July 16, 2021, Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited) held 181,024,186 equity shares of ₹1 each.						
TOTAL	181,024,186 Equity Shares, aggregating to 74.59% of the pre-Offer paid-up Equity Share capital of our Company.					

^{*}Subject to finalisation of Basis of Allotment.

[#] We have been unable to trace share transfer deed for the transfer. Accordingly, reliance has been placed on minutes of the meetings of the Board of Directors. Please see "Risk Factors - Some of the records with respect to transfers made by and to our Promoters are not traceable." on page 52.

[^] Such equity shares were issued and allotted in terms of the Scheme of Amalgamation. The amount of consideration is treated as paid up in accordance with the Scheme of Amalgamation.

- (e) All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged.
- (f) Other than the transfer of 2 Equity Shares (post-split) from Ravi Modi to Usha Devi Modi by way of a gift on July 6, 2021, none of the members of the Promoter Group, the Promoters, or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of the Draft Red Herring Prospectus and this Red Herring Prospectus.
- (g) There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of the Draft Red Herring Prospectus and this Red Herring Prospectus.

15. Details of Promoters' contribution and lock-in for 18 months

- (a) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters shall be locked in for a period of 18 months as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and the Promoters' shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked-in for a period of six months from the date of Allotment.
- (b) Details of the Equity Shares to be locked-in for 18 months from the date of Allotment as Promoters' Contribution are set forth in the table below.

Name of the Promoter	Date of allotment of the Equity Shares	Nature of transaction	No. of Equity Shares**	Face value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in*	Percentage of the post-Offer paid-up capital (%)	Date up to which the Equity Shares are subject to lock-in
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total						[•]	[•]	

^{*} Subject to finalisation of Basis of Allotment.

^{**} All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.

- (c) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' Contribution until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.
- (d) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoters' Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:

- (i) The Equity Shares offered for Promoters' Contribution do not include equity shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution;
- (ii) The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
- (iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Red Herring Prospectus pursuant to conversion from a partnership firm; and
- (iv) The Equity Shares forming part of the Promoters' Contribution are not subject to any pledge.

16. Details of Equity Shares locked-in for six months

In terms of Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital of our Company (other than the Promoter's Contribution) will be locked-in for a period of six months from the date of Allotment in the Offer, except (a) the Equity Shares allotted to the employees under ESOP Schemes pursuant to exercise of options held by such employees (whether currently employees or not); (b) Equity Shares held by a venture capital fund ("VCF") or alternative investment fund of category I or category II ("AIF") or a foreign venture capital investor ("FVCI"), provided that such Equity Shares were locked-in for a period of at least six months from the date of purchase by the VCF or AIF or FVCI, and (c) Offered Shares, which are successfully transferred as part of the Offer for Sale. Accordingly, all Equity Shares held by Kedaara AIF, a category I AIF registered with SEBI, shall be exempt from lock-in requirements to the extent such Equity Shares are not transferred or offered pursuant to the Offer for Sale.

Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

17. Lock-in of Equity Shares Allotted to Anchor Investors

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

18. Recording on non-transferability of Equity Shares locked-in

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

19. Other requirements in respect of lock-in

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

- (a) With respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
- (b) With respect to the Equity Shares locked-in as Promoters' Contribution for 18 months from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoters prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations.

20. Our Company, the Promoters, the Directors and the BRLMs have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
21. None of the Directors or Key Managerial Personnel of our Company, except Ravi Modi, Shilpi Modi, Rahul Murarka, Navin Pareek, Amar Sethia, Ajay Modi, Sushil Kumar Agarwal and S. Arif Raza hold any Equity Shares in our Company. For details, see “*Our Management-Shareholding of Directors in our Company*” and “*Our Management-Shareholding of KMPs in our Company*” on pages 170 and 180 respectively.
22. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.
23. As on the date of this Red Herring Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
24. None of the Promoters or other members of our Promoter Group will participate in the Offer except to the extent of their participation in the Offer for Sale.

Except for allotment of Equity Shares upon any exercise of options vested pursuant to the ESOP Plan, there has been and will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus and this Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges.

SECTION IV – PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to 36,364,838 Equity Shares by the Selling Shareholders. Further, our Company expects that the proposed listing of its Equity Shares will enhance our visibility and brand image as well as provide a public market for the Equity Shares in India. The Selling Shareholders will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer.

The Offer expenses are estimated to be approximately ₹[●] million. The Offer expenses comprise, among other things, the listing fee, underwriting fee, selling commission and brokerage, fees payable to the Book Running Lead Managers, legal counsels, Registrar to the Offer, Escrow Collection Bank, processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, CRTAs and CDPs, fees payable to the Sponsor Banks for Bids made by RIIs using UPI mechanism, printing and stationery expenses, advertising and marketing expenses, auditor's fee and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. All Offer related expenses will be borne by the Selling Shareholders in accordance with applicable law, including Section 28(3) of the Companies Act, 2013, other than the listing fees which will be borne by the Company and the fee for the legal counsel of each Selling Shareholder, which will be borne by the respective Selling Shareholder.

The break-up for the Offer expenses is as follows:

Activity	Estimated expenses ⁽¹⁾ (in ₹ million)	As a % of total estimated Offer expenses ⁽¹⁾	As a % of the total Offer size ⁽¹⁾
Book Running Lead Managers fees and commissions (including any underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, CRTAs and CDPs ^{(2) (3)(4)}	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Others			
(a) regulatory filing fees, including SEBI, BSE and NSE fees, book building software fees, listing fees, etc.	[●]	[●]	[●]
(b) printing and stationery	[●]	[●]	[●]
(c) fee payable to legal counsels	[●]	[●]	[●]
(d) advertising and marketing	[●]	[●]	[●]
(e) other advisors to the Offer including: (i) an Independent Chartered Accountant appointed for providing confirmations and certificates for the purpose of the Offer, (ii) CRISIL Limited for preparing the industry report commissioned by our Company, (iii) the virtual data room provider in connection with due diligence for the Offer	[●]	[●]	[●]
(f) miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

⁽¹⁾ Offer expenses include applicable taxes, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

⁽²⁾ Selling commission payable to the SCSBs on the portion for RIIs and NIIs which are directly procured by the SCSBs, would be as follows:

Portion for RIIs*	0.30% of the Amount Allotted (plus applicable taxes)
Portion for Non-Institutional Investors*	0.15% of the Amount Allotted (plus applicable taxes)

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

⁽³⁾ No processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

Processing fees payable to the SCSBs on the portion for RIIs and Non-Institutional Investors which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

Portion for RIIs*	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Investors	₹10 per valid application (plus applicable taxes)

* The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

- (4) Selling commission on the portion for RIIs, Non-Institutional Investors which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs would be as follows:

Portion for RIIs	0.30% of the Amount Allotted* (plus applicable taxes)
Portion for Non-Institutional Investors	0.15% of the Amount Allotted* (plus applicable taxes)

* Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIIs and Non-Institutional Investors which are procured by them and submitted to SCSB for blocking, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Bidding charges payable to the Registered Brokers, CRTAs/CDPs on the portion for RIIs and Non-Institutional Investors which are directly procured by the Registered Broker or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

Portion for RIIs*	₹10 per valid application (plus applicable taxes)
Portion for Non-Institutional Investors*	₹10 per valid application (plus applicable taxes)

* Based on valid applications

Processing fees for applications made by RIIs using the UPI Mechanism would be as under:

Members of the Syndicate / CRTAs / CDPs	₹30 per valid application (plus applicable taxes)
Sponsor Bank	₹6 per valid application (plus applicable taxes) The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement.

Note: The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Monitoring Utilization of Funds

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer. Additionally, other than Ravi Modi Family Trust (acting through its trustee Modi Fiduciary Services Private Limited) in the capacity of a Selling Shareholder, none of our Promoters, Promoter Group, Group Companies and associates of our Company, as applicable, shall receive a part of or whole Offer Proceeds directly or indirectly.

BASIS FOR THE OFFER PRICE

The Price Band, Floor Price and Offer Price will be determined by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. Investors should also refer to “*Our Business*”, “*Risk Factors*”, “*Restated Consolidated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on pages 136, 27, 190 and 262, respectively, to have an informed view before making an investment decision.

Qualitative factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- Market leader in the Indian celebration wear market 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 an increased spending on such wear;
- Differentiated business model combining the strengths of retailing with branded consumer play;
- Omni-channel network with the seamless integration of our online and offline channels;
- Technology-based strong supply chain and inventory replenishment systems driven by systemwide data analytics, strong processes and longstanding vendor relationships; and
- Experienced and professional founder-led leadership team.

For further details, see “*Our Business –Our Competitive Strengths*” on page 138.

Quantitative factors

Some of the information presented below relating to our Company is derived from the Restated Consolidated Financial Statements.

Some of the quantitative factors which may form the basis for calculating the Offer Price are as follows:

I. Basic and diluted earnings per share (“EPS”)

Financial Period	Basic EPS (₹)#	Weight	Diluted EPS (₹)#	Weight
Six months period ended September 30, 2021*	4.01	-	4.01	-
Six months period ended September 30, 2020*	(0.71)	-	(0.71)	-
Fiscal 2021	5.36	3	5.36	3
Fiscal 2020	9.45	2	9.45	2
Fiscal 2019	7.04	1	7.04	1
Weighted Average^{\$}	7.00	-	7.00	-

Pursuant to a resolution of our shareholders dated July 16, 2021, each equity share of our Company of face value of ₹ 2 was sub-divided into 2 equity shares of face value of ₹ 1 each. All per share data has been calculated after giving effect to such sub-division in accordance with principles of Ind AS 33.

* Basic EPS and Diluted EPS are not annualized.

Note: EPS has been calculated in accordance with the Indian Accounting Standard 33 – “Earnings per share”. The face value of equity shares of the Company is ₹ 1.

(i) Basic and diluted earnings per Equity Share are computed in accordance with Ind AS 33 ‘Earnings per Share’ prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with the requirement of SEBI ICDR Regulations.

(ii) Basic EPS = Net profit after tax for the period/year divided by weighted average number of ordinary shares outstanding during the period / year – basic

(iii) Diluted EPS = Net profit after tax for the period/year divided by weighted average number of ordinary shares outstanding during the period / year – diluted

(iv) Weighted average number of ordinary Shares is the number of shares outstanding at the beginning of the year adjusted by the number of shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

(v) Weighted Average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight. Weights applied have been determined by the management of the Company.

^{\$}Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.

II. Price/Earning (“P/E”) ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for Fiscal 2021	[●]	[●]
Based on diluted EPS for Fiscal 2021	[●]	[●]

Industry Peer Group P/E ratio

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

III. Average Return on Net Worth (“RoNW”)

Derived from Restated Consolidated Financial Statements:

Financial period	RoNW (%)	Weight
Six months period ended September 30, 2021*	11.46	-
Six months period ended September 30, 2020*	(1.88)	-
Fiscal 2021	12.19	3
Fiscal 2020	22.21	2
Fiscal 2019	20.00	1
Weighted Average	16.83	

Notes:

RONW=Restated Profit for the period/year divided by Net Worth.

‘Net worth’ is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. As capital reserve is not created out of the profits, same has not been considered for the purpose of calculation of Net worth.

*not annualized.

IV. Net asset value per Equity Share (face value of ₹ 1 each)

I. Restated Net Asset Value per Equity Share derived from the Restated Consolidated Financial Statements:

As on September 30, 2021: ₹ 35.45

II. After the Offer*:

(a) At the Floor Price: ₹ [●]

(b) At the Cap Price: ₹ [●]

III. Offer Price*: ₹ [●]

*To be updated in the Prospectus.

Note:

Net Assets Value per equity share (₹): Net assets at the end of the respective periods divided by number equity shares outstanding at the end of respective periods. Net Assets means total assets minus total liabilities (excluding revaluation reserves).

V. Comparison with listed industry peers

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

Investors should read the above mentioned information along with “*Risk Factors*”, “*Our Business*”, “*Management Discussion and Analysis of Financial Position and Results of Operations*” and “*Financial Information*” on pages 27, 136, 262 and 190, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the “*Risk Factors*” and you may lose all or part of your investments.

**STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS
SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

The Board of Directors
Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)
Paridhan Garment Park
A501-502, 19 Canal South Road,
SDF-1, 4th Floor,
Kolkata – 700 015

Dear Sirs/Madams,

Statement of Special Tax Benefits available to Vedant Fashions Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexures 1 and 2, prepared by Vedant Fashions Limited ('the Company'), provides the Special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ('the Act') as amended by the Finance Act 2021, i.e. applicable for the Financial Year 2021-22 relevant to the assessment year 2022-23, the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") as amended by the Finance Act 2021, i.e., applicable for the Financial Year 2021-22, and Foreign Trade Policy 2015-20 ("FTP") as extended till September 30, 2021 vide Notification No. 60/2015-2020-DGFT dated March 31, 2021 unless otherwise stated presently in force in India (together, the "Tax Laws").
2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which the Company and/or its shareholders may or may not, based on business imperatives that they may face in future, choose to fulfil.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that the Annexures are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Initial Public Offering through offer for sale of the Company's equity shares ("IPO").
4. We do not express any opinion or provide any assurance as to whether:
 - (i) the Company or its shareholders will continue to obtain these benefits in future;
 - (ii) the conditions prescribed for availing the benefits have been / would be met with; and
 - (iii) the revenue authorities/courts will concur with the views expressed herein.
5. The contents of the Annexures are based on information, explanations and representations obtained from the management and on the basis of their understanding of the business activities and operations of the Company.
6. This Statement is issued solely in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose.

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

per Bhaswar Sarkar
Partner
Membership Number: 055596

Place of Signature: Kolkata
Date: September 6, 2021

ANNEXURE 1 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as ‘the Act’), as amended by the Finance Act 2021, applicable for Financial Year 2021-22 relevant to Assessment Year 2022-23

1. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company under the Act.

2. Special tax benefits available to Shareholders under the Act

There are no special tax benefits available to the shareholders of the Company.

NOTES:

1. The above Annexure of special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above Annexure covers only the special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Annexure also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.
3. The above Annexure of special tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.
4. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.
5. A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (‘the Amendment Act, 2019’) with effect from Financial Year 2019-20 granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail specified exemptions/ incentives. The option under section 115BAA of the Act once exercised cannot be subsequently withdrawn for any future financial year

The Amendment Act, 2019 further provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (‘MAT’) under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available.

In such a case, the Company is not allowed to claim any of the following deductions/ exemptions under the Act: -

- Deduction under the provisions of Section 10AA.
- Deduction under clause (iia) of sub- section (1) of Section 32 (additional depreciation).
- Deduction under section 32AD or Section 33AB or Section 33ABA
- Deduction under section 35AD or Section 35CCC
- Deduction under section 80G

Lower corporate tax rate under Section 115BAA of the Act and Minimum Alternate Tax (‘MAT’) credit under section 115JAA of the Act which are in general available and hence may not be treated as special tax benefits.

The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability with effect from Financial Year 2019-20 and accordingly, the same available for Financial Year 2021-22, are captured to the extent the same are relevant to a Company exercising such option.

6. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
7. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Vedant Fashions Limited

Rahul Murarka
Chief Financial Officer
Date: September 6, 2021

ANNEXURE 2 TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The Central Goods and Services Tax Act, 2017 (“CGST Act”), the Integrated Goods and Services Tax Act, 2017 (“IGST Act”), the Customs Act, 1962 (“Customs Act”), the Customs Tariff Act, 1975 (“Tariff Act”), Foreign Trade Policy 2015-20 (“FTP”) (collectively referred to as “Indirect Tax Laws”)

1. Special indirect tax benefits available to the Company

- There are no special indirect tax benefits available to the Company under Indirect Tax Laws.

2. Special tax benefits available to Shareholders

- There are no special indirect tax benefits available in the hands of the shareholders for investing in the shares of the Company.

NOTES:

1. This Annexure is based on our understanding of the specific activities carried out by the Company which is relevant for Financial Year 2021-22.
2. This Annexure is based upon the provisions of the specified Indirect Tax Laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
3. Till the date of this Annexure, the Company is:
 - Eligible for the following exemptions / benefits related to exports which are in general available under the provisions of the Indirect Tax laws and hence may not be treated as special tax benefits:
 - Duty drawback in terms of section 75 of Customs Act, 1962 read with Customs and Central Excise Duties Drawback Rules, 2017 and Notification No. 07/2020-CUSTOMS (N.T.) dated 28 January 2020
 - Rebate of State and Central Levies and Taxes in terms of Para 4.01 (c) of FTP 2015-20 read with Ministry of Textiles Notification dated 02-05-2019
 - Remission of Duties and Taxes on Exported Products in terms of Para 4.01 (e) of FTP 2015-20 read with Notification No. 19/2015-2020 dated 17-08-2021
 - not claimed any exemption / benefit under the Indirect Tax laws and any incentive under any state incentive policy apart from the benefits as mentioned above
 - not made any fresh investment in any State of the country and has not claimed any incentive under any State Incentive Policy
4. The above Annexure covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
5. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of their investment in the shares of the Company.
6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Vedant Fashions Limited

Rahul Murarka
Chief Financial Officer
Date: September 6, 2021

SECTION V - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section, unless otherwise specified, is derived from the report titled “Assessment of the apparel industry with a special focus on Indian wedding and celebration wear market in India” dated September 2021, as updated by the addendum dated December 2021 prepared by CRISIL Limited (the “CRISIL Report”), who we appointed on June 23, 2021, and commissioned and paid for by our Company in connection with the Offer. Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Red Herring Prospectus. There are no material parts, data or information (which may be relevant for the proposed issue), that have been left out or changed in any manner. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. For additional details, including the disclaimers associated with the CRISIL Report, see “Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data” on page 12.

While preparing its report, CRISIL has also sourced information from publicly-available sources, including our Company’s financial statements that are publicly-available. However, unless the context otherwise requires financial information relating to our Company presented in other sections of this Red Herring Prospectus is derived from our audited consolidated financial statements prepared in accordance with Ind AS or Ind AS 34, as applicable, specified under Section 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and restated in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectus (Revised 2019) (as amended) issued by the ICAI. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Red Herring Prospectus.

Macroeconomic overview of India

A review of India’s GDP growth

GDP grew at 6.6% CAGR from Financial Years 2012 to 2020

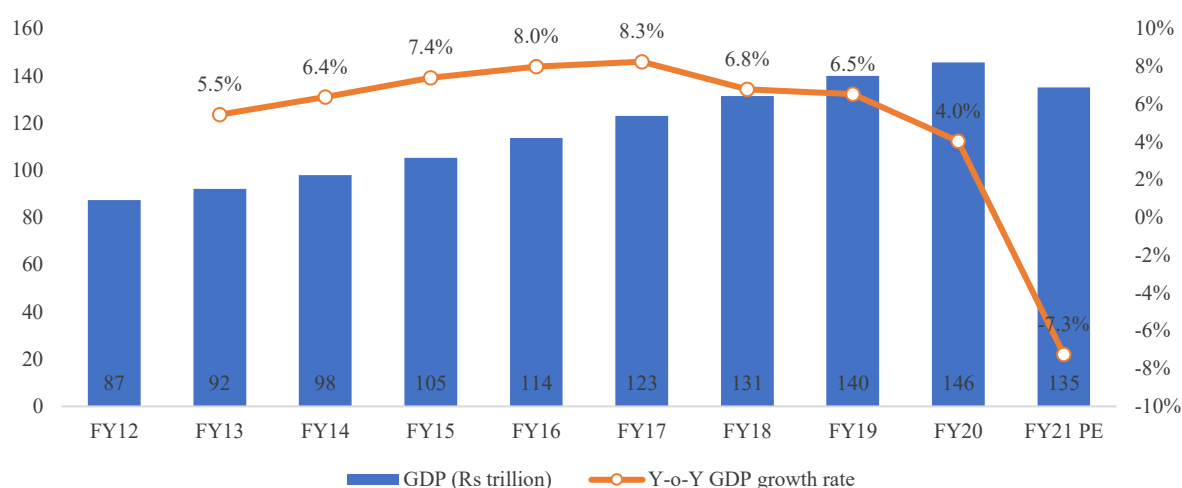
In 2015, the Ministry of Statistics and Programme Implementation (MoSPI) of India changed the base year for calculating India’s GDP between Financial Years 2005 and 2012. Based on this, India’s GDP increased at an eight-year CAGR of 6.6% from ₹87 trillion in Financial Year 2012 to ₹146 trillion in Financial Year 2020.

Financial Year 2021 has been a challenging year for the Indian economy, which was already experiencing a slowdown before the pandemic struck. GDP contracted 7.3% (in real terms) last Financial Year, after growing 4% in Financial Year 2020. At ₹135.1 billion in Financial Year 2021, India’s GDP (in absolute terms) went even below the Financial Year 2019 level of ₹140 billion.

Economy re-bounded in second half of Financial Year 2021 after shrinking in first half of the year

After contracting in the first half because of the COVID-19 pandemic, the economy rebounded in the second half, growing 0.5% and 1.6% on-year in the third and fourth quarters, respectively. While the economy shrank as a whole in Financial Year 2021, agriculture and allied activities, and electricity, gas, water supply and other utility services were the outliers, logging positive growth. On the other hand, contact-intensive trade, hotels and transport sectors, and services related to broadcasting were hit the most and continued to shrink in all quarters. Construction – a labor-intensive sector – was also severely hit in the first half, but rebounded in the second half.

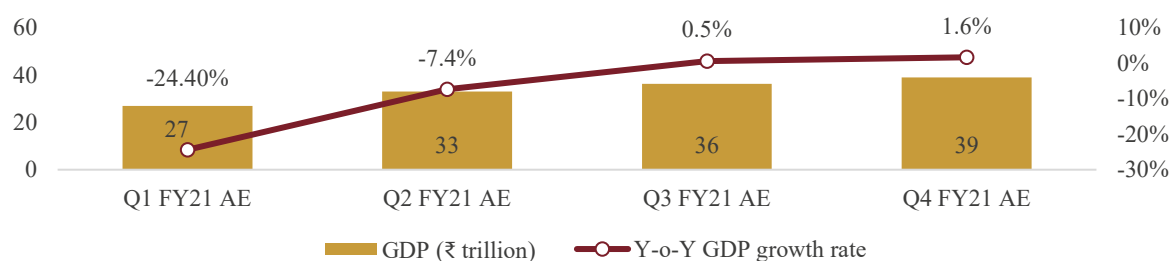
Real GDP growth in India (new GDP series)



Note: PE: Provisional estimates

Source: Provisional estimates of Annual National Income 2020 to 2021, Central Statistics Office (CSO), MoSPI, CRISIL Research

Quarter-wise real GDP growth in Financial Year 2021



Note: AE: Advance estimates

Source: Provisional estimates of Annual National Income 2020 to 2021, Central Statistics Office (CSO), MoSPI, CRISIL Research

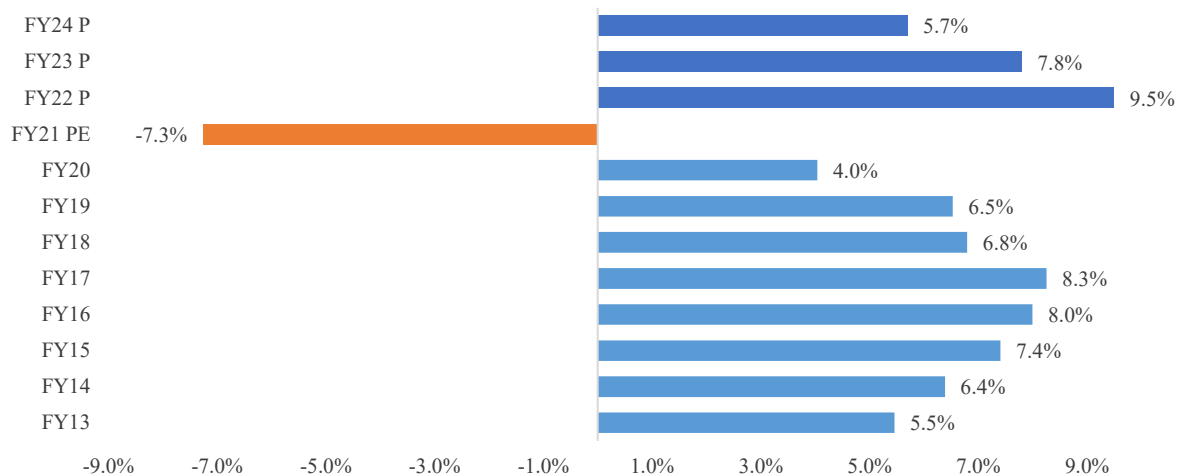
Financial Year 2022 base case GDP growth expected to be 9.5%

India is getting back on its feet slowly, with divergent growth trends. Though data suggests there has been some pick-up in recent months, recovery is weak and uneven. And indeed, the scars of the pandemic continue to run deep for small businesses, the urban poor and most of the services sector.

Financial Year 2022 is also emerging as a story of two halves. The first half was characterized by a base effect-driven recovery amid the challenge associated with resurgence in COVID-19 infections. But the second half is expected to see a more broad-based growth, as vaccine rollout and herd immunity support sectors that are lagging. The gains made by the economy in the fourth quarter of Financial Year 2021 seem to have fizzled out in the first quarter of Financial Year 2022 because of the fierce second wave of COVID-19, leading to localized lockdowns in most states. At the same time, monetary policy has begun normalizing, and some tightness in domestic financial conditions is inevitable. Against this backdrop, policy support remains critical, apart from action in the external environment.

In Financial Year 2021, the policy response to the pandemic focused more on damage control and measures to support the economy. In the current Financial Year, the government is expected to normalize some of the extraordinary or unconventional policy moves, while trying to ensure there is smooth revival in growth. This will pertain to most of the services sectors, especially contact-based travel, tourism and entertainment. Also, stronger global growth should support India's exports to some extent. Revival will likely not be uniform across sectors, though. So far, the rural economy has been more resilient than the urban economy.

Real GDP growth (% on-year)



Note: PE – Provisional estimates; P – Projected by CRISIL Research; GDP calls updated as of June 2021;
Source: Provisional estimates of national income 2020 to 2021, CSO, MoSPI, CRISIL Research

CRISIL forecasts India's GDP growth to rebound to 9.5% in Financial Year 2022, as the following four drivers converge:

Weak base: A 7.3% contraction in GDP in Financial Year 2021 will provide a statistical push to growth in the next Financial Year.

Global upturns: Higher global growth in 2021 – i.e., world GDP up by 5%, advanced economies 4.3%, emerging economies 6.3% – should lift exports.

COVID-19 curve: India is witnessing the second wave of COVID-19 infections and at the same time learning to live with the virus, with the rollout of vaccines. These should broaden growth this Financial Year, especially in the services and unorganized sectors.

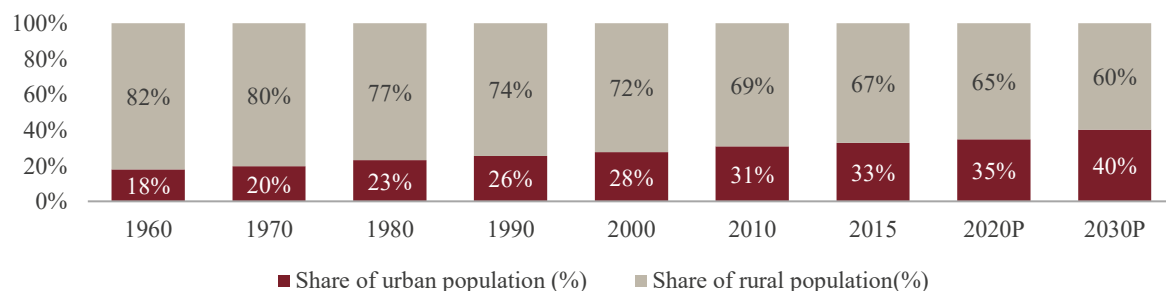
Fiscal push: Stretch in the fiscal glide path and focus of the Union Budget 2021 to 2022 on capital expenditure is expected to have a multiplier effect on growth.

Fundamental growth drivers of GDP

Urbanization likely to reach 40% by 2030

The share of urban population in India's total population has been rising over the years and stood at approximately 31% in 2010. People from rural areas tend to move to cities for better job opportunities, education and quality of life. The entire family or only a few individuals (generally an earning member or students) may migrate, while the rest of the family continues to live in the native, rural house. This trend is expected to continue, with a United Nations report projecting that nearly 40% of India's population will live in urban areas by 2030.

India's urban versus rural population



Note: P – Projected

India's median age much below that of key countries

As per the United Nations, the median age of the global population rose to approximately 30 years old in 2015 from approximately 22 years old in 1970, with the more developed countries exhibiting median ages significantly above the global level. Hence, while the median ages of the U.S. and the UK were 37.6 and 40 years, respectively; in 2015, India's was significantly lower at 26.8 years, indicating a favorable demographic dividend. Even among Brazil, Russia, India and China, India's median age was the lowest in 2015, with Brazil, China and the Russian Federation recording median ages of 31.4, 36.7 and 38.6 years, respectively.

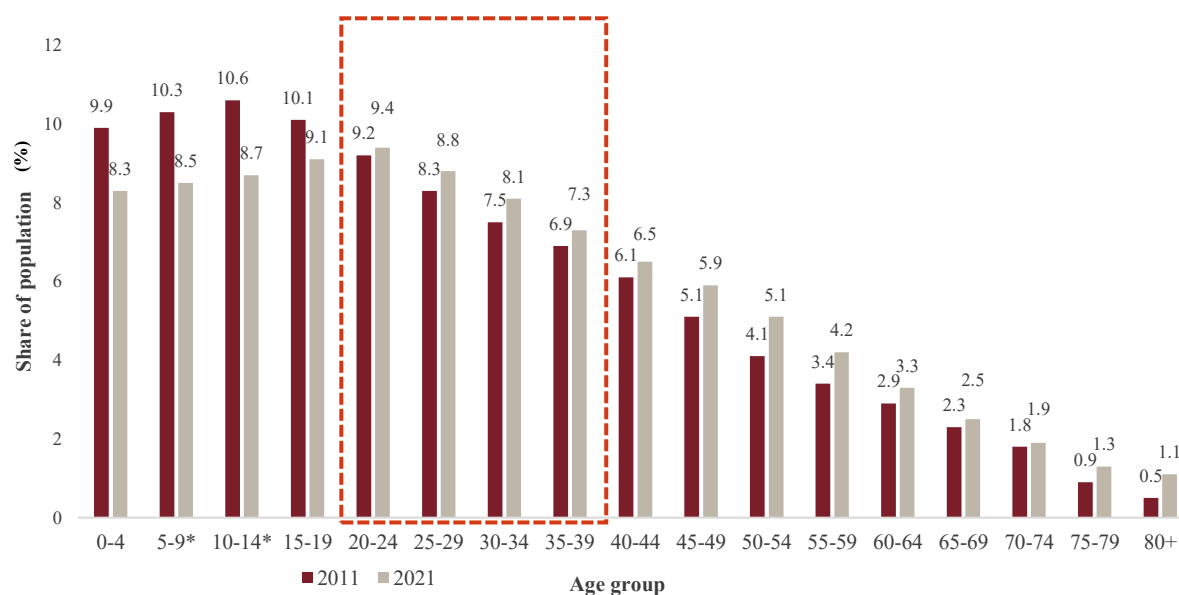
This trend is expected to continue until 2030, thus implying strong potential for growth in income levels and discretionary spending, as a higher proportion of population engages in employment activities.

Trend in median ages across key countries

Country	1970	1990	2010	2015	2020
Brazil	18.6	22.6	29.2	31.4	33.5
China	19.3	24.9	35.0	36.7	38.4
India	19.3	21.1	25.1	26.8	28.4
Russian Federation	30.8	33.4	38.0	38.6	39.6
UK	34.2	35.8	39.5	40.0	40.5
US	28.4	32.8	36.9	37.6	38.3
World	21.5	24.0	28.5	29.6	30.9

Source: United Nations, Department of Economic and Social Affairs, Population Division (2019); World Population Prospects 2019, Online Edition, Rev. 1; CRISIL Research

Approximately 32% of the Indian population lies in the age group of 20- to 39-year age group



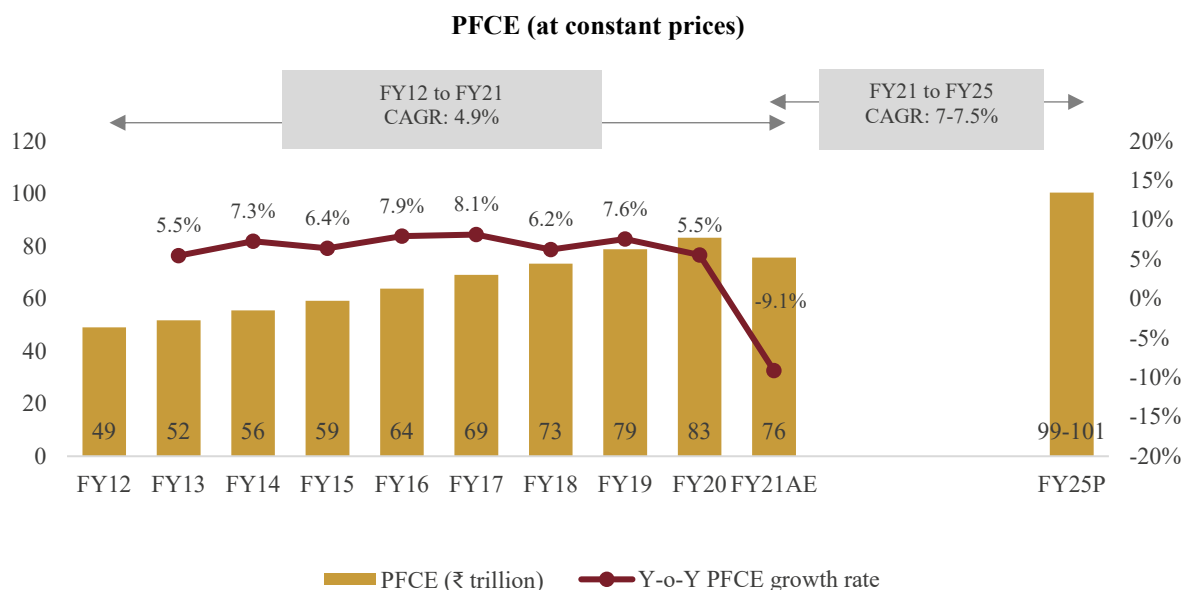
Source: Census 2011, CRISIL Research

Review of private final consumption expenditure

Private final consumption expenditure to clock a CAGR of 7% to 7.5% from Financial Year 2021 to Financial Year 2025

Private final consumption expenditure (PFCE) at constant prices clocked 4.9% CAGR between Financial Years 2012 and 2021, maintaining its dominant share in the GDP pie, at 56% or ₹75.6 trillion in Financial Year 2021. PFCE declined in Financial Year 2021 to ₹75.6 trillion on account of the pandemic, where consumption demand was impacted on account of the strict lockdown, employment loss, limited disposable spending, and disruption in demand-supply dynamics.

Going forward, CRISIL forecasts PFCE to grow at a CAGR of 7% to 7.5% over Financial Years 2021 and 2025. Factors contributing to the growth include good monsoons, wage revisions due to the implementation of the Pay Commission's recommendations, benign interest rates, and low inflation.

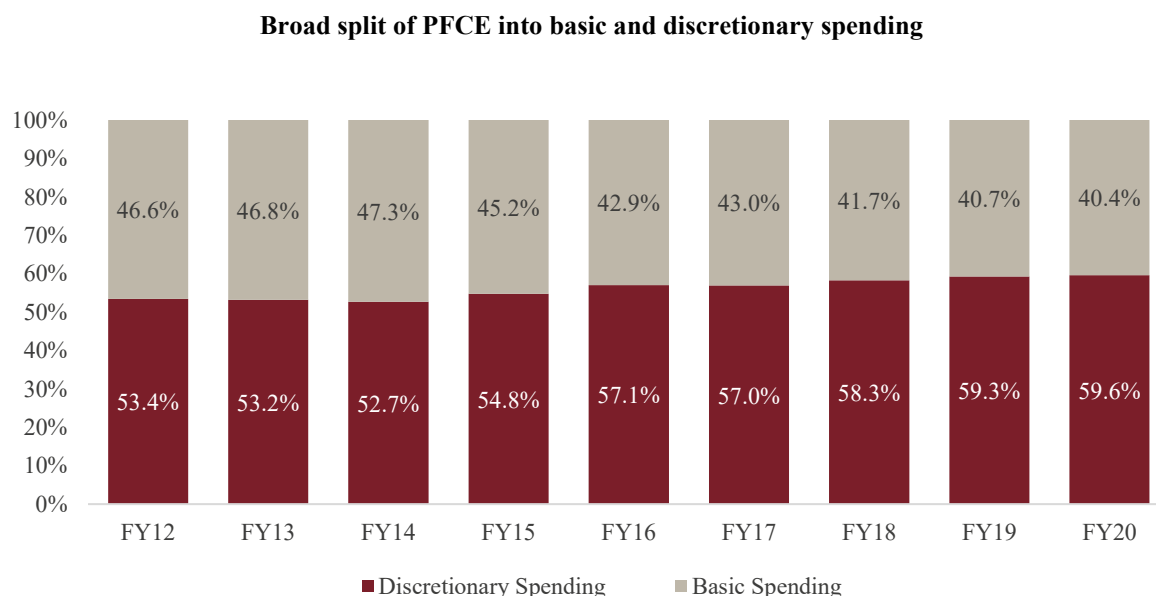


AE: Advanced estimates; P: Projections by CRISIL

Source: Provisional estimates of national income 2020 to 2021, CSO, MoSPI, CRISIL Research

Consumption expenditure to be driven by discretionary items

According to CRISIL Research, basic items accounted for 40.4% of the total consumption expenditure of Indian consumers in Financial Year 2020, with discretionary items accounting for the remaining 59.6%. It is worth noting that the share of discretionary items in consumption increased to 59.6% in Financial Year 2020 from 53.4% in Financial Year 2012. The increased spending on discretionary items suggests rising disposable income of households.



Note: Basic items include food, clothing and housing. Discretionary items include education, healthcare, electricity, water supply, footwear, personal care products, processed foods, alcoholic and non-alcoholic beverages, tobacco, narcotics, fuel & gas, furnishing and household equipment, vehicle and personal transportation, spending on recreation and culture, communication, restaurants and hotels, financial insurance and other financial services, and other items not elsewhere classified.

Source: MoSPI, CRISIL Research

Clothing & footwear expenditure logged approximately 11% CAGR between Financial Years 2012 and 2020

PFCE at current rates grew at a CAGR of approximately 12.2% over Financial Year 2012 to Financial Year 2020. Digging down deeper, expenditure in clothing and footwear logged a CAGR of 10.8% during the period. An assessment of per capita spends on clothing and footwear indicates that ₹5,241 was spent per capita in India in Financial Year 2020. Clothing accounts for nearly 80% of the total spent on clothing and footwear at ₹4,190 per capita in Financial Year 2020. Further, the per capita spend on clothing has risen at a CAGR of approximately 9% over Financial Years 2012 and 2020. As income levels improve and, consequently, discretionary spending increases, CRISIL Research expects spending on clothing to increase further in future.

Overview of the apparel retail market in India

Apparel demand is expected to rebound sharply in Financial Year 2022, supported by a buoyant economy

The size of the ready-made garment (RMG) retail market is estimated to have grown at a CAGR of approximately 9% to ₹5.7 trillion between Financial Years 2015 and 2019. However, the segment faced consumption slowdown in Financial Year 2020. Our interactions with apparel manufacturers indicated that lower inventory orders were placed by retailers in the first half of Financial Year 2020. Thus, growth is estimated to have declined 200 basis points (bps) in Financial Year 2020.

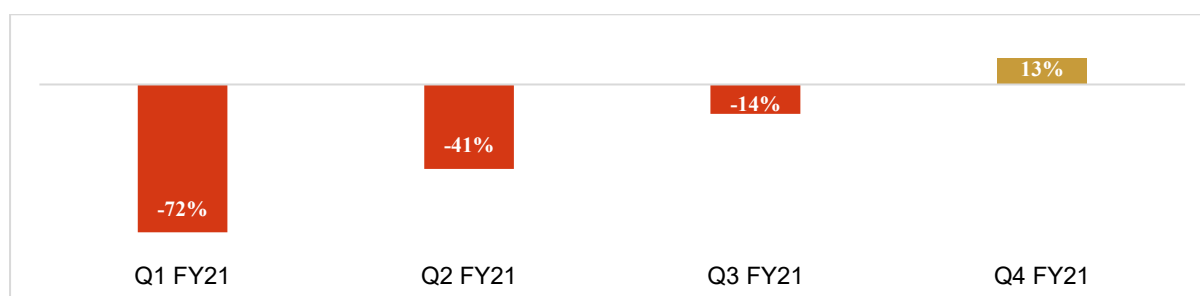
Domestic apparel retail industry projected to grow 25% to 27% in Financial Year 2022 over a low base of Financial Year 2021



Source: MoSPI, Census, CRISIL Research

Growth is estimated to have impacted in Financial Year 2021 because of pandemic-induced slowdown and the ban on sale of non-essentials during most part of first quarter. Further, lower discretionary spending, delays in the opening of malls and lower footfalls impacted demand. Financial Year 2021 witnessed a decline of 30% to 32% due to the impact of the pandemic. The first and second quarters of Financial Year 2021 were the most impacted among the four quarters. However, there were signs of recovery from the third quarter of Financial Year 2021 after which the fourth quarter witnessed a positive growth for the listed players as shown below.

Quarterly overview of year-on-year growth in Financial Year 2021 based on listed players' revenue



Note: An aggregate of six listed companies has been considered.

Source: Industry players, CRISIL Research

In Financial Year 2022, the second wave of COVID-19 continued to impact sales in the first quarter, but sales are expected to pick up from the second and third quarters, and the fourth quarter is expected to witness a growth over

the pre-pandemic levels of Financial Year 2020. The market size is projected to reach ₹4.75 trillion to ₹4.85 trillion with approximately 25% to 27% growth in Financial Year 2022, driven by low base, new store additions, rebound in economic activity, pent-up demand, changing consumer lifestyle, growing brand awareness and opening up of the nation after the COVID-19-induced lockdown.

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

Factors contributing to the growth in domestic apparel retail market



Source: CRISIL Research

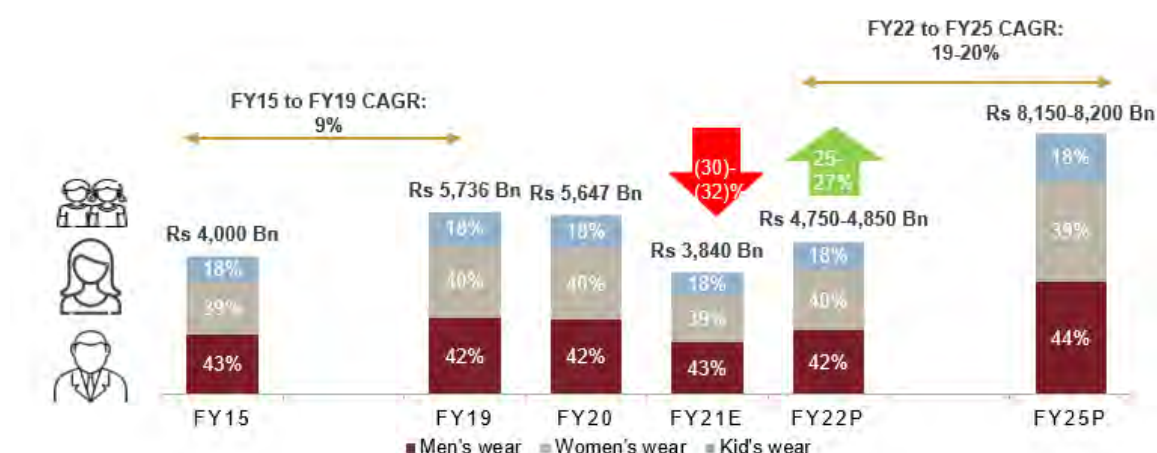
Long-term growth in the domestic market will be driven by rising working population and income levels, higher penetration of organized retail stores and e-commerce, and growing preference for RMG over tailor-made garments.

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

The share of men's wear, which accounted for approximately 42% in Financial Year 2020, is estimated to have increased to approximately 43% in Financial Year 2021, as women and kids were confined mostly to homes, leading to a fall in the contribution of women's wear in Financial Year 2021. The share of kids' wear is estimated to have remained at similar levels as that of Financial Year 2021. During the year, due to an increase in work-from-home culture, demand for casual- and comfort-wear categories are estimated to register higher growth than formal- and ethnic-wear categories.

Men's wear, which is the largest apparel segment with an estimated market share of 42% in Financial Year 2020, has been growing at a slower pace of 9% CAGR (in value terms) between Financial Years 2015 and 2019 vis-a-vis women's and kids' wear segments, each of which recorded a CAGR of approximately 9.5% to 10% during the same period. Further, in the women and kids' wear categories, the share of casual wear and comfort wear increased with more people working from home and schools remaining closed. The pandemic has led to a fall in demand for formal wear and school uniforms.

Segment-wise share and size of the domestic apparel market



Source: MoSPI, CRISIL Research

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

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

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

Ethnic wear: The share of ethnic wear segment in overall men's wear stands at approximately 7%. The segment comprises two categories: casual and Indian wedding and celebration wear. Indian wedding and celebration wear contributes significant portion – i.e., 90% to 95% – of men's ethnic wear. The men's ethnic-wear segment has reported a CAGR of 8% to 8.5% between Financial Years 2015 to 2019. CRISIL Research expects this segment to grow strongly at a CAGR of 14% to 15% over Financial Years 2022 to 2025. It is expected to continue growing strongly in the future, due to the increasing trend of multi-day weddings, wider acceptance of traditional outfits during festival celebrations and the emergence of brands in the Indian wedding and celebration wear market, which has been highly unorganized. Brands such as Manyavar, Mebaz, Swayamvar, Jade Blue, Manthan and Twamev have further boosted the market sentiment within men's ethnic wear.

Sarees: Sarees are expected to grow at a slower pace in the next five years vis-a-vis all other segments – i.e., salwar kameez/Indo-western fusion, denim and office/formal wear. While there is a growing preference for western wear, salwar kameez and fusion wear among young women, traditional occasions and weddings and the preference for sarees by elderly and middle-aged women will arrest a further deceleration in the growth rate.

Traditional (Salwar kameez/Lehengas/Indo-western fusion): Ease of wear, a growing number of working women, transformation of the traditional salwar kameez into fusion wear, and rising acceptance of such attire among young women in India will propel growth over the next five years. Availability of a variety of styles and rise of brands such as Mohey, Fab India and Global Desi are other reasons for the high growth trajectory. However, with the introduction of brands such as Mohey, Indian wedding and celebration wear such as sarees and lehengas have witnessed a boost in sales. Lehengas have not only been restricted to use by the younger generation but also by middle-aged women especially for close-knit family celebrations. Also with an increasing trend of multi-day weddings and celebrations with dress codes, there has been a higher acceptance of traditional-wear outfits. Also, with emergence of brands, the propensity to spend on better-quality and branded ethnic wear for important occasions, such as marriages and even festivals, has gone up.

Industry growth will be characterized by increasing brand penetration and competition

Competitive landscape within the men's segment

	Celebration wear	Shirts / trousers / western / casual	Innerwear
Domestic brands	<ul style="list-style-type: none"> Manyavar Raymond Ethnix Jahanpanah Mebaz Manthan Twamev Swayamvar 	<ul style="list-style-type: none"> Raymond Arrow Indian Terrain Park Avenue Colors Plus ZOD Peter England Van Heusen Louis Philippe Wills Lifestyle Allen Solly Killer Lawman K-Lounge Provogue US POLO ASSN. Calvin Klein UNLIMITED Z3 Parx Spykar Monte Carlo 	<ul style="list-style-type: none"> Jockey Speedo Frontline Euro Torrido Bumchums VIP Frenchie Feelings Leader
Global brands	Global brands showcase minimal interest to penetrate within the ethnic wear space	<ul style="list-style-type: none"> H&M Marks & Spencer Van Heusen Nike Reebok Tommy Hilfiger 	<ul style="list-style-type: none"> Triumph

Note: “Indian wedding and celebration wear” is defined as apparel that is worn on special occasions such as weddings; close-knit family functions such as pujas, house warming, etc.; traditional festivals such as Diwali, Eid, Holi, and Rakshabandhan; and other events such as Independence Day, Republic Day, etc.

The above list is not exhaustive and is only representative in nature.

Source: Industry, CRISIL Research

Competitive landscape within the women’s segment

	Celebration wear	Casual ethnic / western	Western	Innerwear	
Domestic brands	<ul style="list-style-type: none">MoheyNalli Silk SareesNeerusSatya PaulSabyasachiMebaz	<ul style="list-style-type: none">STOPGlobal DesiFabIndiaWBIBARitu KumarHauteCurryWestSidePantaloonsLakshitaLabel	<ul style="list-style-type: none">ShreeSabhyataShreeEthnicity	<ul style="list-style-type: none">Allen SollyANDFratini WomanBeing HumanIdentitiZink London	<ul style="list-style-type: none">JockeyLovableZivamePretty SecretsClovviaCandyskin
Global brands	Global brands showcase minimal interest to penetrate within the ethnic wear space			<ul style="list-style-type: none">H&MZaraMangoVero ModaMarks & SpencerVan Heusen	<ul style="list-style-type: none">Triumph

Note: “Indian wedding and celebration wear” is defined as apparel that is worn on special occasions such as weddings; close-knit family functions such as pujas, house warming, etc.; traditional festivals such as Diwali, Eid, Holi, and Rakshabandhan; and other events such as Independence Day, Republic Day, etc.

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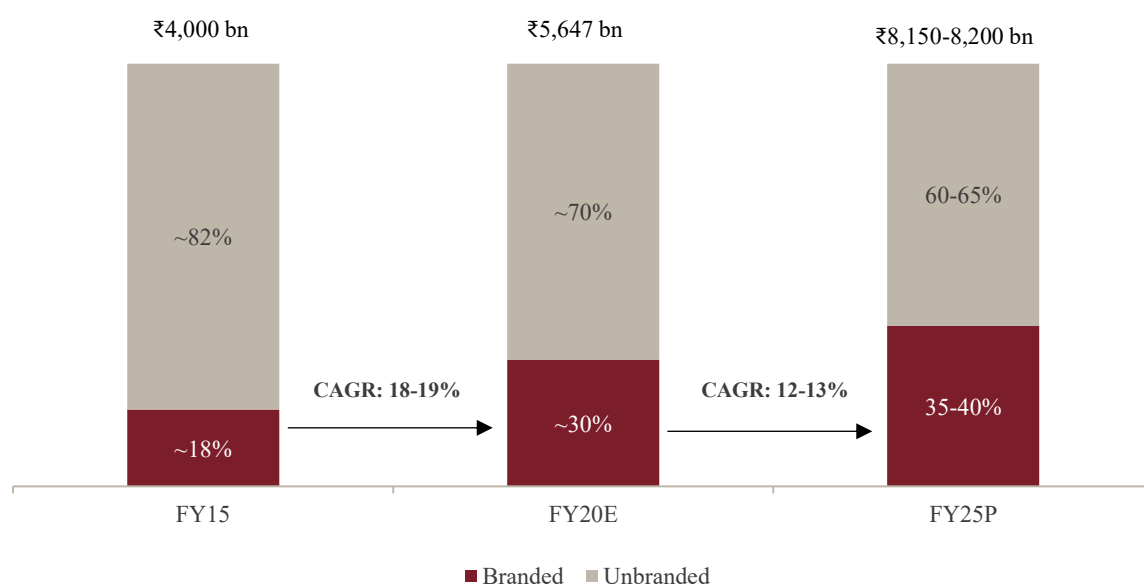
Source: Industry, CRISIL Research



Ethnic: The share of ethnic wear in the overall kids’ wear market stands at approximately 17% as of Financial Year 2020, at approximately ₹170 billion. The ethnic-wear segment has grown at a CAGR of approximately 7% from ₹120 billion in Financial Year 2015 to approximately ₹170 billion in Financial Year 2020. CRISIL Research expects this segment to grow its market size at a CAGR of 14% to 15% over Financial Years 2022 to 2025 to ₹200 billion to ₹250 billion.

A larger footprint and changing consumer lifestyle to propel growth in organised apparel retailing

Branded apparel market, which forms approximately 30% of the overall apparel retail market, is growing faster



E: Estimate; P: Projection;

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

Source: CRISIL Research

Branded players are also increasing their presence in the accessories segments as it increases brand visibility and customers can get the full range of products at one place. In the western-wear segment, players have started offering shoes, hand bags, etc. whereas Indian wedding and celebration wear players offer all accessories related to weddings, such as *jutis*, stoles, purses, etc.

Apparel retailing of men's wear has developed at a reasonable pace over the years, with early entrants such as Raymond, Arvind Brands, Zodiac, Manyavar. The apparels vertical is characterized by highest margins; low procurement cost enables competitive pricing for customers and better margins for the retailer. Changing fashion trends and a rise in consumer incomes are primary demand drivers. The vertical also offers retailers the opportunity to introduce "private labels" (product exclusive to a retailer). In the past few years, almost all organized retailers have increased the proportion of private labels in their total product mix. Private labels constitute approximately 60% of Pantaloon's revenue from apparels, while it is as low as approximately 12% for Shoppers Stop.

E-retailing to grow at a faster pace compared with the traditional brick-and-mortar formats by Financial Year 2025

With regards to the format, organized apparel retailing in India can be typically split into two key categories: (i) brick and mortar, which is the traditional physical format; and (ii) e-retailing, where products are sold via an online channel. Organized retailing has been dominated by the physical format of delivery. Online shopping accounted for less than 1% of the industry at the beginning of the 21st century. However, the scenario has changed rapidly, as the ecosystem for e-retailing has evolved since the advent of India's largest e-retailer, Flipkart, in 2007. The e-retail industry, which stood at approximately ₹2.5 trillion during Financial Year 2020, has grown more than double since Financial Year 2017.




With customers moving towards e-commerce and online platforms for purchase, the share of online sales also increased in organized retail. E-commerce has grown significantly in India in recent years due to wider selection of products, higher discounts, greater convenience of shopping (including door-step delivery) and payment channels (including cash-on-delivery, mobile wallets) along with an increase in internet penetration and discretionary spending. The e-retail format accounted for about 35% to 57% of the organized apparel retailing market in Financial Year 2020. Also, e-retail has become prominent in the lower price points – i.e., below ₹1,000

– with a variety of brands offering western casual and casual ethnic wear. With e-commerce business also making steady growth, companies such as Shoppers Stop, Reliance Trends, VFL and Aditya Birla Fashion & Retail (ABFRL) are making focused and substantial investments in new technologies and omni-channel (physical store and online site) infrastructure. Growing internet penetration and industry focus towards consumer stickiness will drive growth for online players. Further, there is an increasing trend of brands focusing on direct-to-customer retailing through their own brand websites, which not only provides them with higher visibility but also enables better control over data, client requirements, feedback, uniformity in pricing and high conversion ratio. Hence, over the next three to four Financial Years, e-retail penetration is expected to increase up to 50% to 55% within the organized apparel retail market in India.

Indian wedding and celebration wear market in India

An overview of the ethnic-wear market in India

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

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

Source: CRISIL Research

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



Women's:
~81%



Men's:
~10%

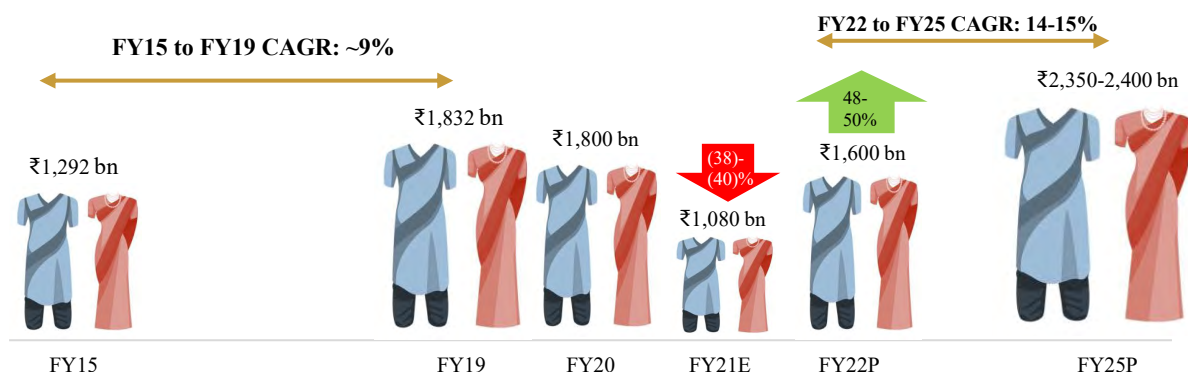


Kids':
~9%

Long-term prospects of the ethnic-wear market remain undeterred by the pandemic

The ethnic apparel retail market grew at approximately 9% CAGR over Financial Year 2015 to 2019 in line with the overall apparel retail market in the past.

Domestic ethnic-wear retail apparel market size

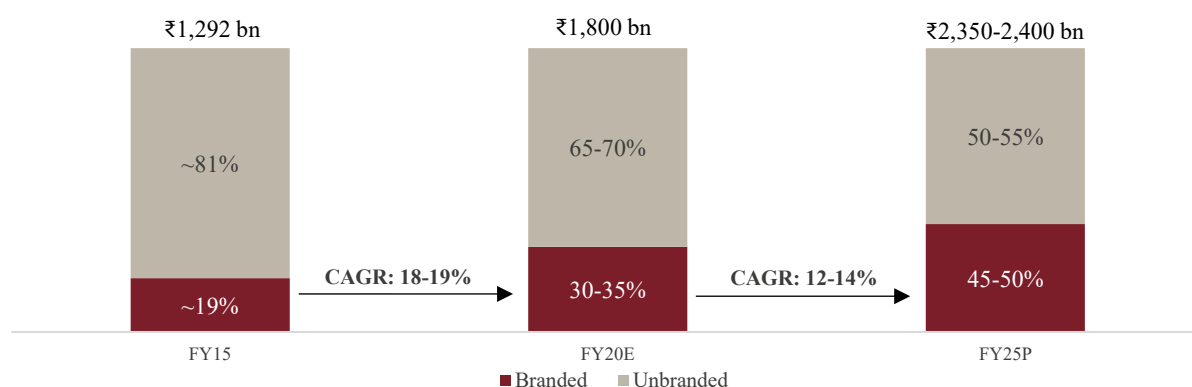


Source: Textile Committee, Industry, CRISIL Research

According to CRISIL Research, the ethnic apparel retail market, estimated at approximately ₹1,800 billion in Financial Year 2020, saw a steep decline of 38% to 40% in Financial Year 2021 owing to the pandemic. However, it expects the ethnic apparel market growth to rebound 48% to 50% on-year in Financial Year 2022 as normalcy returns after the second pandemic wave ends, restrictions on public gatherings ease and India's vaccination drive progresses.

The large wedding market and festivals throughout the year are strong fundamental drivers of the organized ethnic wear market in India for the long term. With long-term growth factors remaining intact and celebrations continuing to drive ethnic-wear sales, the concept of pent-up demand is very relevant in Indian wedding and celebration wear, unlike other consumer categories, therefore driving growth higher. CRISIL Research expects the ethnic apparel industry to grow at a 14% to 15% CAGR over Financial Years 2022 to 2025, reaching ₹2,350 billion to ₹2,400 billion by Financial Year 2025.

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



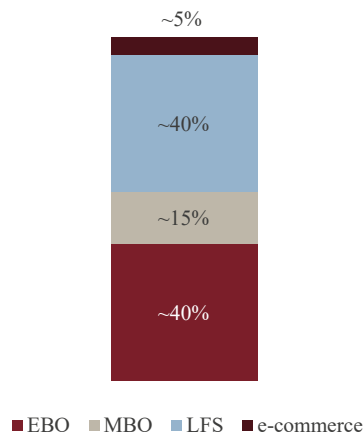
E: Estimate; P: Projection;

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

Source: CRISIL Research

A large portion of ethnic wear remains unbranded with the branded segment accounting for 30% to 35% of the overall ethnic-wear retail market. However, the branded segment is growing faster than the unbranded segment due to a superior customer experience, a better merchandise mix, standardized pricing, brand strength and further expansion of players beyond tier-II cities. It is likely to grow at a CAGR of 12% to 14% between Financial Year 2020 and Financial Year 2025 owing to the increasing presence of brands such as Manyavar, Fab India, Mohey and BIBA and rising disposable incomes and account for 45% to 50% of the overall ethnic retail market.

Ethnic branded sales by channel



Source: Industry, CRISIL Research

Branded players choose a sales channel or mix of channels such as exclusive brand outlets (EBOs), multi-brand outlets (MBO), large format stores (LFS) and e-commerce based on their brand positioning, sales strategy, capital availability and business model. For instance, players in the mass to mid segment would typically use sales channels such as LFS and MBO, while those targeting the mid to premium segment such as Manyavar, Fab India, or Ritu Kumar focus more on EBO to exclusively sell their apparel and provide consumers with a premium experience. For branded players, EBO is the best strategy to establish a strong brand presence and customer connection.

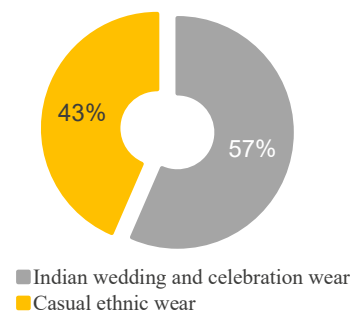
Indian wedding and celebration wear has been a dominant exclusive brand outlet-driven business as consumers typically want to try high-value apparel before making the final purchase. On the other hand, the e-commerce channel has been gaining prominence due to the ease of buying, lower price points (below ₹1,000), higher internet penetration and a good overall experience, and e-commerce is the preferred channel for casual ethnic wear. Adoption of omni-channel retail by brands has also enhanced the shopping experience of customers by enabling them to try outfits at home before purchasing.

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

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

Indian wedding and celebration wear forms a large portion of the overall ethnic wear market as of FY20

Ethnic apparels can be further segmented into casual ethnic wear and Indian wedding and celebration wear. Casual ethnic wear consists of apparel typically seen as regular wear, while Indian wedding and celebration wear is typically worn during a wedding, festival or family function.



Source: CRISIL Research

Indian wedding and celebration wear apparel market driven by weddings and large celebrations



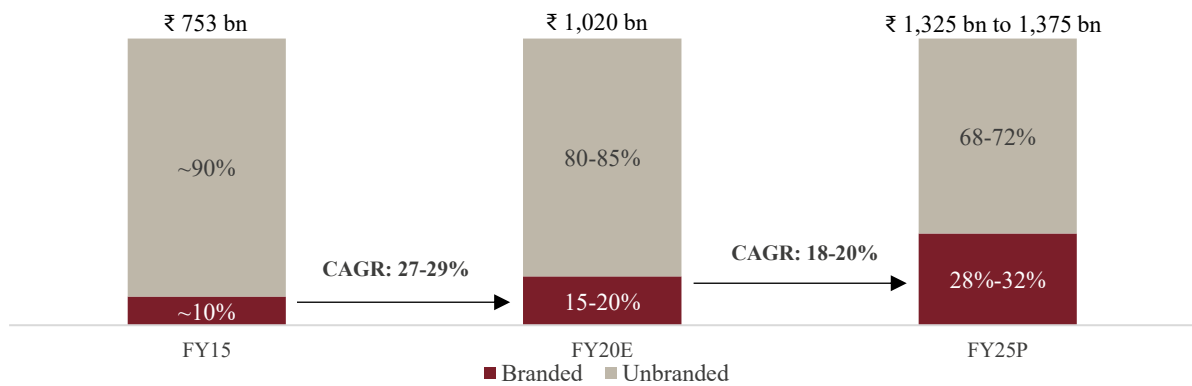
Source: Industry, CRISIL Research

The Indian wedding and celebration wear category grew a CAGR of approximately 9.5% from Financial Years 2015 to 2019 driven by weddings, family functions and festivals. According to CRISIL Research, Indian wedding and celebration wear apparel market is estimated to be approximately ₹1,020 billion in Financial Year 2020. The industry, due to its inherent nature, has witnessed only a temporary postponement of sales during Financial Year 2021. Given the deferred demand and the inherent nature of the industry indicating that demand is not lost, CRISIL Research expects the Indian wedding and celebration wear apparel market to grow at a 15% to 17% CAGR over the Financial Year 2022 to 2025 period, reaching ₹1,325 billion to 1,375 billion by Financial Year 2025, led by the fundamental nature of the industry, higher spending per consumer and the increasing trend of multi-day wedding functions in India. Not only is the Indian wedding and celebration wear market driven by the immediate family of the bride and the groom but also their close friends. The Indian wedding and celebration category is also driven by frequent festivities in India. Key brands such as Manyavar and Mohey have propelled their sales through celebrity advertisements to attract youth.

Market largely unbranded with a huge potential for growth

The share of branded apparel retailers within Indian wedding and celebration wear apparel market is currently low, at approximately 15% to 20%, indicating huge potential for branded players. Players, such as Vedant Fashions Limited (VFL) with its brands Manyavar, Mohey, Twamev, Manthan and Mebaz, and brands such as Nalli's, Jahanpanah, Ritu Kumar, and Neerus command a dominant position due to their broad variety, latest designs, better fitting and trial services and better overall purchase experience. Given low penetration levels, there is huge potential for branded players beyond metros and tier-I cities, along with scope for new brands. For both men's and women's Indian wedding and celebration wear, the branded section grows at differential rates, with the branded market expected to grow at a faster rate due to an increase in availability of various pan-India and regional brands providing consistent quality merchandise with attractive and contemporary designs at uniform pricing along with superior customer experience. Hence, the branded segment is set to grow at a CAGR of 18% to 20% between Financial Year 2020 and Financial Year 2025 and account for 28% to 32% of the Indian wedding and celebration wear market.

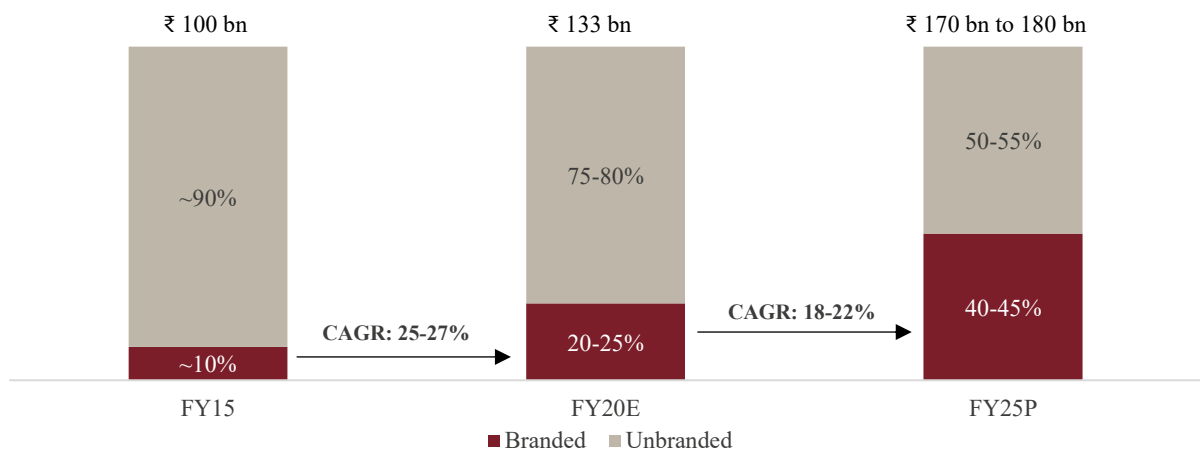
Branded segment accounts for 15-20% of the Indian wedding and celebration wear apparel retail market and is growing fast



E: Estimate; P: Projection;

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

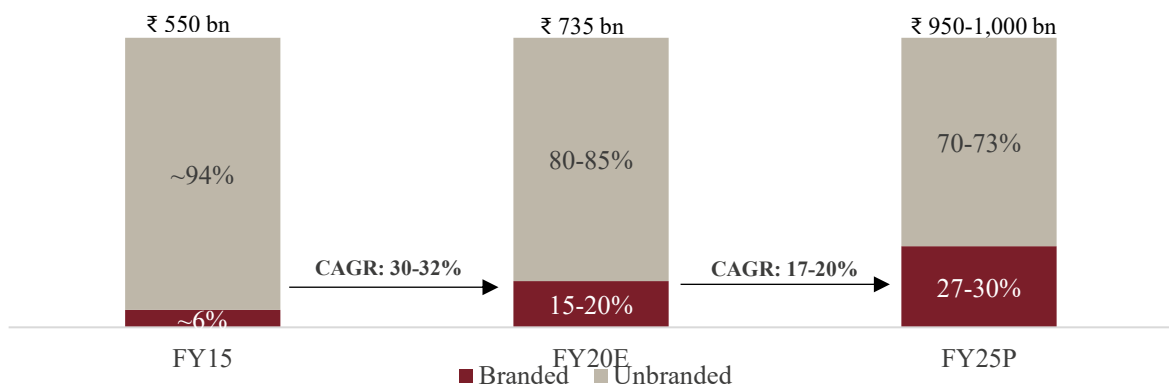
Men's Indian wedding and celebration wear apparel retail market size



E: Estimate; P: Projection;

Note: Number above the bars represent size of the men's Indian wedding and celebration wear apparel retail market in India.
Source: CRISIL Research

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



E: Estimate; P: Projection;

Note: Number above the bars represent size of the women's Indian wedding and celebration wear apparel retail market in India.
Source: CRISIL Research

Branded Indian wedding and celebration wear grew 27% to 29% from Financial Year 2015 to Financial Year 2020, and its share in the overall Indian wedding and celebration wear market increased to 15% to 20% in Financial Year 2020, evenly supported by men's and women's segments. New players have also entered the market. Titan Company Limited (Titan) launched 'Taneira,' an ethnic wear brand offering sarees, ready-to-wear blouses, stoles, dupattas, and unstitched kurtas with dupattas. ABFRL acquired 51% of Sabyasachi Couture, formed a strategic partnership with 'Tarun Tahiliani' brand through acquisition of a 33.5% stake and entered menswear through its e-commerce brand 'Jaypore'. Existing players such as VFL have also been expanding their presence by launching new brands. For instance, 'Mohey', VFL's new brand, enables VFL to create offerings across various price points. Both men's and women's branded wear are expected to grow at a CAGR of 17% to 22% till Financial Year 2025, increasing the penetration of the overall branded Indian wedding and celebration wear market to 28% to 32% by Financial Year 2025.

Branded players to continue to gain market share in the long term

Considering the longer term trends for Indian wedding and celebration wear market, branded players have better recognition, they remain at the edge of fashion trends and give a premium experience to the consumers. Branded players have expanded their footprint beyond tier-II cities. Players such as VFL, with their brands Manyavar and Mohey, are also present pan-India with a popular brand portfolio, enabling major brands to gain market share. The Indian wedding and celebration wear is relatively less price-sensitive market compared to casual wear. The branded market is expected to grow at 18% to 20% between the Financial Years 2020 and 2025, primarily due to an increase in availability of branded Indian wedding and celebration wear and several regional brands offering consistent quality merchandise with attractive and contemporary designs, uniform pricing and an enhanced customer experience.

Manyavar is the leader in men's Indian wedding and celebration wear

Revenue range of key brands in the male and female segments predominant in Indian wedding and celebration wear*

Indian wedding and celebration wear women's brands	Revenue range (FY 20 in ₹ in million)	Indian wedding and celebration wear men's brands
	>7,000	
	>3,000 to ≤ 7,000	
  SABYASACHI CALCUTTA  RITU KUMAR  ANITA DONGRE	>1,000 to ≤ 3,000	
    SHANTANU & NIHIL  MBZN New Jazzer	≤ 1,000	 JAHANPANAHI ETHNIC WEAR FOR TODAY & TOMORROW  MEBAZ  ethnix by Raymond  TWAMEV  SWAYAMVAR

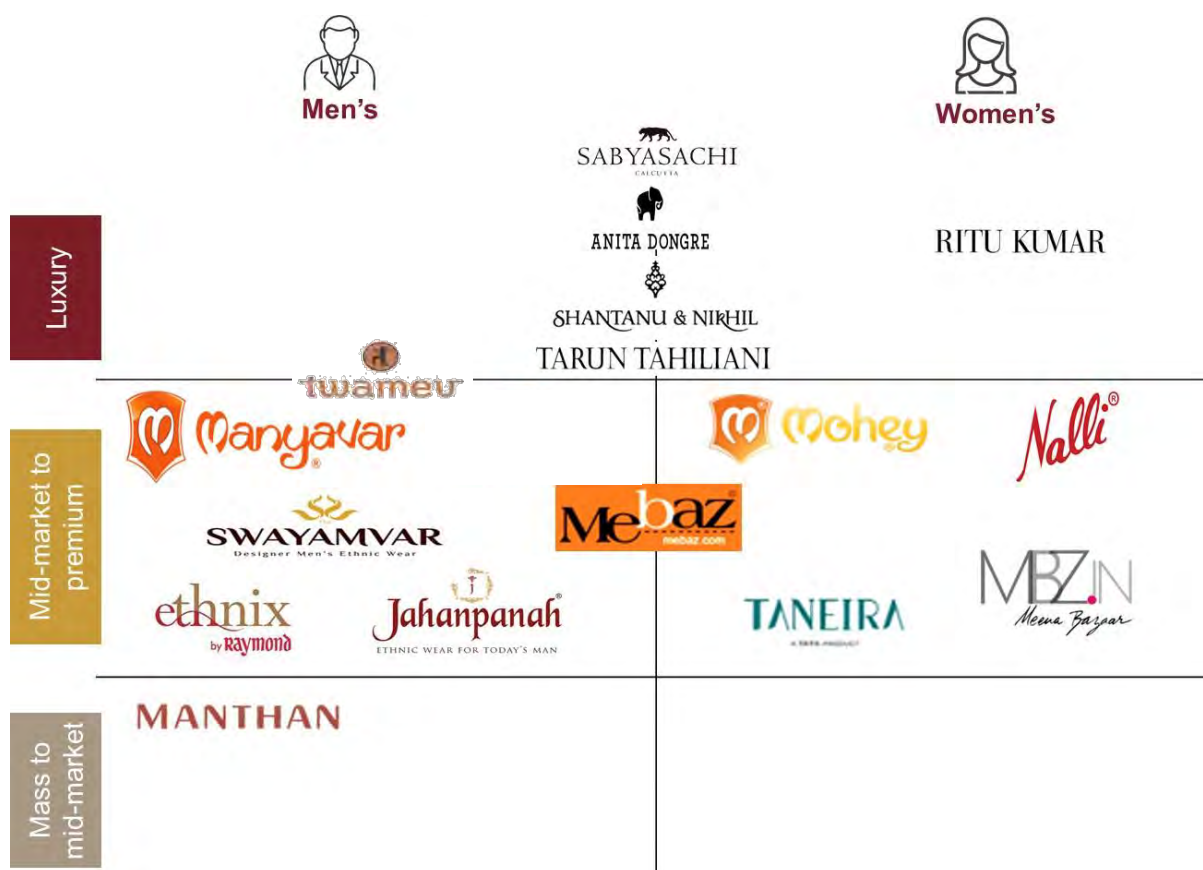
Note: The list is not exhaustive and is only representative in nature.

* “Predominant in Indian wedding and celebration wear” means brands with more than 50% revenue from Indian wedding and celebration wear
Source: CRISIL Research

Within the Indian wedding and celebration wear market for women, the presence of branded players is limited with brands such as Mohey and Mebaz by VFL, Nalli’s Silk Sarees, Neeru’s, and Sabyasachi ruling the roost.

The contribution of celebration apparel is higher than casual in men’s wear as men spend more on Indian wedding and celebration wear than casual ethnic wear. Men’s Indian wedding and celebration wear market is also largely unorganized, but the organized segment is growing rapidly, with VFL’s brand “Manyavar” leading while the other brands are only one-seventh the size of Manyavar. Raymond, another large apparel manufacturer and retailer, has entered the ethnic-wear category via Ethnix, a brand still at a nascent stage and small compared with Manyavar. Other brands from VFL, namely “Twamev” and “Manthan” are also emerging in the Indian wedding and celebration wear category.

Key brands predominant in Indian wedding and celebration wear* and their offerings across segments



Note: The list is not exhaustive and is only representative in nature.

* The term “predominant in Indian wedding and celebration wear” means brands with more than 50% revenue from Indian wedding and celebration wear

Source: CRISIL Research

Impact of COVID-19 on the apparel wear and ethnic-wear markets

Lockdowns in the first quarter, restricted consumer spending, and the second wave of COVID-19 in the fourth quarter impacted the apparel sector demand throughout Financial Year 2021

The domestic apparel market has been growing at approximately 9% from Financial Year 2015 to Financial Year 2019. In Financial Year 2021, however, apparel demand is estimated to have declined 30% to 32% due to the pandemic-induced economic slowdown. The pandemic has resulted in restricted discretionary consumer spending, thereby severely impacting demand in the first half of Financial Year 2021. During the third quarter of Financial Year 2021, footfalls in retail stores, revenues of retail chains, and citizen mobility reached 70% to 75% of pre-COVID-19 levels, indicating recovery of domestic demand in the third quarter of Financial Year 2021 on-year. However, the second wave hit India and halted operations once again towards the end of the fourth quarter of

Financial Year 2021. Overall, the share for casual wear and comfort wear increased in domestic demand due to the rise in work-from-home and study-at-home culture during Financial Year 2021.

Similar to the overall apparel industry, the ethnic apparel industry was also impacted in Financial Year 2021 because of the nationwide lockdown imposed. The scale of wedding functions has reduced due to the pandemic-led restrictions on public gathering, which led to a steep decline of approximately 45% to 47% in the overall Indian wedding and celebration category. However, expenditures on gold and apparel revived in the second half of Financial Year 2021 on account of pent-up/deferred demand and revived festive shopping especially during the third quarter of Financial Year 2021. However, in cases of Indian wedding and celebration wear tending to weddings, the core spending is by the bride and groom and their close family which continues even if the wedding gathering is small in size.

Going forward, the Indian wedding and celebration wear market is expected to rebound strongly with 50% to 60% on-year growth in Financial Year 2022. The growth will be led by multiple factors such as: a low base in Financial Year 2021, higher operational days in Financial Year 2022 (compared with Financial Year 2021), faster vaccination drives, the recession-proof nature of the Indian wedding and celebration wear market, greater relaxations towards public gatherings announced by the authorities (as the wedding season approaches), rising income levels, higher discretionary spending, changing consumer lifestyle and growing brand awareness supported by the waning impact of the pandemic.

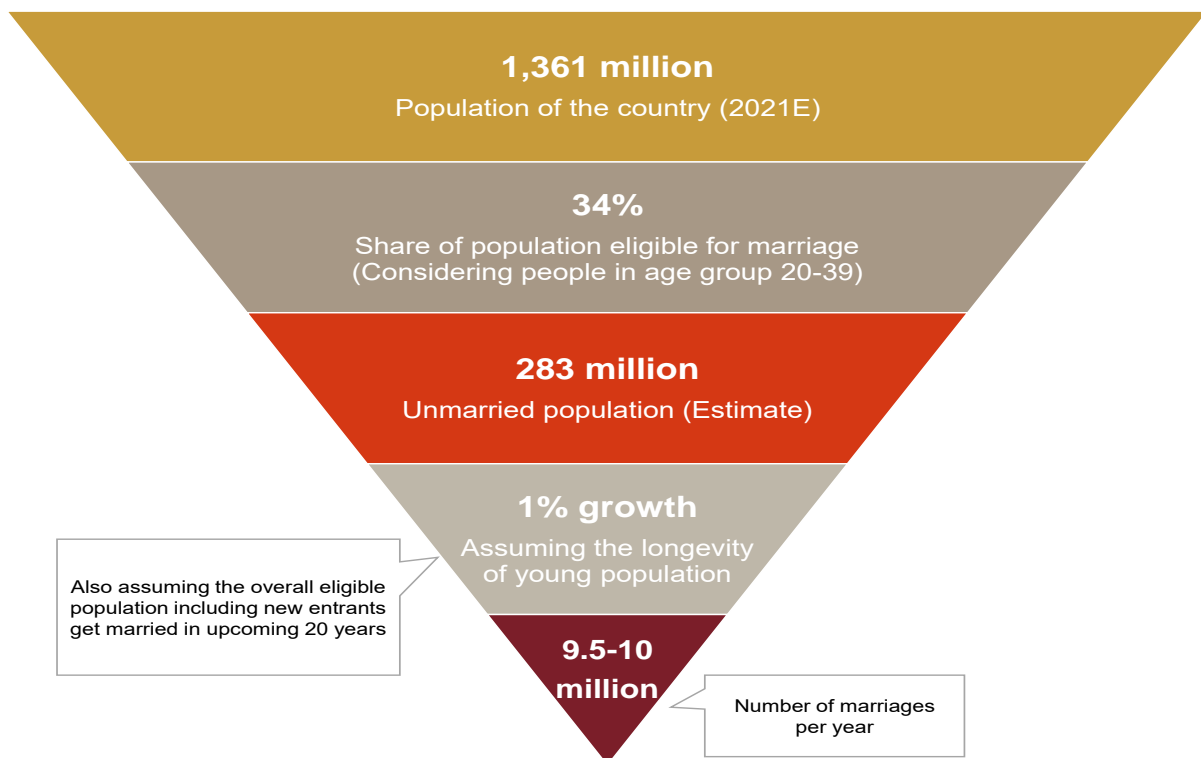
Key growth drivers for the Indian wedding and celebration wear market in India



Huge domestic market of 9.5 million to 10 million weddings per year

India has a large youth population with around 32% of the population in the 20- to 39-year-old demographic according to the 2011 census. This is projected to have risen to approximately 34% during 2021. The age pyramid in India has led to a shift toward the younger generation with marriage-appropriate ages between 20 to 39 years. Further, the population in the 15- to 19-year-old demographic, which is 10% of the population, will move to the 20- to 24-year-old demographic in the next five years, joining the marriage-appropriate demographic. This indicates a higher future marriage-appropriate population in the 20- to 39-year-old demographic.

About 9.5 million to 10 million weddings happen in India every year



Source: CRISIL Research

According to census estimates, India has an overall population of 1,361 billion people in 2021, of which approximately 51% are male and approximately 49% are female. CRISIL Research assumes that people in the 20- to 39-year-old demographic to be eligible for marriage. India also has an estimated unmarried population of 283 million people. Assuming the longevity of the youth population (younger than 20 years old) in India to be eligible for marriage in another 15 years along with the population in the 20- to 39-year-old demographic, CRISIL Research estimates an astounding 9.5 million to 10 million weddings to happen in India per year.

A wedding ceremony is a key driver for Indian wedding and celebration wear, and hence the demand for Indian wedding and celebration wear is expected to remain robust over the next decade.

Multi-day and multi-event wedding celebrations

A key growth driver for the domestic Indian wedding and celebration wear market is the changing scenario of weddings in India. In urban agglomerations, there has been an increasing trend of multi-day and multi-event weddings where various traditional functions (such as *Mehendi*, *Sangeet*, *Haldi*, etc.) are spread across three to five days on an average (with one or two events per day), making the whole wedding a bigger event. Multi-day and multi-event weddings create demand for Indian wedding and celebration wear. As most of these marriage functions are celebrated in a traditional style, the events lead to shopping for multiple Indian wedding and celebration wear outfits by not only the couple, but also their immediate and extended family members and friends. On an average, there are about 50 guests for all functions other than the main wedding function, which is attended by more than 200 guests.

A typical Indian wedding can range from three to five days or even more based on the number of rituals a family plans. Mostly, the Engagement ceremony also becomes a part of the main wedding. A typical Indian wedding consists first of Pooja that includes only the close-knit family consisting of 25 to 50 members. These rituals may vary from religion to caste, and the number may also vary from the kind of Pooja that takes place. Next is the Mehendi function, where the family invites close family members and friends as well (25 to 50 guests). A traditional Sangeet function generally follows the Mehendi and is attended by family and friends. Sometimes the Engagement and Sangeet are merged into one event. The pre-wedding party is a new-age celebration, which is generally theme-based and mostly conducted during destination weddings. The main marriage function is followed by a marriage reception, which is hosted for the extended family and friends.

Another factor changing the dynamics of the wedding industry is an increased preference for destination

weddings. Destination weddings also have multiple functions lined up during the two- or three-day course of wedding events. Destination weddings not only encourage close family members to choose Indian wedding and celebration wear outfits, but also inspire the entire guest list to wear the same as most of the functions are theme-based. Such trends create incremental demand for the ethnic-wear industry, especially for Indian wedding and celebration wear outfits. In addition, other trends, such as the pre-wedding photo shoot, also support the overall ethnic-wear market growth.

Rising income levels leading to higher discretionary spending on weddings and festivals

The share of discretionary items in consumption has increased to 59.6% in Financial Year 2020 from 53.4% in Financial Year 2012. Rising disposable household income has led to increased spending on discretionary items and has further encouraged people to spend more on weddings. There is also an increasing trend of guests shopping exclusively for weddings and the groom and bride having different attire for different functions. Higher and increasing disposable income levels are hence considered to be a growth driver of the Indian wedding and celebration wear market in India.

Average expenditure on weddings in urban India ranges between ₹1 million to ₹2 million for a single-day function

Indian weddings are a little expensive to begin with. There are multiple aspects to the overall wedding costs, such as venue, decoration, catering, apparel, accommodation, etc.

Venue: One of the foremost decisions to be made during a wedding is to finalise its venue. The selection of venue depends on the type of wedding (i.e. destination wedding or in the hometown). The type of the venue (such as a party hall, lawn, etc.) and the season of wedding notably influence the venue cost. The peak wedding season in India is during the winter months following Diwali (i.e., November to February) and would attract the highest venue cost (which would fall in the range of Rs 0.1-0.3 million). The cost would, however, be lower if the wedding happens during an off-season.

Décor: Decorating the venue would be the next cost component. The venue would be decorated with various things such as flowers, traditional adornments, sculptures, etc. The cost of decorating the venue would range between Rs 0.05-0.4 million

Catering: Food is one of the most important aspects of an Indian wedding. In an urban wedding, a caterer would provide an assortment of multiple cuisines, which on an average ranges between Rs 800 and Rs 1,000 per person. Considering a guest list of 400-500 people, the total catering cost would be in the range of Rs 0.3-0.5 million.

Bride and groom outfits: The costs of outfits typically vary depending on where the outfit has been procured from – i.e., whether it is a designer outfit or not. The outfit costs for the bride and groom generally range between ₹0.05 million to ₹0.1 million. Also since weddings are a once-in-a-lifetime event, the bride and groom's outfits (Indian wedding and celebration wear) tend to become the most prominent expenditure and a small percentage of overall wedding expenditure.

Indian wedding and celebration wear outfits for family and relatives: An interesting aspect about multi-day and multi-event weddings is the demand they create for Indian wedding and celebration wear. As most of these marriage functions are celebrated in traditional style, the events lead to shopping for multiple Indian wedding and celebration wear outfits by not only the couple, but also their immediate and extended family members and friends.

Wedding invitation card: A typical wedding invitation card costs in the range of Rs 50-100 per card depending on the decoration of the card. The total cost of invitation cards, assuming 400-500 guests, would be in the range of Rs 0.03-0.05 million.

Accommodation: Accommodation cost for a wedding function, at a venue in town/city itself, is a small component ranging between Rs 0.05 and 0.1 million as most of the guests live in the same town/city. However, accommodation cost is material for destination weddings. Assuming a cost of Rs 0.8-1 thousand per guest per night, the overall cost of accommodation would range between Rs 0.05 and 0.1 million.

Miscellaneous: Indian wedding ceremonies have various other aspects (such as photography, videography, mobility costs, etc.) that incur costs in the range of Rs 0.2-0.3 million. Miscellaneous costs also include buying apparels for close family members as gifts for various functions.

Increasing trend of wearing appropriate Indian wedding and celebration wear for respective festive events

Cultural diversity is an important trait of customers in India, which has led to a plethora of festivals being celebrated throughout the year across India. There are also festivals in India being celebrated over a span of few days, such as Diwali, Ganesh Chaturthi, Navratri, Durga Puja and Eid, amongst others. Customer behavior is constantly evolving over the years. The customers are gradually shifting their preferences towards Indian wedding and celebration wears that are suitable for the respective festive occasions. Majority of the festivals listed below involves significant celebrations and social gatherings that invariably demand for ethnic celebration attire. Since friends and colleagues are also invited to these celebrations, the need to fit in is vital, which has made the demand for the apt Indian wedding and celebration wear more mainstream. Also, celebrations of certain festivals carry on for more than a day, especially during the third quarter of a given financial year, which corresponds to a rise in Indian wedding and celebration wear apparel sales in India. Further, corporate offices may encourage their employees to dress up in Indian wedding and celebration wear during such festivals, which act as a growth driver for the Indian wedding and celebration wear segment.

List of prominent festivals of India

Festivals	Typical no. of days celebrated over	Typically celebrated in	
		Month	Financial Year quarter
Lohri	2	January	Q4
Makar Sankranti	2	January	Q4
Pongal	1	January	Q4
Republic Day	1	January	Q4
Vasant Panchami	1	February	Q4
Maha Shivratri	2	February	Q4
Holi	2	March	Q1
Mahavir Jayanti	1	April	Q1
Rama Navami	1	April	Q1
Easter	1	April	Q1
Gudi Padwa	1	April	Q1
Akshay Trititya	1	April-May	Q1
Eid-al-Fitr	2-3	April-May	Q1
Eid-al-Adha	3	July-August	Q2
Independence Day	1	August	Q2
Janmastami	1	August	Q2
Pateti / Parsi New Year	1	August	Q2
Onam	1	August	Q2
Raksha Bandhan	1	August-September	Q2
Ganesh Chaturthi	10-11	August-September	Q2
Navaratri	9	October-November	Q3
Durga Puja	5-6	October-November	Q3
Dussehra	1	October-November	Q3
Eid-Milad-un-Nabi	2	October-November	Q3
Diwali	4-5	October-November	Q3
Christmas	1	December	Q3

Note: The above list is not exhaustive, and the corresponding months may vary.

Source: CRISIL Research

Increasing association with brands in the Indian wedding and celebration wear segment

With consumer preference shifting towards branded apparel in the overall apparel market, the case is no different for Indian wedding and celebration wear market. Consumers have started migrating towards branded Indian wedding and celebration wear steadily, as the branded outfits provide assurance of quality and fit as well as a sense of keeping up with the latest fashion trends. Marketing, advertisements and celebrity endorsements also play a crucial role in influencing consumers in the Indian wedding and celebration wear market.

Shift from tailored to ready-to-wear Indian wedding and celebration wear

Consumers of Indian wedding and celebration wear are leaning towards ready-to-wear apparel away from tailored apparel, as they have the flexibility to try the apparel prior to selection and make the final selection after multiple trials, which is not the case with tailored apparel. Players, such as Manyavar, are gaining traction in the market as they offer trials to their consumers along with the most up-to-date designs. Brands not only follow the latest trends but also utilize data analytics to identify what the consumer really wants and offer design recommendations by in-store experts.

Addition of new categories such as Indo-western ethnic wear

Indo-western ethnic wear is a combination of traditional Indian ethnic apparel and western wear. Addition of Indo-western ethnic wear to the overall ethnic apparel collection has emerged as a growth driver for the industry. This category has appealed to many young consumers due to its styling and differentiating features that makes the consumer standout during a wedding function or a family gathering.

Increased penetration of branded players in tier-II and tier-III markets

As consumers are showing a greater inclination towards branded Indian wedding and celebration wear, key brands within the Indian wedding and celebration wear segment (such as Manyavar, Mohey, etc.) have also played a key role in propelling branded sales through advertisements. Also, for purchase of Indian wedding and celebration wear in tier-II and tier-III cities and towns, people choose to visit a nearby city (whether a metro city or tier-I city) in absence of branded stores in their city. Hence, Indian wedding and celebration wear players are expanding into tier-II and tier-III cities in order to improve their market and visibility further.

Key challenges for the Indian wedding and celebration wear market in India

Vendor management

The vendors play a vital role in the Indian wedding and celebration wear market. A large part of the domestic vendor market is unorganized and fragmented and hence it becomes difficult to keep a check on quality parameters. Manufacturers and retailers also face issues such as timely delivery, transparent communication, and relation management. Lack of steady orders and working capital are some of the other issues faced with respect to vendor management.

Staying up-to-date on the latest designs and styles

One of the key challenges that Indian wedding and celebration wear players face is that of regularly updating their apparel design and maintaining consumer interest. Unlike casual apparel which has seasonal collections (summer/winter collection), Indian wedding and celebration wear is not seasonal and has constantly evolving design trends that players have to stay abreast with to avoid customer dissatisfaction that could lead to unsold inventory. The absence of data on what sells and what does not is a growth deterrent in the Indian wedding and celebration wear category and could lead to high unsold inventory posing as a business risk. Changing their designs and styles as per the evolving market trends and supplying to the stores quickly are challenging. In addition, the players also face a risk that the consumers might not accept a particular design or style. This could have an adverse impact on the player. Most of the branded players have in-house design teams to bring out the latest trends in the stores every season. Players with large presence in the exclusive brand outlet (EBO) space and having latest technology can collate this information and track changing demand trends to adapt to the requirement.

Inventory management remains as an Achilles' heel for retailers

Inventory management is one of the prime factors driving the working capital for this industry. Doing the right forecasting of demand, planning and producing the right inventory in right proportions, timely replenishment of inventory, and ensuring that right inventory is best placed in optimum quantity at right place form the key components of optimal inventory management in Indian wedding and celebration wear market. India being a diverse country in geography, religion and ethnicity gives rise to distinct identities and different Indian wedding and celebration wear across India which keeps evolving further. So a comprehensive data-capturing and management platform is the need of the hour. Sales trend and data analytics are also important parts of inventory management in order to avoid unsold stock and keep up to date with customer needs. Established players make use of technology in periodic inventory movement and analysis, warehouse inventory management and to design replenishment models at a stock-keeping-unit level to build an organized and effective inventory management process.





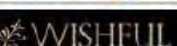



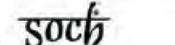








Adapting to newer technologies

Technology adaptation and upgradation play an important part across functions such as procurement and inventory management at warehouses and retailers, analyzing customer preferences and trends, etc. For smaller, unorganized players, it is difficult and expensive to adapt to newer technologies; hence, expansion across cities and regions is a challenge for them.

Competitive mapping of key players operating in the Indian wedding and celebration wear apparel market

Comparative analysis of players in the Indian wedding and celebration wear apparel sector

In this section, CRISIL Research has compared key players in the Indian wedding and celebration wear apparel industry. Data in this section is obtained from publicly-available sources, including annual reports and investor presentations of listed players, regulatory filings, rating rationales, and/or company websites. The financial information used in this section has been re-classified by CRISIL based on the annual reports and financial filings of the players. There are no listed companies in India in the Indian wedding and celebration wear market that engage in a business exactly similar to that of VFL. Accordingly, it is not possible to provide an exact listed peer comparison with VFL. However we have included a few companies that have a presence in some of the segments which VFL operates in.

Company name	Category present in	Celebration wear brands by the company	Primary focus *
Vedant Fashions Ltd	Men, women and kids	  MANTHAN twamev Me'az	
TCNS Clothing Co Ltd	Women	 	
Swayamvar	Men		
Soch Apparels Pvt Ltd	Women		
Ritika Pvt Ltd	Women		
Neeru Ensembles Pvt Ltd	Women, men and kids		
Nalli Silk Sarees Pvt Ltd	Women and men		
Jahanpanah Clothing Pvt Ltd	Men		
Jadeblue Lifestyle India Ltd	Men		
BIBA Apparels Pvt Ltd	Women	 	

* Maroon color in the pie chart denotes share of "Indian wedding and celebration wear" and grey color denotes "others."

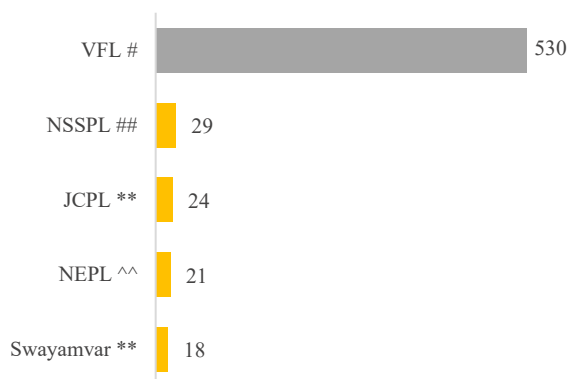
Source: Company websites, company annual reports/investor presentations, CRISIL Research

The companies compared above are mostly into retailing in the ethnic apparel market (either exclusively Indian wedding and celebration wear or both casual and Indian wedding and celebration wear apparel). VFL and NEPL are exclusively focusing on the Indian wedding and celebration wear apparel segment and have product offerings for all the three categories: men, women and kids. VFL sells its mid- to premium-segment products primarily via the EBO channel. VFL is one of the early movers to take the branded Indian wedding and celebration wear category to mid and higher income households.

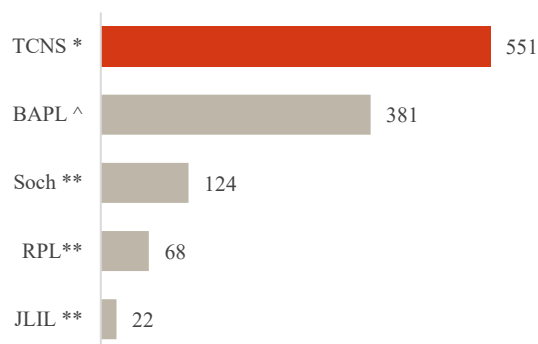
The rising trend of multi-day weddings and Indian wedding and celebration wear for festivals will lead to faster growth of the industry. Players with a strong financial position will be better-placed to benefit from these industry tailwinds.

Key operational parameters of major Indian wedding and celebration players

EBOs for key players operating predominantly in the Indian wedding and celebration wear market



EBOs for key ethnic wear market players predominantly in casual wear having Indian wedding and celebration wear brands as well



Note: EBO is a key channel utilized by ethnic apparel retailers to reach end-consumers; players might also be present via other channels such as MBO, LFS, etc.

Data for Financial Year 2021 provided by the Company. This includes shop-in-shops. As of March 31, 2021, VFL had 530 EBOs (including 49 shop-in-shops).

As per the rating rationale dated March 04, 2021, NSSPL has 29 textile retail showrooms and one jewelry showroom, spread across 11 cities (Delhi, Mumbai, Bangalore, Chennai, Hyderabad, Coimbatore, Kolkata, Kanchipuram, Ahmedabad, Kochi, and Puducherry) as on December 31, 2020

** As per the website, accessed on June 18, 2021

^^ As per the rating rationale dated March 30, 2021, NEPL has 21 stand-alone stores as of date in Telangana, Andhra Pradesh, Karnataka and other states. It has presence in 12 Central and three Lifestyle stores in India

* As per the fourth quarter of Financial Year 2021 investor presentation the Company has retail presence through 551 EBOs, 2,123 LFS and 1,011 MBOs as of March 2021

^ As per the rating rationale dated April 7, 2020. As on February 29, 2020, BAPL's products were retailed through 381 EBOs (including 36 franchised stores) and 750 LFSs/ MBOs, such as Shoppers Stop, Lifestyle, Central and Pantaloons.

Source: Rating rationales, company website, CRISIL Research

Key observations

Among the players compared above, predominantly in the Indian wedding and celebration wear category, VFL is the largest exclusive Indian wedding and celebration wear player, catering to the men, women and kids categories, in terms of EBOs. It has a pan-India presence across 205 cities in India and 8 international cities through 530 stores (EBOs as well as shop-in-shop model), with retail space of 1.1 million square feet during Financial Year 2021. VFL has established a multi-channel network and introduced brands by identifying gaps in the underserved and high growth Indian wedding and celebration wear category. Manyavar, the flagship brand of VFL, operates in the men's Indian wedding and celebration wear in the mid-premium segment. Manyavar is a category-leader in the branded Indian wedding and celebration wear market with a pan-India presence as of the calendar year 2020 based on latest data available for the peer set. Mohey is an emerging brand of VFL in the women's mid-premium and premium wedding and Indian wedding and celebration wear segment, focused on lehengas, sarees and gowns. Other brands under the VFL umbrella are Mebaz, Twamev and Manthan. Mebaz is a south India-focused celebration and wedding ethnic wear brand acquired by VFL in Financial Year 2018, providing a 'one-stop-shop' for the ethnic celebration needs of the whole family. Twamev, launched in 2019, offers premium men's Indian wedding and celebration wear priced between Manyavar and super-premium boutique designer wear brand offerings. Manthan, launched in 2018, offers men's Indian wedding and celebration wear at value price points through sales mainly through MBO, LFS and e-commerce channels.

Among the players compared above in the predominantly Indian wedding and celebration wear category, VFL has the highest EBO network. VFL generates approximately 90% of sales through the franchisee-owned EBO network consisting of 481 stores (excluding 49 shop-in-shops), as of Financial Year 2021. VFL's revenue per store was ₹24 million in Financial Year 2020. The average store size for VFL stands at 2,266 square feet as of Financial Year 2021.

Among the players compared above, the key players in terms of revenue that have presence in segments other than only Indian wedding and celebration wear are TCNS and BAPL. They focus mainly on the women's ethnic apparel segment and operate 595 and 381 EBOs, respectively.

Financial parameter assessment of key Indian wedding and celebration wear players

The financial information used in this section has been reclassified by CRISIL based on the annual reports and financial filings of the players.

Key financial parameters of players operating predominantly in the Indian wedding and celebration wear market

Company	Operating income			OPBDIT*			PAT**		
	FY17	FY20	FY21	FY17	FY20	FY21	FY17	FY20	FY21
	(₹ in million)								
VFL	5,978	9,182	5,652.1	1,737	3,966	2,434.6	1,060	2,366	1,329.0
NSSPL [^]	77	5,772	N.A.	1	499	N.A.	8	266	N.A.
RPL	1,772	2,866	N.A.	52	146	N.A.	-7	-140	N.A.
NEPL	1,711	1,810	N.A.	175	700	N.A.	30	-90	N.A.
JCPL	122	355	N.A.	5	20	N.A.	0	2	N.A.

Note: The information for each of the players NSSPL, RPL, NEPL and JCPL relating to the indicated key financial parameters for the Financial Year 2021 are not publicly available as of November 18, 2021

* OPBDIT: operating profit before depreciation, interest and tax.

** PAT: profit after tax.

[^] Note: During the Financial Year 2019, NSSPL purchased the entire trading division of M/s Nalli Trust (NT) through a slump sale as per business transfer agreement dated April 11, 2018. Due to this purchase, the operating income NSSPL shot up from ₹76.9 million in Financial Year 18 to ₹5,114.7 million in Financial Year 2019. Hence, NSSPL is an outlier and is not comparable to the peers in the predominant Indian wedding and celebration wear.

Source: Company annual reports, MCA filings, CRISIL Research

Key financial parameters of ethnic-wear market players predominantly in the casual wear having Indian wedding and celebration wear brands as well

Company	Operating income			OPBDIT*			PAT**		
	FY17	FY20	FY21	FY17	FY20	FY21	FY17	FY20	FY21
	(₹ in million)								
TCNS	7,010	11,490	6,359	780	1,894	55.9	160	694	(563.8)
BIBA	4,573	7,569	N.A.	492	1,395	N.A.	206	26	N.A.
SOCH*	3,353	2,810.02	N.A.	377	(207.23)	N.A.	165	(278.61)	N.A.
JLIL	2,627	2,552	N.A.	273	255	N.A.	70	62	N.A.

Note: The information for each of the players JLIL, BIBA and SOCH relating to the indicated key financial parameters for the Financial Year 2021 are not publicly available as of November 18, 2021

* OPBDIT: operating profit before depreciation, interest and tax.

** PAT: profit after tax.

Source: Company annual reports, MCA filings, CRISIL Research

Key observations for the financial year 2021

VFL had a net profit margin of 23.5% for the financial year 2021. TCNS reported a net loss for the financial year 2021, with net margin of -8.9%.

Key observations for the financial year 2020

Among the peers operating predominantly in the Indian wedding and celebration wear market, VFL had the highest revenue of ₹9,182 million in Financial Year 2020 (as per the latest available data for the peer set) followed by NSSPL. VFL is the largest player in the exclusive Indian wedding and celebration wear as of Financial Year 2020.

Among the players compared above in the predominantly Indian wedding and celebration wear category, VFL leads the peers in terms of OPBDIT and PAT. It had an OPBDIT of ₹3,966 million and a PAT of ₹2,366 million in Financial Year 2020.

Among the players compared above in the predominantly Indian wedding and celebration wear category, both VFL and NEPL have product offerings for all three categories: men, women and kids. NEPL however focuses mainly on the women category. In the men's Indian wedding and celebration wear segment, VFL is the largest player in terms of revenue, OPBDIT and PAT among the peers operating predominantly in the Indian wedding

and celebration wear market. The men's Indian wedding and celebration wear is the largest segment for VFL because of its franchisee-owned EBO network.

VFL has access to artisans across India, and it controls its manufacturing activities through dedicated jobbers. Access to artisans and dedicated job workers helps the organised industry to have well-developed and reliable supply chains, and achieve economies of scale in their production. Such strong supply chains maintains entry barriers for new unorganised players.

Key financial ratios of players operating predominantly in the Indian wedding and celebration wear market for the financial year 2020

Company	Operating margin	Net profit margin	ROCE	Interest coverage	Gearing	Inventory days (COGS)	Inventory days (Sales)
VFL	43%	26%	41%	16.7	0.0	85	48.0
NSSPL	9%	5%	29%	9.1	1.4	51	478
RPL	5%	-5%	-5%	0.7	0.7	133	126
NEPL	6.2%	-5.2%	1.9%	5.3	3.8	269	199
JCPL	6%	1%	32%	1.9	2.3	189	178

Ratios calculated as per CRISIL Research standards as described below:

Operating margin = OPBDIT / operating income

Net profit margin = Profit after tax / operating income

Return on capital employed (ROCE) = Profit before interest and tax (PBIT) / [total debt + tangible net worth]

Interest coverage ratio = Profit before depreciation, interest and tax (PBDIT) / interest and finance charges

Gearing = Adjusted total debt / adjusted net worth

CRISIL Research has taken into account "tangible net worth" for calculation of both ROCE and gearing ratio

Inventory days (COGS) = Total inventory (Raw material + WIP + finished goods + traded goods + consumables and stores) / cost of goods sold *365

Inventory days (Sales) = Total inventory (Raw material + WIP + finished goods + traded goods + consumables and stores) / operating income *365

Source: Company annual reports, MCA filings, CRISIL Research

Key financial ratios of VFL for the financial years 2020 and 2021

Company	Operating margin	Net profit margin	ROCE	Interest coverage	Gearing	Inventory days (Sales)
VFL (FY21)	43%	23.5%	22.9%	9.4	0.0	65.4
VFL (FY20)	43%	26%	41%	16.7	0.0	48.0

Note: The information for each of the players NSSPL, RPL, NEPL and JCPL relating to the indicated key financial parameters for the Financial Year 2021 are not publicly available as of November 18, 2021. The information for the Financial Year 2020 has only been included for players with financials for the Financial Year 2021 for comparison of performance.

Ratios calculated as per CRISIL Research standards as described above.

Source: Company reports, CRISIL Research

Key financial ratios of ethnic-wear market players having Indian wedding and celebration wear brands as well for the financial year 2020

Company	Operating margin	Net profit margin	ROCE	Interest coverage	Gearing	Inventory days (COGS)	Inventory days (Sales)
TCNS	16%	6%	21%	6.1	0.0	126	105
JLIL	10%	2%	14%	3.7	0.6	143	129
BIBA	18.4%	0.34%	16%	3.0	1.0	223	182
SOCH	-7.4%	-9.9%	18.7%	2.0	0.8	75	81

Ratios calculated as per CRISIL Research standards as described above.

Source: Company annual reports, MCA filings, CRISIL Research

Key financial ratios of TCNS for the financial years 2020 and 2021

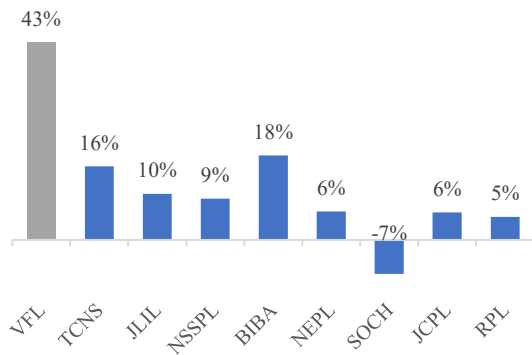
Company	Operating margin	Net profit margin	ROCE	Interest coverage	Gearing	Inventory days (Sales)
TCNS (FY21)	0.9%	-8.9%	-6.7%	1.4	0.0	159.6
TCNS (FY20)	16%	6%	21%	6.1	0.0	105

Note: The information for each of the players JLIL, BIBA and SOCH relating to the indicated key financial parameters for the Financial Year 2021 are not publicly available as of November 18, 2021. The information for the Financial Year 2020 has only been included for players with financials for the Financial Year 2021 for comparison of performance.

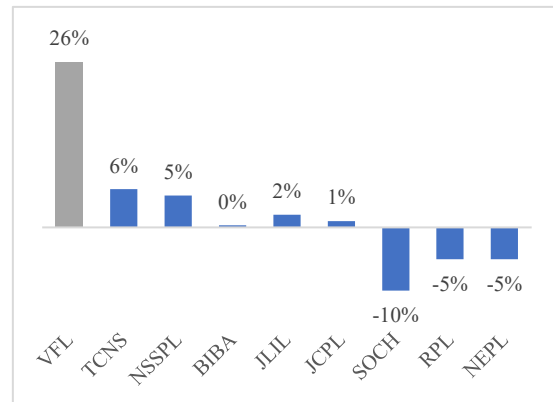
Ratios calculated as per CRISIL Research standards as described above.

Source: Company reports, CRISIL Research

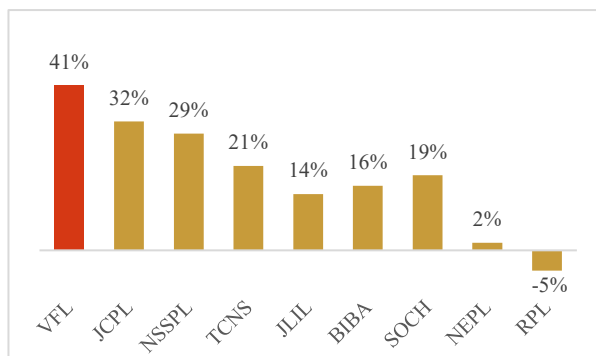
In terms of OPBDIT margin, VFL led the peer set with 43% in Financial Year 2020



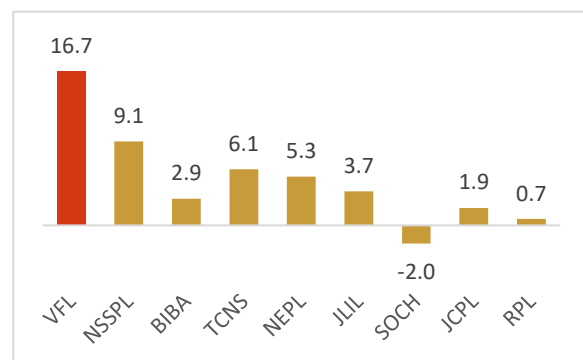
In terms of net profit margin, VFL led the peer set with 26% in Financial Year 2020



In terms of ROCE, VFL led the peer set with 41% in Financial Year 2020

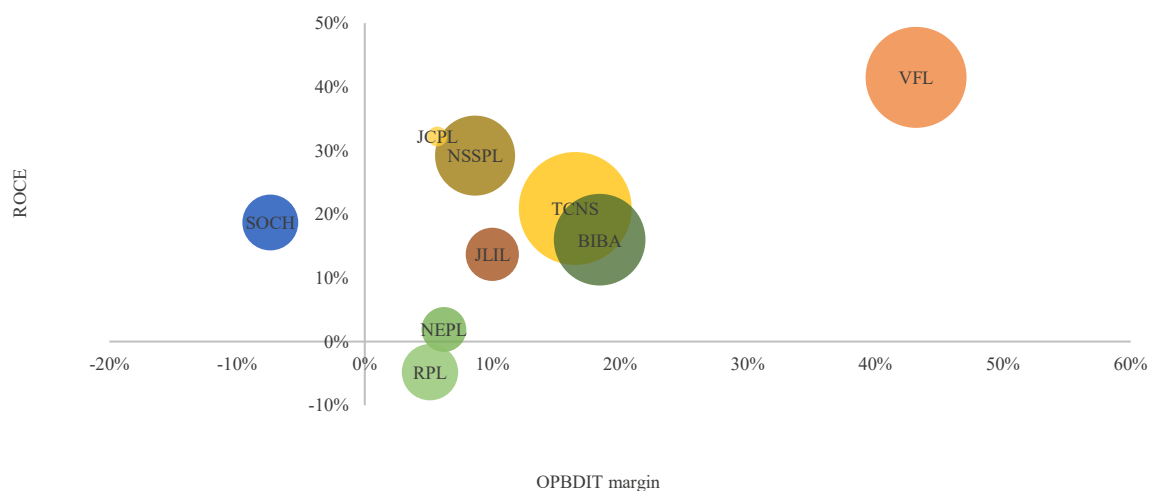


In terms of interest coverage ratio, VFL led the peer set with approximately 17% in Financial Year 2020

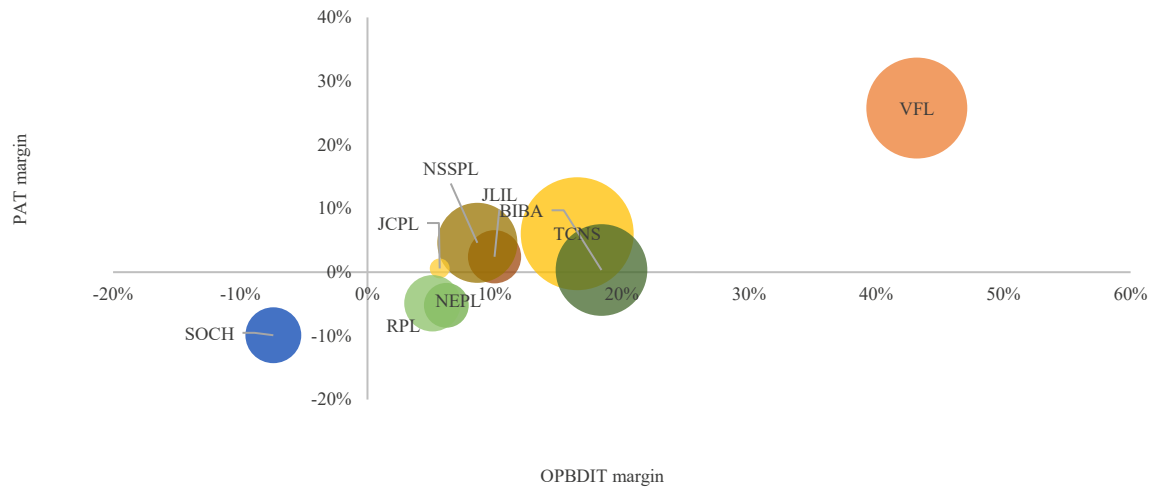


Source: Company annual reports, MCA filings, CRISIL Research

ROCE and OPBDIT margin (Financial Year 2020)



PAT and OPBDIT margin (Financial Year 2020)



Note: Size of the bubble represents operating revenue of the Company in Financial Year 2020
Source: Company annual reports, MCA filings, CRISIL Research

Snapshot of key consumer companies

Comparative analysis of players in the consumer sector as of financial year 2020

Note: Data in this section is obtained from publicly-available sources, including annual reports and investor presentations of listed players, regulatory filings, rating rationales, and/or company websites.

For this assessment, VFL has been compared to some of the key large listed players across consumer industries, excluding companies having a major foreign MNC promoter holding. For the apparel industry, ABFRL and Page industries Limited (Page) have been compared along with other companies in the consumer sector, namely Titan, Asian Paints Limited (APL), Dabur India Limited (Dabur), Marico Limited (Marico), Britannia Industries Limited (Britannia), Pidilite Industries Limited (Pidilite), and Relaxo Footwears Limited (Relaxo).

Financials of some key players across consumer industries

Note: Financials in the table below for the companies are not comparable as they represent different industries

Company name	Industry (Key Sub-segment*)	Operating income						OPBDIT		PAT	
		FY20 (₹ in mn)	FY21 (₹ in mn)	3-year CAGR (FY17 to FY20)	4-year CAGR (FY17 to FY21)	10-year CAGR (FY10 to FY20)	10-year CAGR (FY11 to FY21)	3-year CAGR (FY17 to FY20)	4-year CAGR (FY17 to FY21)	3-year CAGR (FY17 to FY20)	4-year CAGR (FY17 to FY21)
APL	Paints	233,080	254,597	10%	9.8%	13%	12%	11%	12.5%	11%	12.3%
Titan	Jewellery	210,750	217,120	18%	14%	16%	13%	29%	11.8%	29%	8.7%
Britannia	Food Products (biscuits, cakes and rusks)	116,060	131,465	9%	10%	12%	11%	13%	18.5%	16%	20.3%
ABFRL	Apparel (casual wear)	88,010	52,628	10%	-6%	91%	83%	36.5%	4.5%	NM	NM
Dabur	FMCG	86,850	95,617	4%	6%	10%	9%	6%	7.1%	4%	7.3%
Marico	FMCG (hair oil)	73,270	80,610	7%	8%	11%	10%	8%	8.2%	9%	10.3%
Pidilite	Speciality chemicals	72,980	73,015	9%	7%	13%	11%	8%	7.6%	9%	6.9%
Page	Apparel (Inner wear)	29,530	28,537	11.5%	7.4%	24%	19%	9.0%	6.1%	8.7%	6.3%
Relaxo	Footwear	24,110	23,596	14%	10%	16%	13%	18%	19.0%	23%	24.9%
VFL	Apparel (Indian wedding and celebration wear)	9,182	5,652	15%	-1.4%	30%	21% ^s	32%	8.8%	31%	5.8%

* Sub-segment indicates the business line of the Company which constitutes the majority revenue share

^s Operating income CAGR for VFL is for 11 years from the Financial Year 2010 to the Financial Year 2021

CRISIL Research has taken into account "tangible net worth" for calculation of ROCE

NM is not meaningful on account of negative PAT

Source: Company annual reports, MCA filings, CRISIL Research

Company name	Industry (key sub-segment*)	Operating margin		Net profit margin		ROCE	
		FY20	FY21	FY20	FY21	FY20	FY21
APL	Paints	18%	19.2%	12%	12.6%	34%	35.7%
Titan	Jewellery	12%	8.4%	7%	4.5%	36%	21.8%
Britannia	Food Products (biscuits, cakes and rusks)	16%	19.2%	12%	14.1%	36%	46.2%
ABFRL	Apparel (casual wear)	14.5%	11.3%	-2%	-14.1%	54.9%	-26.4%
Dabur	FMCG	21%	20.9%	17%	17.7%	29%	28.6%
Marico	FMCG (hair oil)	20%	19.9%	14%	14.9%	54%	58.4%
Pidilite	Speciality chemicals	22%	23.2%	15%	15.4%	34%	39.7%
Page	Apparel (Inner wear)	18.3%	18.7%	11.6%	12.0%	57.5%	55.8%
Relaxo	Footwear	17%	21.3%	9%	12.4%	25%	29.1%
VFL	Apparel (Indian wedding and celebration wear)	43%	43.1%	26%	23.5%	41%	22.9%

* Sub-segment indicates the business line of the Company which constitutes the majority revenue share

Note: FY21 performance parameters includes impact on account of COVID-19 pandemic

Ratios calculated as per CRISIL Research standards as described below:

Operating margin = OPBDIT / operating income

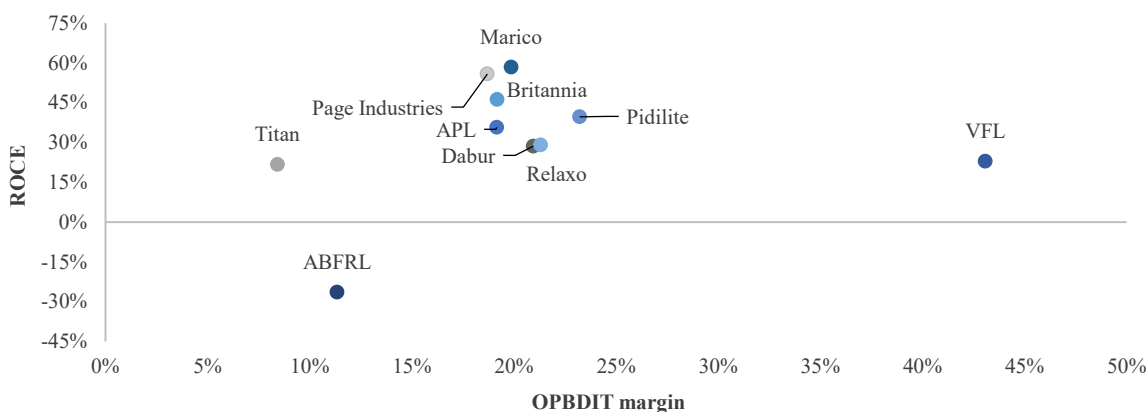
Net profit margin = Profit after tax / operating income

ROCE = PBIT / (total debt + tangible net worth)

CRISIL Research has taken into account 'tangible net worth' for the calculation of ROCE

Source: Company annual reports, MCA filings, CRISIL Research

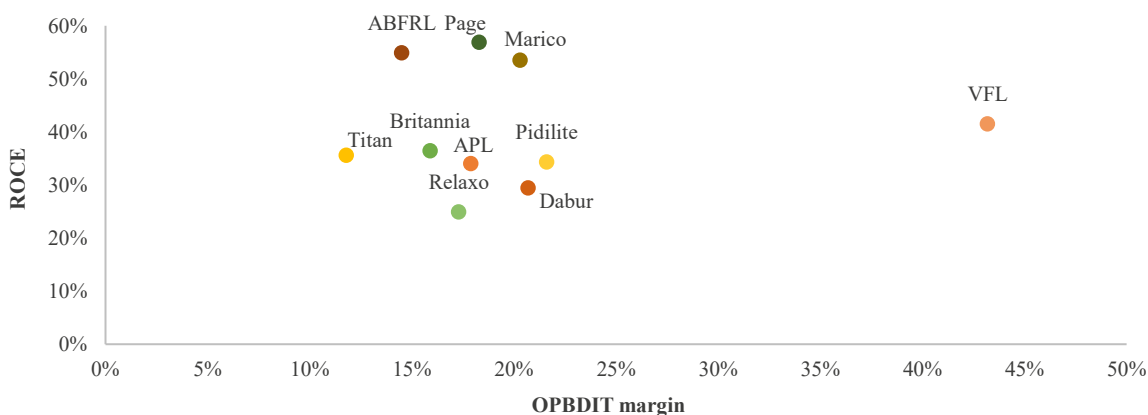
ROCE and OPBDIT margin (Financial Year 2021)



Note: Financials for the companies in the chart above are not comparable as they represent different industries

Source: Company annual reports, MCA filings, CRISIL Research

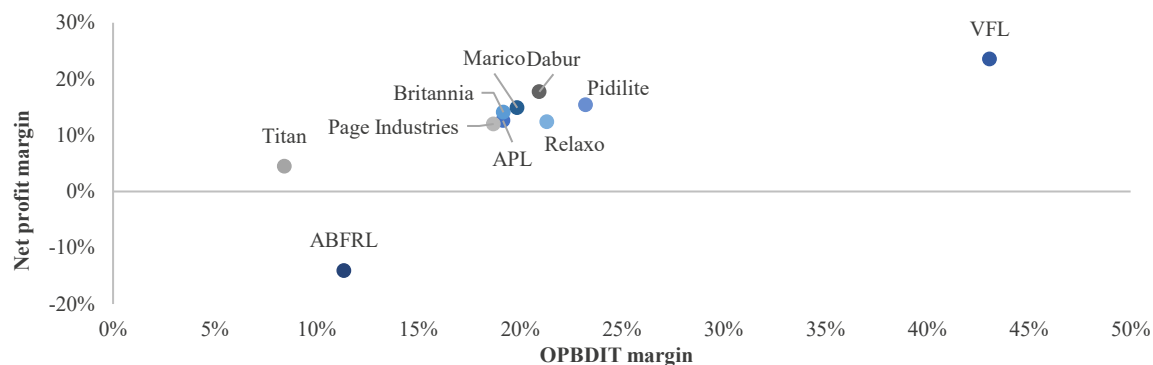
ROCE and OPBDIT margin (Financial Year 2020)



Note: Financials for the companies in the chart above are not comparable as they represent different industries

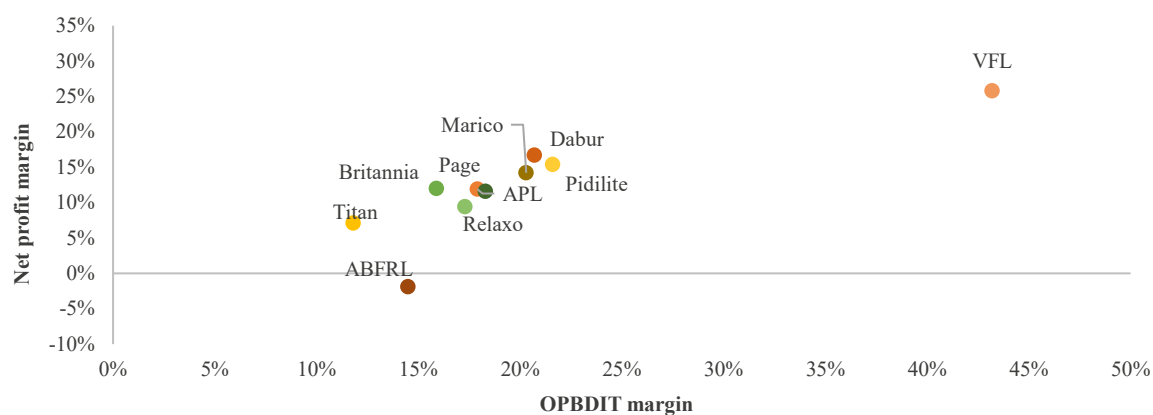
Source: Company annual reports, MCA filings, CRISIL Research

Net profit margin and OPBDIT margin (Financial Year 2021)



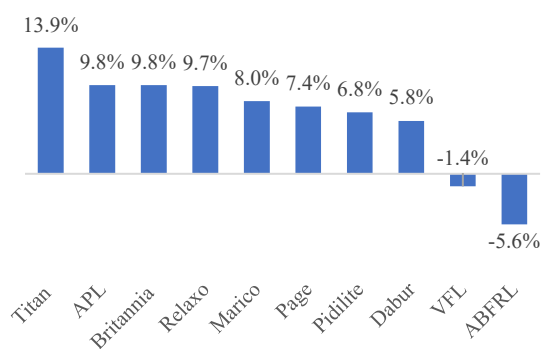
Note: Financials for the companies in the chart above are not comparable as they represent different industries
Source: Company annual reports, MCA filings, CRISIL Research

Net profit margin and OPBDIT margin (Financial Year 2020)

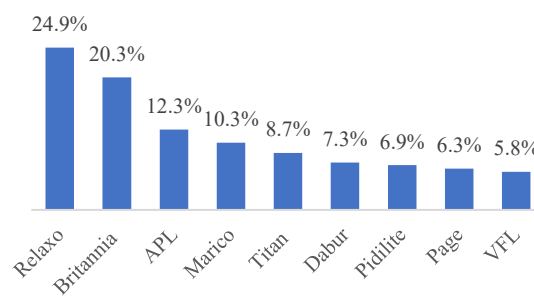


Note: Financials for the companies in the chart above are not comparable as they represent different industries
Source: Company annual reports, MCA filings, CRISIL Research

Operating income CAGR (Financial Years 2017 to 2021)

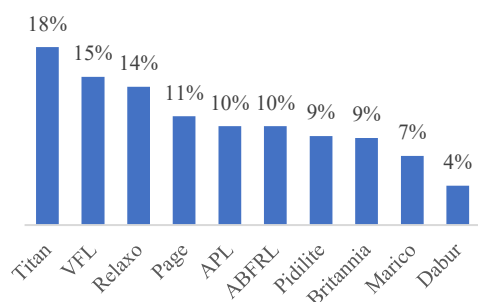


PAT CAGR (Financial Years 2017 to 2021)

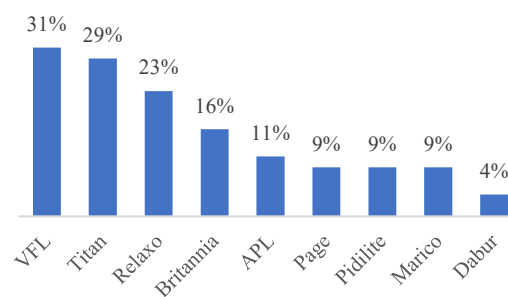


Note: Financials for the companies in the charts above are not comparable as they represent different industries
The PAT CAGR for ABFRL is -197% and is not represented on the chart above as it is an outlier value
Source: Company annual reports, MCA filings, CRISIL Research

Operating income CAGR (Financial Years 2017 to 2020)

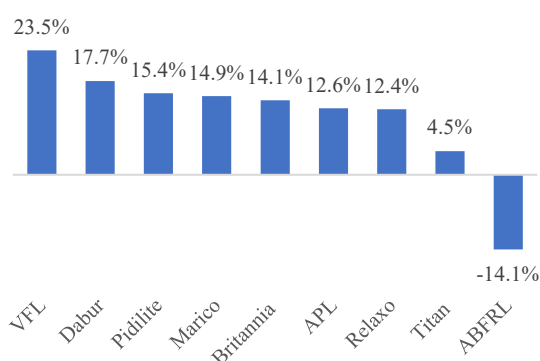


PAT CAGR (Financial Years 2017 to 2020)

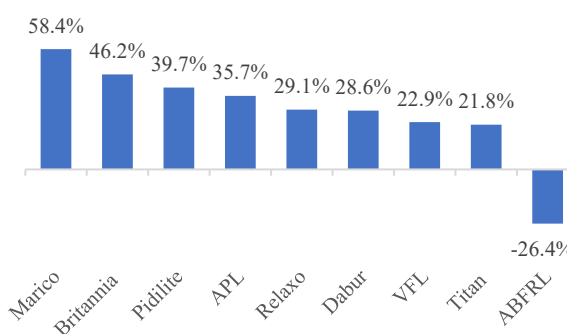


Note: Financials for the companies in the charts above are not comparable as they represent different industries
The PAT for ABFRL in the Financial Year 2017 was negative and hence is not a meaningful figure. The PAT CAGR for the Financial Years 2017 to 2020 (-255%) for ABFRL is not included in the chart as the value is an outlier
Source: Company annual reports, MCA filings, CRISIL Research

Net profit margin (Financial Year 2021)

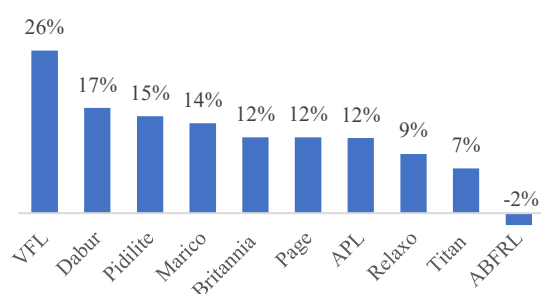


ROCE (Financial Year 2021)

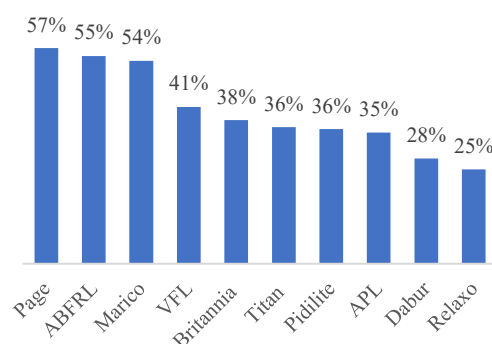


Note: Financials for the companies in the charts above are not comparable as they represent different industries
Source: Company annual reports, MCA filings, CRISIL Research

Net profit margin in Financial Year 2020



ROCE in Financial Year 2020



Note: Financials for the companies in the charts above are not comparable as they represent different industries
Source: Company annual reports, MCA filings, CRISIL Research

OUR BUSINESS

We have included certain non-GAAP financial measures and other performance indicators relating to our financial performance and business in this Red Herring Prospectus, each of which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. Further, such measures and indicators are not defined under Ind AS, IFRS or U.S. GAAP, and therefore, should not be viewed as substitutes for performance, liquidity or profitability measures under Ind AS, IFRS or U.S. GAAP. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. For the purposes of this section, for certain analyses we have used historical methodologies and internal categorizations to enable a consistent representation of our business. See “Risk Factors – Internal Risk Factors – Risks Related to Our Business – We have presented certain supplemental information of our performance and liquidity which is not prepared under or required by Ind AS.”

Our financial year ends on March 31 of each year and accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year. Financial information for the six months ended September 30, 2020 and 2021 is not indicative of full year results and is not comparable with the annual financial statements presented in this Red Herring Prospectus.

The industry-related information contained in this section is derived from the report “Assessment of the apparel industry with a special focus on Indian wedding and celebration wear market in India” dated September 2021, as updated by the addendum dated December 2021, prepared by CRISIL Limited (“CRISIL Report”), and commissioned and paid for by our Company for the purpose of confirming our understanding of the industry in which we operate in connection with the Offer.

All references to our website i.e. www.manyavar.com and sales therefrom, as well as our mobile application and sales therefrom, are references to the website and mobile application maintained and operated by our Subsidiary, Manyavar Creations Private Limited. Further, references to sales through other e-commerce platforms also refer to sales by our Subsidiary, Manyavar Creations Private Limited.

To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with “Risk Factors”, “Industry Overview”, “Financial Statements”, “Summary Financial Information” and “Management’s Discussions and Analysis of Financial Condition and Results of Operations” on pages 27, 105, 190, 62 and 262, respectively, as well as the financial, statistical and other information contained in this Red Herring Prospectus.






Overview

We are the largest company in India in the men’s Indian wedding and celebration wear segment in terms of revenue, OPBDIT and profit after tax for the Financial Year 2020 (Source: *CRISIL Report*). According to CRISIL, our ‘Manyavar’ brand is a category leader in the branded Indian wedding and celebration wear market with a pan-India presence, as of Financial Year 2020. We have established a multi-channel network and introduced brands by identifying gaps in the under-served and high-growth Indian wedding and celebration wear category (Source: *CRISIL Report*). We focus on spreading India’s vibrant culture, traditions and heritage through our aspirational yet value for money brands at a diverse range of price points. We offer a one-stop destination with a wide-spectrum of product offerings for every celebratory occasion and aim to deliver an aristocratic yet seamless purchase experience to our customers through our aesthetic franchisee-owned exclusive brand stores.

We are focused on further enhancing our leadership position in the organized Indian wedding and celebration wear market and establishing our dominance in the premium and value segments of the men’s Indian wedding and celebration wear market through our brands, Twamev and Manthan, respectively, and in the women’s Indian wedding and celebration wear market through our brand, Mohey, launched in 2015. Through our diverse portfolio of leading and differentiated brands, including our acquisition of Mebaz in financial year 2018, a regional legacy brand catering to the entire family with a rich heritage and established presence in the states of Andhra Pradesh and Telangana, we are able to better cater to the needs of our customers and the aspirations of the entire family yet remain value for money and service the varying financial budgets of our Indian consumers. In Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2021, 92.20%, 91.14%, 90.14% and 88.09% of the Sales of our Customers, respectively, was generated by franchisee-owned exclusive brand outlets (our “EBOs”),

with the remaining by multi-brand outlets (“MBOs”), large format stores (“LFSs”) and online platforms, including our website (www.manyavar.com) and mobile application.

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

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

* The brand ‘Manyavar’ commenced operations through a predecessor entity in 1999.

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

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

Our portfolio of products includes a diverse range of attires and accessories, each conceptualized by our designers who have experience in serving the distinct regional preferences of the Indian customer. Our products are manufactured by artisans having an abundance of expertise in the Indian wedding and celebration wear market, supplemented by our own ingrained knowledge of the demands of Indian festivals and weddings. Our wedding portfolio also includes different ranges of creations for different members of the wedding entourage, besides unique personalization for the bride and the groom. Over the years, we have built longstanding relationships with vendors and artisans, which have been critical towards us being able to command a dominant position in a market that was conventionally an unorganized market.

We are asset-light in respect of our plant, property and equipment which enables us to achieve a high return on capital employed, primarily due to the nature of our sourcing and manufacturing operations, with a substantial majority of our sales being generated through our franchisee-owned EBOs. As a result, we do not need to invest in developing manufacturing facilities or a distribution system and by using economies of scale, we are able to optimize several costs such as our production and procurement costs, distribution costs and employee costs, thereby leading to improved profitability. Our omni-channel presence, through EBOs and online platforms, is designed in a manner such that products across our brands are available under one universal platform. As a result, we are able to make our products available to our customers through their preferred mode of shopping and purchasing. The success of our franchisee-based model is proven by the fact that as of September 30, 2021, approximately 73% of our franchisees have operated our stores for three or more years, and 65% of the Sales of our Customers by our franchisee-owned EBOs is derived from franchisees having two or more stores. Through our network of over 300 franchisees as of September 30, 2021, we have a track record of commanding a high initial capital commitment from our franchisees and in return, provide all necessary support in connection with identifying and approving potential locations for new stores, managing multi-channel advertising on a national and regional basis, store development and inventory management, management of the supply chain and provide detailed training programmes for store staff and franchisees. We also incur lease costs in connection with EBOs operated by our franchisees on premises leased by us.

As of September 30, 2021, we had a retail footprint of 1.2 million square feet covering 535 EBOs (including 58 shop-in-shops) spanning across 212 cities and towns in India, and 11 EBOs overseas across the United States, Canada and the UAE, which are countries with a large Indian diaspora. In addition to our offline retail presence, our consumers also have the option of placing orders through our website (www.manyavar.com), our mobile application and through leading lateral e-commerce platforms. As our offline and online channels are integrated, our customers can place orders for our products either offline or online, and have the flexibility of buying products at one store and returning at another or browsing our product catalogues and placing orders online with doorstep

delivery. We also operate a QR-code enabled digital catalogue at many of our stores so that our customers can select a product of their choice from our entire range of offerings.

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

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

Headquartered in Kolkata, we are led by our founder, Chairman and Managing Director, Mr. Ravi Modi, a first-generation entrepreneur who has proven his flair for the art of brand building and retailing with the success of our brands. Mr. Modi is supported by an experienced management team whose achievements have been recognised by a number of industry awards including the Global Award for Retail Excellence, 2020, India’s Retail Champions (Speciality Retail), 2020, and Best Men’s Ethnic Wear Brand (East), 2019. Since 2017, we have also benefited from the support, guidance and expertise of marquee investor, Kedaara Capital, through Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1 and Rhine Holdings Limited.

In the six months ended September 30, 2021, 44.76% of the Sales of our Customers was generated by our franchisee-owned EBOs from Tier I cities, 38.64% from Tier II cities and 13% from Tier III cities. The remaining 3.59% of our franchisee-owned EBO revenues were generated from international markets. In Financial Year 2021, 44.22% of the Sales of our Customers was generated by our franchisee-owned EBOs from Tier I cities, 42.05% from Tier 2 cities and 12.31% from Tier 3 cities. The remaining 1.42% of the Sales of our Customers by our franchisee-owned EBOs was generated from international markets. For Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, our revenue from operations was ₹ 8,007.42 million, ₹ 9,155.49 million, ₹ 5,648.16 million, ₹ 717.05 million and ₹ 3,598.43 million, respectively. Similarly, our profit / (loss) for the year for Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021 was ₹ 1,764.27 million, ₹ 2,366.37 million and ₹ 1,329.03 million, ₹ (176.47) million and ₹ 984.07 million, respectively. Our EBITDA for Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021 was ₹ 3,379.54 million, ₹ 3,987.65 million, ₹ 2,817.05 million, ₹ 293.48 million and ₹ 1,759.53 million, respectively, and our ROCE for Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021 was 48.24%, 47.80% and 34.07%, (2.76)% and 22.16% respectively. For a reconciliation of our profit for the period to EBITDA, see “*Other Financial Information*” and “*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation*” on pages 258 and 12, respectively.

Our Competitive Strengths

Our key competitive strengths, which combined, lead to a high barrier to entry in the organized Indian wedding and celebration wear market, include:

- Market leader in the Indian celebration wear market 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 an increased spending on such wear.
- Differentiated business model combining the strengths of retailing with branded consumer play.
- Omni-channel network with the seamless integration of our online and offline channels.
- Technology-based strong supply chain and inventory replenishment systems driven by system-wide data analytics, strong processes and longstanding vendor relationships.
- Experienced and professional founder-led leadership team.

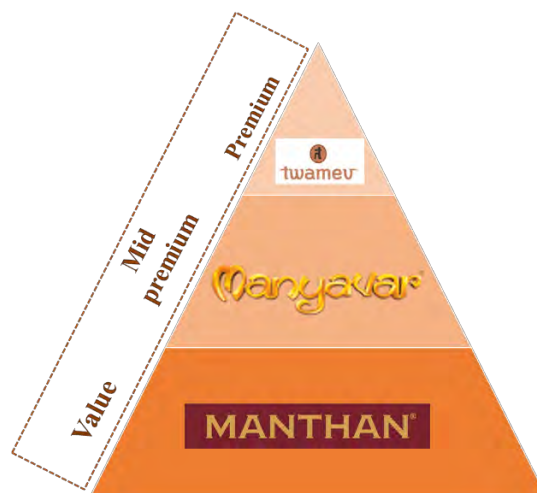
Market leader in the Indian celebration wear market with a diverse portfolio of brands catering to the aspirations of the entire family

According to CRISIL, our ‘Manyavar’ brand is a category leader in the branded Indian wedding and celebration wear market with a pan-India presence, as of Financial Year 2020. We have established a multi-channel network and introduced brands by identifying gaps in the under-served and high-growth Indian wedding and celebration wear category (Source: *CRISIL Report*). Our significant product portfolio curated at a diverse range of price points enables us to remain aspirational and yet value for money to the Indian consumers. We are the largest company in India in the men’s Indian wedding and celebration wear segment in terms of revenue, OPBDIT and profit after tax for the Financial Year 2020 (Source: *CRISIL Report*). We are now focused on further enhancing our leadership position and establishing our dominance in the premium and value segments of the men’s Indian wedding and celebration wear market through our brands, Twamev and Manthan. Parallelly, we are also focused on expanding our presence in the women’s Indian wedding and celebration wear market through our brand, Mohey. Our diverse portfolio of leading and differentiated brands, including our acquisition of Mebaz, enables us to better cater to the needs of our customers and increase the range and diversity of our products, thereby achieving our goal of catering to aspirations of the entire family.

Our brands comprise a diverse range of attires and accessories, with different ranges of creations for different members of the wedding entourage, besides the personalization for the bride and the groom. Our products are conceptualized by designers having experience of serving the regionally diverse tastes and preferences of the Indian population, designed by artisans who have an abundance of expertise, and are offered to our customers through our own ingrained knowledge of the demands of the Indian wedding and festivals. As a result, given our customer-centric approach and ideology of delivering an enhanced experience to our customers, we are able to command a dominant position in a market which has traditionally been a difficult market to enter. By leveraging our extensive experience and understanding of the Indian wedding and celebration wear market, we have developed a portfolio of established ‘home-grown’ brands in the Indian wedding and celebration wear market. Coupled with Mebaz, which is not a ‘home-grown’ brand of ours, we have a hybrid model of both ‘home-grown’ and acquired brands, expanding the reach of our brands.

Men’s Indian wedding and celebration wear market

We have three distinctive brands in the men’s Indian wedding and celebration wear market, each catering to a different segment of the market (i.e., value, mid-premium and premium price points):



- Manyavar is our flagship brand, and is in the mid-premium Indian wedding and celebration wear price range with a comprehensive product portfolio.
- Twamev is our premium brand in men's Indian wedding and celebration wear market. Twamev is priced between Manyavar and other luxury boutique brands, and since 2019, through Twamev, we upscale our consumer experience and offer Manyavar customers a premium product.
- Manthan is our value brand offering of men's Indian wedding and celebration wear. Following a refreshed launch in 2018, our Manthan products are sold primarily through MBOs, LFSs and online platforms, and we expect to cater to the demands of the sizable number of mid-market weddings and other celebrations through this portfolio of products.

Women's Indian wedding and celebration wear market



We launched our mid-premium brand Mohey in 2015 to cater to and develop a presence in the women's Indian wedding and celebration wear market. According to CRISIL, our Mohey brand is the largest brand by number of stores, with a presence across India focusing on women's Indian wedding and celebration wear market, as of the Financial Year 2020. Our Mohey brand offers a range of attires such as *lehengas*, *sarees* and gowns with the vision of establishing a leadership position as Manyavar has done in the men's Indian wedding and celebration wear market.

Regional Indian wedding and celebration wear in south India



An established one-stop shop heritage brand with a strong legacy, Mebaz was acquired by us in financial year 2018. As of Financial Year 2021, Mebaz has a strong presence in the states of Andhra Pradesh and Telangana (Source: CRISIL Report).

Large and growing Indian wedding and celebration wear market driven by an increased spending on such wear

In urban agglomerations, there has been an increasing trend of elaborate multi-day and multi-event wedding celebrations. According to CRISIL, the Indian wedding and celebration wear market is large and continues to consistently grow, driven by over 9.5 million to 10 million weddings taking place each year, and the average expenditure on weddings in urban India ranges between ₹ 1 million to ₹ 2 million for a single-day function. There has also been a significant increase in consumer-spending on Indian wedding and celebration wear, with a growing consumer appetite for celebration wear at occasions preceding and following the wedding ceremony (such as the engagement ceremony, *haldi*, *mehndi*, *sangeet* and the wedding reception) and extending not only to the bride, the groom and their immediate family members but also to their close friends and relatives (Source: CRISIL Report).

Dressing in Indian wedding and celebration wear (as opposed to western formals and casuals attire) is now a common trend not only at wedding celebrations but also country-wide festivals such as *Diwali*, *Navratri*, *Rakhi* and *Eid* and regional festivals such as *Durga Puja*, *Pongal*, and other occasions such as birthday parties and wedding-anniversary celebrations, among other celebrations. According to CRISIL, the Indian wedding and celebration wear market is relatively less price-sensitive as compared to casual wear. Moreover, the branded market is expected to grow at 18% to 20% between the Financial Years 2020 and 2025, primarily due to an increase in the availability of branded Indian wedding and celebration wear, as well as several regional brands offering merchandise of consistent quality with attractive and contemporary designs, uniform pricing and enhanced customer experiences (Source: CRISIL Report).

According to CRISIL, the men's Indian wedding and celebration wear market was estimated to be worth approximately ₹ 133 billion as of Financial Year 2020, and is projected to increase to ₹ 170 billion – ₹ 180 billion by Financial Year 2025. In comparison, the women's Indian wedding and celebration wear market is significantly larger, estimated to be worth approximately ₹ 735 billion as of Financial Year 2020, and is projected to increase to ₹ 950 billion – to ₹ 1,000 billion by Financial Year 2025. For both the men's and women's Indian wedding and celebration wear, the branded section of such market grows at differential rates, with the branded market estimated

to grow at a faster rate due to an increase in availability of our brands and several regional brands, consistent quality merchandize with attractive and contemporary designs, uniform pricing and the delivery of an enhanced customer experience (Source: *CRISIL Report*).

Differentiated business model combining the strengths of retailing with branded consumer play

Retail and brand play

We aim to deliver a uniform country-wide experience to our customers through a combination of our strong retailing proposition supported by our omni-channel network and the strength of our brands. Given our season-agnostic designs and aspirational brand appeal, we employ consistent pricing of our creations across India. We have not offered any end-of-season sales or discounts for our Manyavar brand.

Our retail strategy is primarily focused on delivering a consumer-centric experience and we consistently endeavour to launch on-trend designs throughout the year. As our sales are primarily channelled through EBOs, we are able to collect secondary sales data that we utilize to analyse consumer buying behaviour. This helps us develop a better understanding of evolving consumer preferences in the various micro-markets in which we operate and drive our supply chain and merchandise mix in an efficient manner. Moreover, as our inventory system is ERP-based and updated on a real time basis, we are able to ensure that our inventory is replenished to an optimal level at all times.

Our EBO distribution model

We are asset-light in respect of our plant, property and equipment with EBOs predominantly operated by our franchisees on a pan-India basis. In the six months ended September 30, 2021, over 88.09% of the Sales of our Customers was generated by our EBOs, with over 7.35% by MBOs and shop-in-shops, over 0.88% by LFS and over 3.68% by online channels. In Financial Year 2021, over 90% of the Sales of our Customers was generated by our EBOs, with over 6% by MBOs and shop-in-shops, over 1% by LFS and over 2% by online channels. We have grown significantly over the last five years with an overall EBO retail space of approximately 1.1 million square feet in 193 cities in India and 8 cities internationally, as of March 31, 2021, as compared to a retail space of approximately 0.50 million square feet, as of March 31, 2016. We have also expanded our presence overseas with 11 stores across the United States, Canada and UAE, as of September 30, 2021.

In the six months ended September 30, 2021, 44.76% of the Sales of our Customers was generated by our franchisee-owned EBOs from Tier I cities, 38.64% from Tier II cities and 13.00% from Tier III cities. The remaining 3.59% of our franchisee-owned EBO revenues were generated from international markets. Similarly, in Financial Year 2021, 44.22% of the Sales of our Customers was generated by our franchisee-owned EBOs from Tier I cities, 42.05% from Tier 2 cities and 12.31% from Tier 3 cities. The remaining 1.42% of the Sales of our Customers from our franchisee-owned EBOs in Financial Year 2021 was generated from sales in international markets.

The fact that, as of September 30, 2021, 73% of our franchisees have operated our stores for three or more years and 65% of the Sales of our Customers from our franchisee-owned EBOs is derived from franchisees having two or more stores is testament to the success of our EBO distribution model. Through our network of over 300 franchisees as of September 30, 2021, we are able to demonstrate a track record of commanding a high initial capital commitment and in return, provide all necessary support in connection with identifying potential locations for new stores, managing multi-channel advertising on a national and regional basis, assisting in store development and inventory management, directly managing the supply chain and providing detailed training programmes for store staff and franchisees.

Marketing and brand building campaigns

We believe we have developed a strong brand identity through effective brand advertising with distinct targeted marketing campaigns through a variety of media such as digital and social media, billboards, multiplex cinemas, television and live events. For such marketing campaigns, our brand ambassadors have included leading individuals from the sporting and film industries. We attempt to connect with our customers at an emotional level through subtle messages that our customers can relate to. These include values-based messaging themes embedded around traditional Indian society, festivals, events and cultural values, including “*Diwali Wali Feeling*”, “*Shaadi Grand Hogi*”, “*Pehno Apni Pehchan*”, “*Apno Wali Shaadi*” and “*Shaadi ka Kharcha Adha Adha*.”

Omni-channel network with the seamless integration of our offline and online channels

We operate an omni-channel network and engage with our customers through an integrated platform serviced by our online and offline channels. This enables us to deliver a deeper connect with our customers and deliver a superior customer experience. The seamless integration between our offline and online channels also ensures that our products are available to our customers through their preferred mode of retail. As of September 30, 2021, we had a total retail space (across EBOs and shop-in-shops) aggregating to over 1.2 million square feet across 212 cities and towns in India and 8 cities internationally, and a retail footprint of 535 EBOs in India (including 58 shop-in-shops) and 11 EBOs overseas across the United States, Canada and the UAE, which are countries with a large Indian diaspora.

Through our online channel, our customers also have the ability to place orders through our website (www.manyavar.com), our mobile application and leading lateral e-commerce platforms and the flexibility to research products online with the option to visit our stores for trials and fittings. As the pricing of our products is uniform across our online and offline channels across India, our customers have the flexibility to purchase our products online or offline through our stores. We have also adopted modules for communication at EBOs whereby EBOs can place orders for any products not in stock and requested for by customers, and as a result, can service customers' orders at short notice at the EBO of their choice.

Technology-based strong supply chain and inventory replenishment systems driven by system-wide data analytics, strong processes and longstanding vendor relationships

Our business model is driven by the strength of our system-driven technology infrastructure, our established systems and processes and our longstanding relationships with our vendors. Our entire supply chain and inventory management process is system-driven and algorithmically managed with every stage in our supply and distribution chain driven through data analysis and automation, including the procurement of materials, warehouse inventory management, store replenishment and new store opening fill.

As our integrated secondary sales network is supervised by us, we are able to utilise sales data to track and manage our inventory on a real-time basis and analyse consumer buying behaviour, which we can utilise to better understand the preferences of our consumers and backward integrate into our supply chain. Our algorithm-based inventory management system provides us with a real-time view of store inventory and the ability to effectively monitor and manage inventory levels at EBOs, thereby minimizing dead stock. As a result, we have visibility of the products as they are sold at our stores, and we synchronise inventory levels at our stores and warehouses periodically.

Our sales have been managed through a retail ERP module, which was integrated into our systems since 2008 and provides strong forecasting and planning assistance to guide our end-to-end supply chain. Over the years, we have continued to utilise technology to further automate our processes – for instance, through the adoption of 'Wooqer', a communication module, our franchisee-owned EBOs are able to seamlessly communicate with each other. Similarly, we have developed a digital order system and an independent vendor portal that form an integral part of our purchase and sales machinery.

We have longstanding relationships with our vendors from whom we procure our fabrics and other materials. Our centralized, system-driven supply chain is integrated with our sales network, thereby assisting our procurement process based on consumer preferences and trends. We have access to a large number of artisans across India, and control our manufacturing activities through dedicated job workers. As a result, we have a well-developed, reliable supply chain and are able to achieve economies of scale in production (Source: *CRISIL Report*). We also have designer team responsible for developing authentic, concept-based, impressionable designs and products catering to the differing choices and tastes of a wide range of ages and ethnicities, based on market research and trends identified using analytics on consumer sales data on a daily basis. Maintaining control over our design and manufacturing through streamlined operations helps us ensure a high quality of finished products and thereby increasing repeat customers, which results in contributing to higher profit margins on our sales.

Experienced and professional founder-led leadership team

We are led by Mr. Ravi Modi, our founder, who has proven his flair for the art of brand building and retailing with the success of our brands, and has led our Company since inception. Mr. Modi is supported by an experienced management team with rich functional experience in the consumer, apparel and retail industry, and which includes members that have been associated with our Group since inception.

Under our founder and management team's leadership, we have developed a capital efficient business with a disciplined research-driven process-oriented approach, along with an extensive marketing and retail network. Our Chairman and Managing Director, and other management personnel have significant experience in various aspects of the business and have demonstrated an ability to manage and grow our operations and expand our distribution and retail network. Since 2017, we have also benefited from the support, guidance and expertise of marquee investor Kedaara Capital, through Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1 and Rhine Holdings Limited.

Our Strategies

Expansion of footprint within and outside India

We intend to focus our expansion effects in markets where we determine there is an increasing demand for our products, and where we can leverage our existing presence to expand our market share. Through our cluster-based expansion strategy, we have identified several cities and towns in both existing geographies where we have a presence and new geographies where we plan to establish our first EBOs. Between Financial Years 2016 to 2021, we have increased our EBO retail space footprint from approximately 0.50 million square feet to over 1.1 million square feet, and aim to double our national footprint over the next few years.

We continue to carry out in-depth market research and analysis to identify potential locations for expansion, and intend to increase our sales in India as well as the underserved international markets where we have established a presence. We have developed independent growth strategies for each of our brands, and intend to expand the footprint of our Mohey brand (along with our Manyavar brand) by establishing exclusive Mohey brand stores in clusters where we have an established dominant position, increasing the presence of our Twamev brand products through cross-selling at our Manyavar stores, and increasing the penetration of our Manthan and Manyavar brands by increasing sales volumes through the wholesale channel, MBOs, LFSs and online channel. We also intend to further expand the footprint of our Manyavar brand by continuing to open new EBOs in new areas, cities and markets, and expand our international presence in markets with a large Indian diaspora, strong-rooted Indian traditions and high spending power such as the United States, Canada, United Kingdom, the Middle East, South East Asia and Australia. Our development, ownership and operating experience in India provides us with the experience and resources to facilitate such expansion and the potential to achieve market share gains, increased brand recognition and economies of scale.

E-commerce has grown significantly in India in recent years, due to wider selections of products, higher discounts, greater convenience of shopping (including door-step delivery) and payment channels (including cash-on-delivery, mobile wallets), along with an increase in internet penetration and discretionary spending (*Source: CRISIL Report*). Through our omni-channel network, our customers have the flexibility of accessing our products through their preferred mode including our offline channel, browsing our product catalogues online, or directly purchasing our products through our online channel. We intend to continue to increase our sales through our website (www.manyavar.com), our mobile application and leading lateral e-commerce portals.

Scaling up our emerging brands through increased up-selling and cross-selling initiatives

By owning multiple brands catering to the Indian wedding and celebration wear market and operating each within the same omni-channel network, we are able to significantly up-sell and cross-sell our products through our existing retail channels. As we maintain strong operational synergies within our EBO network, we are able to leverage the strong brand recall and established presence of our Manyavar brand to introduce our customers to our emerging brands such as Twamev and Mohey. As a result, we are able to up-sell our Twamev brand products to our Manyavar customers who may be looking for a premium offering, or cross-sell our Mohey brand products at our Manyavar stores, thereby achieving an increase in order value and the number of items a customer may buy. Moreover, through our Manyavar and Mohey brands, we recently introduced our 'Man-Moh' range, a co-ordinated *jodi* collection for the bride and the groom.

We aim to deepen our connection with our customers and extend buying opportunities beyond the wedding ceremony to other celebrations. Such other celebrations include the engagement ceremony, *haldi*, *mehndi*, *sangeet* and the wedding reception, and other celebratory occasions, such as pan-India and regional religious festivals and other celebrations (such as birthday parties and anniversaries). We continue to target an expanded audience beyond the bride and groom to include the wedding entourage, including the bride and groom's parents, friends and family, for each of whom we have customized and enhanced our designs. We continue to expand our audience

by introducing additional product ranges. We also plan to increase our focus on growing our existing product ranges, such as the kids' wear ranges of our Manyavar, Mebaz and Mohey brands. We also aim to launch additional products such as accessories for our Mohey range and widen our audience for our Manthan brand through our omni-channel network with attractive pricing initiatives and an increasing blend of product designs at low prices.

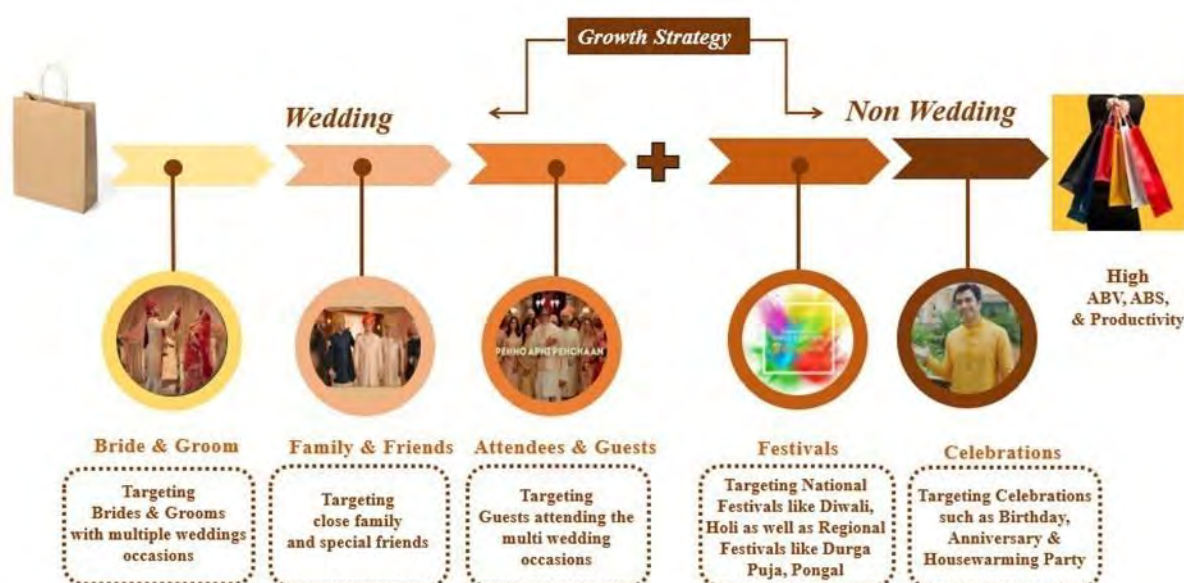
We also conduct regular training programmes for our staff and franchisees through in-person meetings and short videos and have designed incentives for sales persons and store managers for successfully up-selling and cross-selling our products. One such successful incentive introduced during the Financial Year 2021 was "WOW bills" – an initiative that rewarded salespeople for successfully meeting certain sales thresholds.

Enhancement of brand appeal through targeted marketing initiatives

Overall, our marketing initiatives are established to enhance two factors of growth that we believe are critical sales drivers in the Indian wedding and celebration wear market. These are firstly, expanding the addressable market by increasing the trend of dressing in Indian s wedding and celebration wear (as opposed to western formals and casuals attire) not only at wedding celebrations but also at country-wide festivals such as *Diwali*, *Navratri*, *Rakhi* and *Eid*, regional festivals such as *Durga Puja*, *Pongal*, and other occasions such as birthday parties and wedding-anniversary celebrations, among others, and secondly, increasing the awareness of our brands and creations, but both within and outside India in our existing and potential markets.

Through our focused marketing campaigns, we aim to establish a bond with our customers at an emotional level, and project an underlying core message with shared values through distinctive marketing, advertising and customer engagement initiatives. We intend to continue to enhance the brand recall of our products through the expansion of our footprint of EBOs as well as the use of targeted marketing initiatives including digital marketing campaigns, email communications, television and social media advertisements, event sponsorships, brand ambassador content, multiplex cinemas and outdoor advertising. We also use in-store communications and visuals, store facades and store shutters for advertising our brands. For the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, our advertisement, publicity and sales promotion expenses were ₹ 666.67 million, ₹ 693.52 million, ₹ 272.15 million, ₹ 76.15 million and ₹ 113.36 million, respectively, or 8.33%, 7.57%, 4.82%, 10.62% and 3.15% of our revenue from operations, respectively.

We run independent marketing campaigns for our brands, with a focus on highlighting our enhanced consumer experience. Our most recent campaign for Manyavar ('*Pehno Apni Pehchan*' – 2021) was themed around embracing one's roots, and that celebratory occasions are incomplete without ethnic wear, and our campaign for Mohey ('*Dulhan Wali Feeling*' – 2020) showcased the modern bride rooted in Indian traditions and values as she walked down the aisle. Some other core themes of our campaigns highlighted the fact that wedding celebrations are to be enjoyed with one's loved ones ('*Apno Wali Shaadi*' – 2021), and that weddings are not just about lavish food but vast emotions and umpteen happiness and are best celebrated with one's family ('*Shaadi Grand Hogi*' – 2020).



Significant potential and space for growth of our emerging brands

We intend to continue to leverage on our in-depth market research, robust technology platform and data analytics to introduce a wider range of products within the Indian wedding and celebration wear market, thereby consolidating our leadership position. We assess consumer demand, international and local fashion trends and evolving consumer preferences to supplement our product mix. As a result, we have independent growth strategies for our growing brands, as set out below:

- ***Mohey***: Through independent ad campaigns and marketing initiatives, we aim to establish a leading position in the women's wedding market considering the size of the market and the lack of a nation-wide brand in the mid-premium and premium market. We aim to establish our presence in high demand product markets determined through research through opening EBOs (with our Manyavar brand), including standalone stores. While we aim to continue our cross-selling initiatives at existing Manyavar stores, we continue to increase the depth of our product mix to an additional array of products, including accessories. We also recently introduced a new range called 'Man-moh', a 'jodi' collection for the bride and groom with the specific goal of leveraging the leadership of the Manyavar brand to rapidly increase the popularity and sales of creations comprising the Mohey brand.
- ***Twamev***: While we currently sell Twamev products in some of our Manyavar stores, we aim to focus on further up-selling our Twamev products at other existing Manyavar stores, thereby establishing a footprint within existing Manyavar stores. With an independent marketing drive, we aim to up-scale our existing Manyavar customer base brand to a premium offering and expand our consumer base to customers having a preference towards a premium products. We also aim to widen the product categories offered with a large and more comprehensive merchandise mix.
- ***Manthan***: As our value-brand, we aim to increase our footprint with a targeted presence through MBOs and LFSs channels. We also aim to expand our sales through our online channel (including our brand website, mobile application and other e-commerce portals) and target new customers through attractive pricing initiatives. With a large blend of product designs at value prices, we aim to cater to about five million weddings a year.

Disciplined approach towards acquisitions

In addition to strengthening and expanding the reach of our existing brands, we aim to acquire other brands opportunistically. We adopt a strategic approach towards potential acquisitions with the goal to increase customer base, market share and/or product offering as seen from our acquisition of 'Mebaz' in financial year 2018, a one-stop heritage brand catering to the entire family, with an established presence in the states of Andhra Pradesh and Telangana. The motive behind the acquisition was to strengthen our leadership position in the South Indian market (and particularly the states of Andhra Pradesh and Telangana) and complement our existing omni-channel network.

Through our acquisitions, we aim to leverage our existing strong cash position towards the synergic opportunities and seamlessly integrating the acquired brand with the ecosystem of our existing brands, thereby facilitating an increase in our profitability margins and achieving economies of scale. Our primary focus while reviewing potential acquisition opportunities is to consolidate our leadership position, expand our presence in regions where we do not have a significant presence, supplement our ability to leverage our existing manufacturing and supply chain to drive future expansions and further enhance and optimize our omni-channel network through the acquisition of a relatively established competitor in the ethnic and celebration wear market. We also examine the possibility of integrating our existing brands with the potential target brand. We focus on opportunities in adjacent product categories within the Indian wedding and celebration wear market such as kids apparels and accessories, and on brands not competing with one of our existing brands, so as to facilitate an easier integration and better synergies with the target.

Description of our Business

Accordingly to CRISIL, our 'Manyavar' brand is a category leader in the branded Indian wedding and celebration wear market with a pan-India presence, as of Financial Year 2020. We are the largest company in India in the men's Indian wedding and celebration wear segment in terms of revenue, OPBDIT and profit after tax for the Financial Year 2020 (*Source: CRISIL Report*). We design, manufacture, procure and market a wide portfolio of ethnic and celebration wear apparel across multiple brands owned by us. We operate a multi-channel retail

distribution network across India and sell our products through EBOs, MBOs, LFS and the online channel. We also sell our products in overseas markets through EBOs and online platforms. The following table sets forth the Sales of our Customers, and the percentage of total Sales of our Customers contribution from each channel, for the six months ended September 30, 2021 and the Financial Years 2019, 2020 and 2021.



Sales channel	For the six months ended September 30, 2021		Financial Year 2021		Financial Year 2020		Financial Year 2019	
	Sales of our Customers (₹ million)	Percentage of total Sales of our Customers	Sales of our Customers (₹ million)	Percentage of total Sales of our Customers	Sales of our Customers (₹ million)	Percentage of total Sales of our Customers	Sales of our Customers (₹ million)	Percentage of total Sales of our Customers
EBOs	4,164	88.09%	7,538	90.14%	11,531	91.14%	10,470	92.20%
MBOs and LFS	389	8.23%	638	7.63%	995	7.86%	802	7.07%
E-commerce	174	3.68%	187	2.23%	127	1.00%	83	0.73%
Total	4,727	100.00%	8,362	100.00%	12,652	100.00%	11,355	100.00%

Our Brands

Over the years, we have established the following brands in the men's and women's ethnic and celebration wear market:

- Manyavar, our flagship brand and category leader in the branded Indian wedding and celebration wear market with a pan-India presence, as of Financial Year 2020 (*Source: CRISIL Report*).
- Twamev, our premium brand in the men's ethnic and celebration wear market. Launched in 2019, Twamev products are priced between Manyavar and other luxury boutique brands. Through Twamev, we aim to also offer our customers an upscaled experience and a premium product.
- Manthan, our value brand in the men's ethnic and celebration wear market. We sell our Manthan branded products through MBOs and LFSs and the online channel, following a refreshed launch in 2018. We aim to cater to the demands of a sizable number of mid-market weddings and other celebrations through this brand.
- Mohey, launched by us in 2015 to cater to and develop our presence in the women's ethnic and celebration wear market. According to CRISIL, our Mohey brand is the largest brand by number of stores, with a presence across India focusing on women's Indian wedding and celebration wear market, as of the Financial Year 2020. Our Mohey branded product mix includes a range of *lehengas* and *sarees*. We plan to develop and grow our Mohey brand to achieve a leadership position in the women's ethnic and celebration wear market, similar to the leadership position of our Manyavar brand in the men's ethnic and celebration wear market.
- Mebaz, an established one-stop shop heritage brand having commenced its operations in 2002, and acquired by us in financial year 2018. As of Financial Year 2021, Mebaz had a strong market presence in the states of Andhra Pradesh and Telangana (*Source: CRISIL Report*).

The table below sets forth certain operational details for our brands:




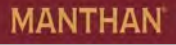

Brand	Sales of our Customers (₹ in million) and as a percentage of total Sales of our Customers			
	For the six months ended September 30, 2021	Financial Year 2021	Financial Year 2020	Financial Year 2019
	3,900; 82.51%	7,041; 84.20%	10,357; 81.86%	9,354; 82.38%
	303; 6.41%	625; 7.47%	899; 7.11%	748; 6.58%
Other brands (Twamev, Manthan and Mebaz)	524; 11.08%	696; 8.33%	1,396; 11.04%	1,254; 11.04%
Total	4,727; 100%	8,362; 100.00%	12,652; 100.00%	11,356; 100.00%

Our Product Portfolio

Our products include men's ethnic and celebration wear items such as Indo-western, *sherwanis*, *kurtas*, jackets and accessories such as *jutti*, *safa*, *mala*, and women's ethnic and celebration wear items such as *lehengas*, *sarees*, stitched suits, gowns and *kurtis*. A visual representation of some of our products at our retail stores is set out below.



The table below sets forth details of our core product portfolio by brand, as of September 30, 2021:

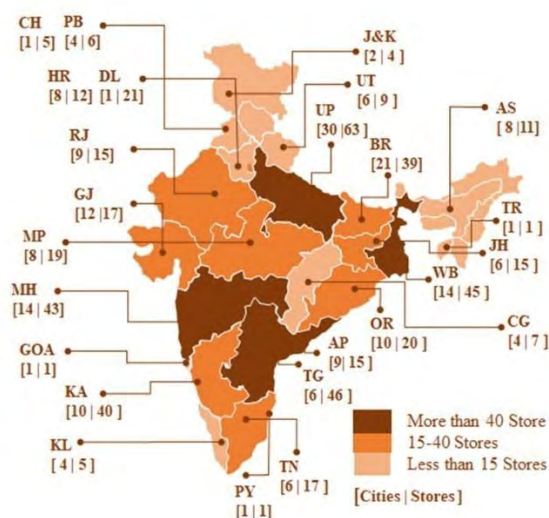
Brand	Product Portfolio
	<i>Kurtas</i> , Indo-westerns, <i>Sherwanis</i> , jackets and accessories. Kids wear – <i>kurta set</i> , jacket set, Indo-westerns, accessories.
	<i>Lehengas</i> , <i>sarees</i> gowns and accessories.
	Menswear – <i>Kurtas</i> , Indo-westerns, <i>Sherwanis</i> , jackets, suits and accessories. Womenswear – <i>Lehengas</i> , <i>sarees</i> , stitched suits and <i>kurtis</i> . Kids wear – <i>Lehengas</i> , gowns, frocks, <i>kurtas</i> , suits and accessories.
	<i>Kurtas</i> .
	<i>Kurta sets</i> , <i>Sherwanis</i> , Indo-westerns, suits and accessories.



Our Retail Channels

EBO network

Our EBO network is integral to our business operations and sales from EBOs constituted the largest portion of the Sales of our Customers for the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2021. We opened our first EBO in Bhubaneswar, Odisha in 2008, and as of September 30, 2021, had an aggregate of over 1.2 million square feet of EBO retail space across 212 cities and towns in India and 8 cities internationally. A virtual representation of an outlet of our EBO retail network is below. The map below sets forth the geographic distribution of our EBO retail network across India, as of September 30, 2021:



Note: Not to scale

In 2011, we set up our first overseas EBO in the United Arab Emirates and as of September 30, 2021, had 11 EBOs in overseas jurisdictions, with 5 in the United Arab Emirates, 5 in the United States of America and 1 in Canada, with an aggregate overseas retail store space of over 23,200 square feet. We plan to continue to expand our presence in other overseas markets with a considerable Indian diaspora such as the United States, Canada, United Kingdom, the Middle East, South East Asia and Australia.

Our franchisee-owned EBOs are designed in a manner that combines aesthetic appeal with a modern touch, thereby providing an enhanced and elevated customer experience. In Financial Year 2021, more than 60% of our franchisee-owned EBOs were flagship stores (based on size of retail space). As of September 30, 2021, we had 132 flagship stores in 22 states across 53 cities in India and 3 cities overseas.



Through our EBO retail network, we have established business partnerships with our franchisees who play an essential role towards delivering an enhanced customer sales experience, maintaining store upkeep, staffing and management and managing store capital expenditure for our franchisee-owned EBOs. We maintain strong relationships with our franchisees and provide all necessary support in identifying potential store locations, store design and development, branding, inventory and supply chain management. We also deliver training sessions for staff and franchisee owners. While a majority of our franchisees enter into lease agreements for EBOs, in other cases we directly enter into lease agreements for EBO premises. In such cases, the commercial terms with our franchisees are modified as the rent towards EBO premises is borne by us. Our franchisees are required to meet

store design requirements specified by us, including interiors and fittings, for which we provide all necessary technical assistance. As of September 30, 2021, we had over 300 franchisees, 73% of whom have been associated with us for three or more years, with 65% of the Sales of our Customers from our franchisee-owned EBOs from franchisees having two or more stores as on September 30, 2021. The terms of our arrangements with our franchisees are renewable on the basis of mutual agreement between the parties.

Multi-brand Outlets (MBOs)

In addition to our EBO retail network, we also sell our products through third-party owned MBOs (including shop-in-shops). We participate in exhibitions across India to display our products and designs.

During the six months ended September 30, 2021, our products were sold across 825 MBOs (including shop-in-shops) in 27 states and 332 cities across India, and MBOs accounted for approximately 5.88%, 6.34%, 6.30%, and 7.35% of the Sales of our Customers in Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2021, respectively.

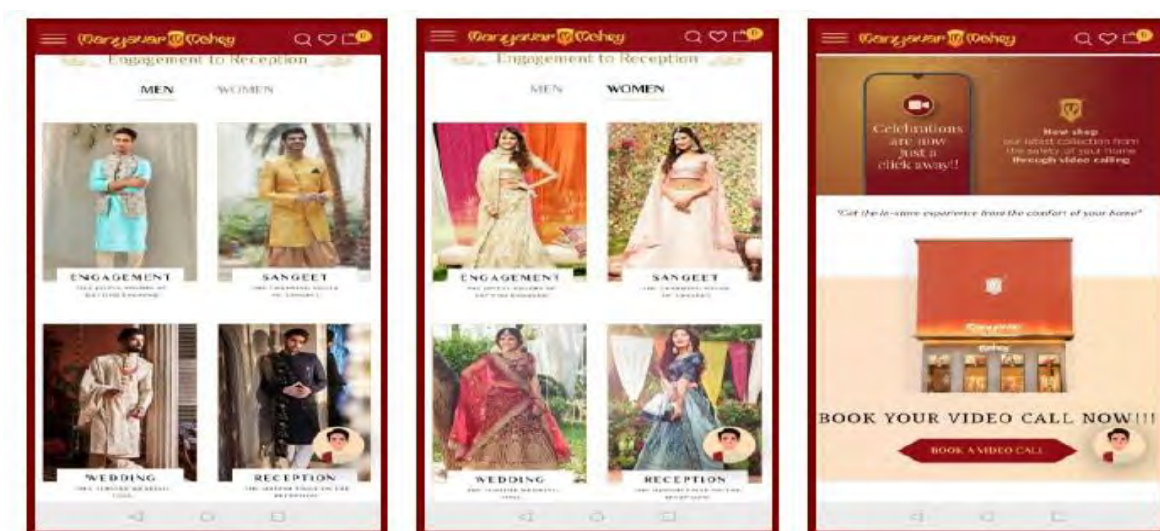
Large Format Stores (LFS)

In addition to our franchisee-owned EBOs and MBOs, we also sell a portion of our brand products through LFSs operated by third party retail organizations. Our commercial agreements operate on a margin basis, with a uniform maximum retail price of all products fixed by us and applicable on a pan-India basis. These agreements are non-exclusive in nature and renewable on a mutual basis. We supply our products to LFSs and receive periodic payments as per agreed terms towards all sales of our products made by LFSs.

During the six months ended September 30, 2021, our products were available across 145 LFSs in 20 states and 43 cities across India, and LFSs accounted for 1.19%, 1.52%, 1.33% and 0.88% of the Sales of our Customers in Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2021, respectively.

Online Channel

Our online channel includes our website (www.manyavar.com), our mobile application and leading e-commerce platforms through which our customers can view our digital catalogue, select a product from our diverse product offering and place an order. In addition to our website and mobile application, we also sell our products through lateral online platforms where we directly manage and sell products listed by us. For all sales through our online channel, our inventory stocking is integrated with our entire warehouse stock and most of the orders are processed and dispatched directly from our warehouse. This entire process is managed by our dedicated in-house online sales team that caters to all orders placed through our online channel. Snapshots from our mobile application are below:



Our online channel has contributed to an increase in sales over the last few years, with revenue from online sales increasing from ₹ 83 million for the Financial Year 2019 to ₹ 187 million in Financial Year 2021. Sales through

our online channels accounted for 0.73%, 1.00%, 2.23% and 3.68% of the Sales of our Customers in Financial Years 2019, 2020 and 2021 and the six-month period ended September 30, 2021, respectively.

Manufacturing, Supply Chain and Distribution Infrastructure

Our procurement, manufacturing, supply chain and distribution processes are based upon data analytics and algorithmically managed, with every stage system-driven. This includes the procurement of materials, manufacturing (on an SKU-identifiable basis), inventory management and store replenishment. As a result, we are able to accurately forecast, plan and optimize our operations and ensure that we can meet the requirements of our customers.

We operate a fully integrated supply chain with high-end quality control standards in the procurement of fabric, an essential component used for the manufacturing of our products. Our manufacturing process includes the stages of cutting, embroidery, stitching and finishing. While we carry out some production processes in-house at our factory, a large portion of our manufacturing is also carried out by jobbers (also representing third party manufacturers), with whom we have longstanding relationships.

As part of our manufacturing process, our jobbers are assigned independent production job orders through our jobber portal following which, they take possession of the fabric received by us from our vendors. Our manufacturing outsourcing process is entirely system-driven and operated through our jobber portal. Once a jobber has completed its assigned task, it is responsible for handing over the product to us at our designated factory or the jobber is assigned to complete the next stage of the manufacturing process, as the case may be. Once the finishing stage is complete, the final product undergoes a rigorous quality control process and is delivered to our warehouse for dispatch and distribution. While various manufacturing processes are carried out by jobbers, we also outsource a large portion of our manufacturing exclusively to jobbers on a contract-basis. However, we retain control over manufacturing by ensuring that various stages of production, including design conceptualisation and finalisation, procurement of fabric, allocation of work, quality control and testing, and review of allocation of job orders are managed by us.

In addition to the above, we also directly procure finished products from third party manufacturers. Our central warehouse at Kolkata, West Bengal measures approximately 0.26 million square feet as of September 30, 2021, and houses all our finished products (including finished products procured directly from third party manufacturers). All our inventory management processes are also operated through our warehouse where we have system-driven processes with strong analytical capabilities to assist with our inventory management. This includes system-driven distribution and replenishment of inventory and the management of our product portfolio through data-driven forecasting of evolving fashion trends across India.

Product Design

In order to offer new and varied products to our customers throughout the year, we focus on creating innovative designs with an emphasis on quality. Our design and development process involves detailed analysis and research on prevailing fashion trends and consumer tastes and preferences which we collect through various system-driven processes which include data analysis, market surveys and feedback received from our artisans and vendors. To better understand consumer tastes and preferences, we also conduct a self-through analysis on all our popular high-running items, and aim to consistently introduce similar designs to our product offerings.

Our institutionalized product development process includes data analysis, research and trend forecasting, concept and story development, design sketching, styling, sample development and presentations to our management team for their review and inputs. We have a robust multiple-stage screening and selection process for all new design samples, and once a new design is introduced to the market, we operate a scientific data analytics-driven model to monitor performance of the new designs.

Our design and embroidery team is headed by our chief product officer, who has been associated with the company since commencement of our operations.

Suppliers

We have a large network of vendors from whom we directly procure the fabrics and other material used to manufacture our products. As of September 30, 2021, we have over 458 vendors registered on our vendor portal and from whom we regularly source our fabrics and other material including finished goods. By virtue of our established presence and leadership position in the industry and longstanding relationships with our vendors, we

believe that we have developed significant recognition and goodwill in the market and are able to place large purchase orders directly with our suppliers. All orders placed by us are based on internal demand projections, carried out over in advance of the estimated delivery date of the final product. We have an extensive sourcing network from over 43 cities as of September 30, 2021, to manage our inventory and support our product development teams.

Sales and Marketing

We believe that we utilize distinctive marketing, advertising and customer engagement initiatives with emotional theme-based campaigns to develop a deeper connection with our customers. Our advertising and marketing campaigns are based on moral and social values of traditional Indian society. For instance, our campaign in 2019, “*Diwali Wali Feeling*” was centred on celebrating religious festivals such as Diwali in traditional attire whereas our 2020 campaign “*Shaadi Grand Hogi*” was aimed at creating the narrative that weddings were about the vast emotions and umpteen happiness that is celebrated best with family. Our most recent campaign, “*Pehno Apni Pehchan*” was themed around embracing one’s roots and sending the message that Indian occasions are incomplete without ethnic wear. We also conduct focused brand campaigns, such as “*#GroomSquad*” which focuses on the ‘Best Man’ concept for weddings and encourages a similar dressing by the groom’s entourage, “*Dulhan Wali Feeling*”, a campaign representing the modern bride rooted in Indian culture and traditions, and “*Shaadi ka Kharcha Adha Adha*”, a campaign representing a wedding as a union of not just two people, but a union of two families, and that families can equally share all wedding expenses. Our other campaigns include similar themes, such as our “*Apno Wali Shaadi*” campaign focused on enjoying celebrations with one’s loved ones and without any inhibitions.



Our marketing and advertising initiatives also include digital advertisements as well as marketing through traditional channels such as multiplex displays and television advertisements as well as social media channels, so as to connect with a larger audience base. Our branding processes are also aimed at ensuring that our brands have distinctive identities by utilizing different brand logos, symbols and tag-lines across our product portfolio and marketing materials. We utilize identifiable and standardized colours and typography across packaging materials, at point of sales and in our communications both online and at physical stores. Our sales and marketing strategies aim to increase brand awareness, acquire new customers, market new concepts, drive customer traffic across our retail channels and strengthen and reinforce our brand image.

Our marketing and brand building activities also include sponsorship initiatives at prominent events in the Indian media and entertainment industry, such as the “Femina Miss India” contest, the “Indian Premier League” (2012 season), the “Indian Super League” (in 2014), the International Indian Film Awards, and collaboration with several celebrity brand ambassadors to promote our brands.

Product Pricing

We arrive at a pricing point for each of our products through a detailed mechanism that takes into consideration a range of factors, including costs incurred in connection with procurement, production, marketing and other ancillary expenses. We strive to ensure that our products remain aspirational yet of value for money for our customers, and exclusively manage and regulate the prices at which our products are sold. Our products are uniformly priced across our channels in India, and for our Manyavar brand, we do not offer any end of season sales or discounts on the maximum retail price.

Quality control and quality assurance

We are committed to maintaining high quality standards throughout our sourcing, manufacturing and distribution cycles, and have established quality control measures in various facets of our supply chain, including fabric and garment inspections, quality audits and product quality tracking. We have also introduced vendor quality improvement programs and training programmes for our suppliers and manufacturers to ensure that our operations are carried out in conformity with established regulatory processes.

As on September 30, 2021, we had a dedicated quality assurance team responsible for ensuring compliance with our established quality standards and that all personnel working in all our departments (ranging from sourcing to sales and marketing) are adequately trained. Moreover, to ensure compliance with our quality management systems and statutory and regulatory compliance, our quality assurance team is equipped to train our staff on updates in quality, regulatory and statutory standards.

Information Technology

We believe that a robust IT infrastructure is essential for ensuring strong operational efficiencies and enhancing productivity and we continue to focus on building and improving our IT capabilities. As a result, over the years, we have implemented innovative technology initiatives at the front-end and back-end of our operations, including our procurement, manufacturing, distribution and supply chain operations.



We have adopted an enterprise resource planning (ERP-Ginesys) system since the commencement of our operations and since the launch of our first EBO in 2008, have integrated an automated replenishment system into this system. Installed at each of our franchisee-owned EBOs, the system integrates our front-end and back-end operations and ensures product resource synchronization between our franchisee-owned EBOs and our warehouse. Through the system, we are able to track the inventory at each of our franchisee-owned EBOs on a real-time basis and access the number of sales made at any given point.

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

In order to better connect with our customers, we regularly update our website and mobile application to include unique features through which our customers can better engage with our brands and products and can view digital catalogues with our diverse product offering.

ESG and CSR initiatives

We endeavour to provide employment to local artisans and embroidery workers across India, and are associated with over 458 vendors registered on our vendor portal as of September 30, 2021. We have longstanding relationships with our vendors and jobbers and have continued to support and encourage their growth during the

COVID-19 pandemic. Through our CSR initiatives, we also aim to improve the livelihood for the underprivileged, and have made contributions through the Manas Foundation to promote informal education to tribal children, improve preventive healthcare and sanitation, and ensure environmental sustainability and animal welfare.

For the Financial Years 2019, 2020 and 2021 and the six-month period ended September 30, 2020 and 2021, our corporate social responsibility expenditure aggregated to ₹ 35.75 million, ₹ 43.80 million, ₹ 54.78 million, ₹ 8.20 million and ₹ 26.54 million, respectively, and accounted for 0.65%, 0.69% 1.24%, 0.63% and 1.04% of our total expenses, respectively.

Competition

At the time of commencement of our operations, we entered a largely unorganized market and played a leading role in developing the Indian wedding and celebration wear market. Over the years, we have expanded our product offering beyond wedding wear to festive and celebration wear, and have acquired a leadership position in the Indian men's Indian wedding and celebration wear market. Our products compete with local retailers, online retailers, non-branded products, economy brands and products of other established brands.

Insurance

Our operations are subject to hazards inherent in storing and transporting our products such as work accidents, fire, explosions, earthquakes, flood and other force majeure events including hazards that may cause loss of life and severe damage to and the destruction of property and inventory. Our principal types of insurance coverage include comprehensive general coverage, consequential loss policy for all normal risks associated with our business, including fire, burglary, money, accidents and other natural disasters, cyber protect premium digital business and data protection insurance and commercial crime insurance policy. We also obtain insurance for transit of incoming and outgoing goods. We also have director and officer liability insurance policies, commercial general liability insurance care and industrial care insurance, and a group mediclaim policy, term life insurance and group personal accident policy for our employees. These insurance policies are generally valid for a term of one year, renewable annually. We believe that the insurance coverage currently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India. See “*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Our insurance coverage may not be sufficient or adequate to cover our losses or liabilities. If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected*” on page 49.

Employees

Our employees are one of our most important assets and are critical to us maintaining our competitive position in our key geographical markets and in our industry. As of September 30, 2021, we had 740 employees, as set forth below:

Department	Number of employees
Supply Chain	263
Production & Procurement	191
Retail Operations & Customer Relations	117
Finance, Legal & Secretarial	61
Design & Merchandising (including artisans)	44
Human Resource	26
Information Technology	26
Marketing	12
Total	740

As of September 30, 2021, in addition to our full-time employees, we engaged 148 personnel on a contractual basis.

In addition to compensation that includes salary, allowances (including performance linked bonuses), employee stock options and growth and reward plans, we provide our employees other benefits which include insurance coverage and paid leave. Our human resource policies focus on recruiting talented and qualified personnel, whom we believe integrate well with our current workforce. We endeavour to develop and train our employees in order to facilitate the growth of our operations. We have instituted inclusivity initiatives for our employees. We have in place a rewards and recognition program and conduct regular events to recognize and award employees based on

performance and the impact they have made, irrespective of their seniority, department or location. Our employee induction procedures are focused on taking regular feedback and facilitating interaction between new employees and senior management. We conduct regular training workshops and performance reviews. We have medical and accident insurance for our employees and have also introduced wellness and physical health programs. For the Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, our employee benefits expense were ₹ 472.13 million, ₹ 532.96 million, ₹ 381.07 million, ₹ 171.31 million and ₹ 230.32 million, respectively, constituting 5.90%, 5.82%, 6.75%, 23.89% and 6.40% of our revenue from operations, respectively.

Intellectual property

As of September 30, 2021, we own 209 trademarks in India relating to our brands under several classes, and have 35 applications pending for registration of certain other trademarks. Our registered trademarks are valid for a period of ten years from the date of application and renewable for a period of ten years, on expiry. We have also registered 5 copyrights in India.

For further details, see “*Government and Other Approvals*” on page 307, “*Our Business Operations – Our Brands*” and “*Risk Factors – If we are unable to obtain, protect or use our intellectual property rights, our business may be adversely affected.*” on pages 146 and 46, respectively.

Awards and Accolades

Over the years, we have received several awards and accolades, the most notable of which include:

- Retail Marketing Campaign of the Year (Offline) at the Global Awards for Retail Excellence 2020 for our campaign #TaiyaarHokarAaiye.
- Company of the Year (Retail) at the Zee Business Dare to Dream Awards 2019.
- Best Men's Ethnic Wear Brand (East) – Times Business Awards 2019.
- IMAGES Most Admired Fashion Brand of the Year – Men's Indian wear 2019.
- Most Admired Fashion Brand of the Year (Men's Indian Wear) at the Images Fashion Awards, Mumbai 2017.
- ‘Highest Job Creator’ award at the ET Bengal Corporate Awards, Kolkata 2016.
- National Retailer of the Year at the Indian Retail Awards 2015.

See “*History and Certain Corporate Matters – Major Events and Milestones – Awards and Accreditations*”.

Properties

Our registered and corporate office is located at 19, Canal South Road, Paridhan Garment Park, 4th Floor, SDF-1, A501-A502, Kolkata, West Bengal 700015 on premises we utilize on a leasehold basis. In addition, we own one warehouse and three retail stores.

KEY REGULATIONS AND POLICIES IN INDIA

Given below is a summary of certain sector specific and relevant laws and regulations in India, which are applicable to our Company. Taxation statutes such as the Income Tax Act, 1961, Customs Act, 1962, the Central Goods and Service Tax Act, 2017, and other miscellaneous regulations, statutes apply and relevant state laws to us as they do to any Indian company.

The information in this section has been obtained from various legislations, rules and regulations made thereunder and other regulatory requirements available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended by subsequent legislative, regulatory, administrative, or judicial decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licences or registrations and seek statutory permissions to conduct our business and operations. For details, see “Government and Other Approvals” on page 307.

Industry-specific legislations applicable to our Company

National Textile Policy, 2000

The National Textile Policy, 2000 (“**NTP 2000**”) aims at facilitating the growth of the textile industry in order to attain and sustain a pre-eminent global standing in the manufacture and export of clothing. It also aims at equipping the textile industry with the ability to withstand pressure of import penetration and maintain dominant presence in the domestic market. The industry aims at developing a strong and vibrant textile industry that can produce quality products at acceptable prices. This objective is sought to be achieved by liberalising controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment. Major thrust areas of NTP 2000 include technology upgradation, enhancement of productivity, increase in exports and innovating marketing strategies, product diversification along with quality consciousness, among others. Additionally, certain sector specific initiatives envisaged under the NTP 2000 include raw materials, clothing, export, and knitting.

Production-Linked Incentive Scheme in Textiles Products

In November 2020, the Union Cabinet approved the introduction of the Production-Linked Incentive Scheme in Textiles Products to enhance India’s Manufacturing Capabilities as well as Exports. An amount of ₹ 10,683 crore has been approved as an outlay for a period of 5 years. This initiative will be implemented by the Ministry of Textile and is expected to cover forty product categories under man-made fibre.

Intellectual Property Laws

Trade Marks Act, 1999

The Trade Marks Act, 1999, along with the Trade Marks Rules, 2017 (“**Trade Mark Laws**”) provide for the application and registration of trademarks in India. The purpose of Trade Mark Laws is to grant exclusive rights to marks including, brand, label and heading, to obtain relief in case of infringement. Application for trademark registration must be made to the Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Mark Laws. The Trade Mark Laws prohibit any registration of deceptively similar trademarks. They also provide for penalties in cases of infringement, falsifying and falsely applying trademarks. Applications for a trademark registration can be made for one or more international classes. Once granted, the trademark registration is valid for ten years unless cancelled. The mark lapses in ten years unless renewed. The Trade Mark Laws enables Indian nationals as well as foreign nationals to secure protection of trademarks in India.

The Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 2013 (“**Copyright Laws**”) govern copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an

otherwise copyrightable work, registration under the Copyright Laws acts as a prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

Designs Act, 2000

The Designs Act, 2000 along with the Design Rules, 2001 (“**Design Laws**”) govern design protection in India. The Design Laws were enacted to protect new or original designs from getting misappropriated. A design can only be registered under one specific class. The registered proprietor of the design shall have a copyright in the design for ten years which is extendable for another five years. The Design Laws permit the proprietor to file a suit for recovery of damage and as well as an injunction in the event of piracy of a registered design.

Legal Metrology Act, 2009

The Legal Metrology Act, 2009 (the “**Legal Metrology Act**”) which came into force on March 1, 2011 and replaces the Standards of Weights and Measures Act, 1976. The Legal Metrology Act was enacted to establish and enforce standards of weights and measures and to regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure, or number. The Legal Metrology Act provides for the approval for model weights and measures, the verification of the prescribed weight or measure by the Government, and penalties for use of non-standard weight or measure.

Labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws other than state-wise shops and establishments acts, which may be applicable to our Company due to the nature of our business activities:

- The Contract Labour (Regulation and Abolition) Act, 1970;
- Code on Wages, 2019*;
- Code on Social Security, 2020*;
- The Employee’s Compensation Act, 1923;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Employees’ State Insurance Act, 1948;
- The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- The Payment of Wages Act, 1936;
- The Industrial Disputes Act, 1947;
- The Trade Unions Act, 1926;
- Industrial Employment (Standing Orders) Act, 1946;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Equal Remuneration Act, 1976; and
- The Child Labour (Prohibition and Regulation) Act, 1986.

**Certain provisions of the Code on Wages and the Code on Social Security have been notified as on date.*

In order to rationalise and reform labour laws in India, the GoI has notified four labour codes which are yet to come into force as on the date of this Red Herring Prospectus, namely, (i) the Code on Wages, 2019 which will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976 and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020 which will repeal the Trade Unions Act, 1926, Industrial Employment (Standing Orders) Act, 1946 and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020 which will repeal certain enactments including the Employee's Compensation Act, 1923,

the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Maternity Benefit Act, 1961, Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and the Payment of Gratuity Act, 1972 and (iv) the Occupational Safety, Health and Working Conditions Code, 2020 which will repeal certain enactments including the Factories Act, 1948, Motor Transport Workers Act, 1961 and the Contract Labour (Regulation and Abolition) Act, 1970.

Foreign Investment and Trade Related Laws

Foreign Investment in India

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEMA Rules**”) and the Consolidated FDI Policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“**FDI Policy**”), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019, which regulate mode of payment and remittance of sale proceeds, among others. The FDI Policy and the FEMA Rules prescribe *inter alia* the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company.

Other applicable laws

Consumer Protection Act, 2019

The Consumer Protection Act, 2019, along with the Consumer Protection (E-Commerce) Rules, 2020 (“**COPRA**”) has superseded Consumer Protection Act, 1986 and came into force on July 20, 2020 and July 23, 2020, respectively. The COPRA has been promulgated to provide for the protection of consumers’ interests, to establish authorities for timely and effective administration, to settle consumers’ disputes and other connected matters. It provides for establishment of the Central Consumer Protection Council to render advice on the promotion and protection of consumers’ rights and the Central Consumer Protection Authority to regulate matters relating to violation of rights of consumers, unfair trade practices, and false or misleading advertisements which are prejudicial to the interests of public and consumers. The Consumer Disputes Redressal Commissions at the district, state, and national levels are also established under the COPRA.

The COPRA also governs the online sale of goods, services, digital products by entities which own, operate, or manage digital or electronic facility or platform for electronic commerce, all models of e-commerce (including marketplace or inventory based), and all e-commerce sellers. It lays down the duties and liabilities of E-Commerce entities and e-commerce sellers.

Plastic Waste Management Rules, 2016

The Ministry of Environment, Forest and Climate Change published the Plastic Waste Management Rules, 2016 with an aim to increase minimum thickness of plastic carry bags from 40 to 50 microns and stipulate minimum thickness of 50 micron for plastic sheets. It also aims at facilitating collection and recycling of plastic waste and delegates responsibility to the waste generators for waste segregation and disposal. The recently notified Plastic Waste Management (Amendment) Rules, 2018 also prescribes a central registration system for the registration of the producer/importer/brand owner.

Other Indian laws

In addition to the above, we are also governed by the provisions of the Companies Act, 2013 and rules framed thereunder, and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities for over day-to-day business, operations, and administration.

HISTORY AND CERTAIN CORPORATE MATTERS

Our brief history

Our Company was originally incorporated as “*Vedant Fashions Private Limited*” at Kolkata, West Bengal as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 24, 2002, issued by the RoC. Pursuant to a takeover agreement dated June 1, 2002, the business of a proprietorship firm by the name of “*M/s Vedant Creation*”, which was being carried out by one of our individual Promoters namely Ravi Modi, was transferred to our Company as a going concern. Subsequently, our Company was converted into a public limited company under the Companies Act, 2013, pursuant to the approval accorded by our Shareholders at their extra-ordinary general meeting held on July 16, 2021. Consequently, the name of our Company was changed to “*Vedant Fashions Limited*” and a fresh certificate of incorporation consequent upon conversion from a private limited company to a public limited company was issued to our Company by the RoC on August 25, 2021.

Changes in our Registered Office

Except as disclosed below, there has been no change in our Registered Office since incorporation.

Effective date of change	Details of change	Reason for change
November 24, 2003	The registered office of our Company changed from 12C, Lord Sinha Road, Shyam Kunj, Block No. AB, Flat 2A/2, 2 nd floor, Kolkata, West Bengal 700 071 to 439/C/B, G.T. Road (South), Mill No. 3, Unit No. 1/1, Howrah Jute Mill Compound, Shibpur, Howrah, West Bengal 711 102.	Administrative convenience
November 7, 2008	The registered office of our Company was changed from 439/C/B, G.T. Road, Mill No. 3, Unit No. 1/1, Howrah Jute Mill Compound Shibpur, Howrah, West Bengal 711102 to Paridhan Garment Park, 19, Canal South Road, SDF – 1, 4 th floor, A501-A502, Kolkata, West Bengal 700015	Administrative convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

“1. To acquire and take over the whole or any part of Goodwill, Business, concern, Property, Rights, Assets and Liabilities of the Proprietorship Business now carried on under the name and style of Vedant Creation of Shyam Kunj, 12C, Lord Sinha Road, Block AB, Flat 2A/2, 2nd floor, Kolkata-700071, west Bengal with all the assets and liabilities of that business in connection therewith and with a view thereto to enter into the agreement and to carry on all such business as done by the above said firm.

2.To carry on the business as manufacturers, designers, traders, dealers, wholesalers, agents, distributors, consigners, consignee, commission agent, retailers, combers, job work, scourers, spinners, weavers, finishers, dyers, tailors and drapers, designers, cutters, Import and export of all garments including ethnic wears and related accessories of gentlemen, ladies and children and products like under-garments, handkerchiefs, scarfs, ribbons, gloves, socks, nylon, caps, headdresses, garters, towels, linens, sheets, bed covers, sportswear, sport gear, and accessories made of all fabrics viz. cotton, woollen, silk, terene, terry-cotton, linen and such fabrics which may come into market as an advent of scientific development and suitable for manufacture of garments, industrial and furnishing cloth and printing, knitting, dyeing and coloring of all kinds of fabrics and yarn, silk house and to carry on any business in any way connected therewith and in this connection to open and operate show rooms, departmental stores or any other retail outlets.”

The main objects as contained in the Memorandum of Association enables our Company to carry on the business presently being carried out.

Amendments to our Memorandum of Association

Set forth below, are the amendments to our Memorandum of Association in the 10 years preceding the date of this Red Herring Prospectus:

Date of Shareholders' Resolution/ Effective Date	Particulars
March 28, 2012	Clause II of our MoA was amended to reflect the change in the main objects clause of our Company.
July 10, 2017	Clause V of our MoA was amended to reflect the increase in the authorised share capital of our Company, from ₹ 120,000,000 comprising of 12,000,000 equity shares of ₹ 10 each, to ₹ 150,000,000 comprising of 15,000,000 equity shares of ₹ 10 each.
November 22, 2017	Clause V of our MoA was amended to reflect the sub-division 15,000,000 equity shares of ₹ 10 each to 75,000,000 equity shares of ₹ 2 each and an increase in the authorised share capital of our Company, from ₹ 150,000,000 comprising of 75,000,000 equity shares of ₹ 2 each to ₹ 300,000,000 comprising of 150,000,000 equity shares of ₹ 2 each.
November 20, 2018	Clause V of our Memorandum of Association was amended to reflect the increase in the authorised share capital of our Company pursuant to the effectuation of the Scheme of Amalgamation, from ₹ 300,000,000 comprising of 150,000,000 equity shares of ₹ 2 each to ₹ 301,000,000 comprising of 150,500,000 equity shares of ₹ 2 each.
July 16, 2021	Clause V of our Memorandum of Association was amended to reflect the sub-division of 150,500,000 equity shares of ₹ 2 each to 301,000,000 equity shares of ₹ 1 each.
July 16, 2021	Clause I of our Memorandum of Association was amended to reflect the change in the name of our Company pursuant to conversion into a public limited company, from Vedant Fashions Private Limited to Vedant Fashions Limited

Major events and key milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar year	Particulars
2010	Inauguration of our 100 th EBO, in Santa Cruz, Mumbai, Maharashtra
2011	Launch of our first international store, in Dubai, United Arab Emirates
2012	Surpassed the 200 EBO mark Crossed ₹ 1,000 million in EBO revenue
2013	Inauguration of our 300 th EBO, in Quest Mall, Kolkata, West Bengal Presence of EBOs in 100 cities. Collaboration with Kolkata Knight Riders, Delhi Daredevils, and Sunrisers Hyderabad as their 'Official Indian Wear Partner' at the Indian Premier League
2014	Inauguration of our 333 rd EBO, in Lower Parel, Mumbai, Maharashtra Collaboration with Hero Indian Super League as Associate Sponsor
2015	Inauguration of our 400 th EBO, in Hazrathanj, Lucknow, Uttar Pradesh Launch of our women's celebration wear label 'Mohey'
2016	Launch of our first store in USA, in New Jersey Crossed ₹5,000 million in EBO revenue
2017	Strategic acquisition of brand 'Mebaz' from New Meena Bazaar International Private Limited Investment from Kedaara Capital AIF – 1 and Rhine Holdings Limited
2018	Collaboration with Rajasthan Royals and Kings XI Punjab as their official sponsors at the Indian Premier League Refreshed launch of our value celebration wear label 'Manthan'
2019	Inauguration of our 600 th store, in Mysore, Karnataka

Calendar year	Particulars
	Launch of premium men's wear brand 'Twamev'
	Crossed ₹10,000 million in EBO revenue
	Crossed 1 million sq. ft. of EBO presence
2020	Launch of the "Manyavar" mobile application
2021	Partnership with Femina Miss India 2021 as Celebration Wear Partner
	Collaboration with ICC Men's T20 World Cup 2021 as the 'ICC Official Partner'

Awards, accreditations or recognitions

Our Company has received the following awards, accreditations and recognitions:

Sr. No.	Award/ Accreditations	Calendar Year
1.	Recognised as "Best Men's Ethnic Wear Brand" by Central Icons	2004-2008
2.	Recognised as "Iconic Men's Ethnic Brand" by Central Icons	2008-2010
3.	ET Bengal Corporate Award for the "Fastest Growing Company-Maximum Turnover of INR 300 crore" granted by Association of Corporate Advisers & Executives, Kolkata and the Economic Times	2014
4.	Award for Retail Excellence for being the "Pioneer in Ethnic Retail Business" granted by ABP News	2014
5.	Images Award for "Excellence in Supply Chain Management & Fulfillment" granted by Images Retail Tech Awards	2015
6.	Recognised as the "National Retailer of the Year" at the 4 th Annual Indian Retail & Indian eRetail Awards	2015
7.	ET Bengal Corporate Award for the "Highest Job Creator-Above INR 300 crore to INR 1,000 crore" granted by Association of Corporate Advisers & Executives, Kolkata and the Economic Times	2015
8.	Images Award for "Most Admired Fashion Brand of the year: Men's Indian Wear" granted by Images Fashion Awards	2017
9.	Images Award for "Most Admired Retailer of the Year Marketing & Promotions Campaign" granted by Images Retail Awards	2018
10.	Transforming India Retail Award for "Transformational Contribution to Indian Apparel and Retail Industry" granted by the Ministry of Textiles and the Clothing Manufacturers Association of India	2019
11.	Indian Retail Award for "Ethnic Fashion Retailer of the Year" granted by Shop X	2019
12.	Dare to Dream Award for "Company of the Year-Retail" granted by Zee Business	2019
13.	Times Business Award for the "Best Men's Ethnic Wear Brand (East)" granted by the Times Group	2019
14.	Images Award for "Most Admired Fashion Brand of the year: Men's Indianwear" granted by Images Fashion Awards	2019
15.	Global Award for Retail Excellence for the "Retail Marketing Campaign of the Year" granted by ET Now	2019
16.	Images Excellence Award for "Men's Indianwear" granted by Images Fashion Awards	2020
17.	Recognised as India's Retail Champion (Winner) in Specialty Retail by Bhartiya City Centre	2020

Sr. No.	Award/ Accreditations	Calendar Year
18.	Global Award for Retail Excellence for “Retail Marketing Campaign of the Year #TaiyaarHokarAaiye” granted by ET Now	2020
19.	ET Bengal Corporate Award for “Excellence in Business Performance-Turnover between INR 300 crore and 1,000 crore” granted by Association of Corporate Advisers & Executives, Kolkata and the Economic Times	2020
20.	Retail Award for the “Most Admired Retailer of the year-Marketing and Advertising campaign” granted by Mapic India	2021
21.	Employer Branding Award for “Best Employer Branding Award” hosted by World HRD Congress and Stars Group	2021

Our holding company

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries, associates or joint ventures

As on the date of this Red Herring Prospectus, we do not have any associates or joint ventures. We have the following direct subsidiary**:

1. Manyavar Creations Private Limited

Corporate information

Manyavar Creations Private Limited, bearing CIN U17299WB2017PTC219874, was incorporated as a private limited company in Kolkata, West Bengal on March 10, 2017 and its registered office is situated at 1st floor, Unit No. 5, Part C, Block A, Srijan Industrial Logistics Park, NH 6, Bombay Road, Howrah, West Bengal, 711302.

Nature of Business

Manyavar Creations Private Limited is currently engaged in the business and selling readymade garments being men’s, women’s, and kids ethnic wear products, through online platforms and EBOs.

Capital Structure

Particulars	No. of equity shares of face value of ₹10 each
Authorised share capital	5,000,000
Issued, subscribed and paid-up share capital	4,010,000

Shareholding Pattern

The shareholding pattern of Manyavar Creations Private Limited as on the date of this Red Herring Prospectus is as follows:

S. No.	Name of the shareholder	Number of equity shares (of ₹10 each) held	Percentage of total capital (%)
1.	Our Company	4,009,999	100.00%
2.	Ravi Modi*	1	Negligible
Total		4,010,000	100.00%

*as a nominee of our Company.

**The Restated Consolidated Financial Statements include the financial statements of our erstwhile subsidiary, namely Mohey Fashions Private Limited, from which our Company has completely divested its shareholding with effect from August 20, 2021. Accordingly, reference to the term “subsidiaries” in the context of the Restated

Consolidated Financial Statements includes Mohey Fashions Private Limited in addition to Manyavar Creations Private Limited.

Accumulated profits or losses

There are no accumulated profits or losses of Manyavar Creations Private Limited not accounted for by our Company.

Interest in our Company

Except as disclosed in “*Related Party Transactions*” on page 261, our Subsidiary does not have any business interest in our Company.

Common pursuits

While our Subsidiary is involved in a line of business which may be similar to the business being carried on by our Company, at present there is no conflict in relation to such similar business being carried out.

Time/cost overrun

There have been no time or cost over-runs in relation to our business.

Significant financial and strategic partnerships

As of the date of this Red Herring Prospectus, our Company does not have any significant financial or strategic partnerships.

Launch of key products or services, capacity/ facility creation, location of plants, entry into new geographies or exit from existing markets

For details, see “*Our Business*” on page 136.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured.

Details of material acquisition or divestments in the last 10 years

Except as disclosed below, our Company has not acquired or divested any material business/undertaking in the 10 years preceding the date of this Red Herring Prospectus.

Pursuant to an agreement dated June 13, 2017, we acquired the business undertaking operated and owned by New Meena Bazaar International Private Limited (“NMBIPL”), a company based out of Hyderabad, Telangana, as a going concern on a slump sale basis for a lump-sum consideration. Simultaneous with the acquisition of NMBIPL, the trademark “*Mebaz*”, was assigned to us pursuant to a deed of assignment dated June 28, 2017.

Mergers or amalgamation in the last 10 years

Except as disclosed below, our Company has not undertaken any merger, demerger or amalgamation in the 10 years preceding the date of this Red Herring Prospectus.

Scheme of arrangement between Rainbow Iron & Steel Suppliers Private Limited and our Company

A scheme of arrangement was filed by Rainbow Iron & Steel Private Limited (the “**Transferor**”) and our Company (the “**Transferee**”) before the National Company Law Tribunal, Kolkata Bench (“**NCLT**”), under Sections 230 to 232, and other applicable provisions of the Companies Act, 2013 (“**Scheme of Amalgamation**”), seeking approval for the amalgamation of the Transferor into the Transferee. The appointed date for the Scheme of Amalgamation was December 15, 2017 (“**Appointed Date**”). The Scheme of Amalgamation was sanctioned by an order of the NCLT dated September 25, 2018 (“**Order**”). The Scheme of Amalgamation came into effect

from November 20, 2018, which was the date on which a certified copy of the Order was filed with the RoC (“Effective Date”).

In terms of the Scheme of Amalgamation, on the Effective Date, the Transferor stood amalgamated with our Company as a going concern, and all assets, liabilities, licences, permits, registrations, contracts, employees, etc., as applicable, stood transferred or deemed to be transferred to and vested in our Company. In addition, 9,530,000 equity shares of our Company held by the Transferor also stood cancelled in terms of the Scheme of Amalgamation. Additionally, the Transferee substituted the Transferor in all legal proceedings, if any, involving the Transferor. In consideration of the assets, liabilities and undertakings of the Transferor becoming the assets, liabilities and undertakings of the Transferee, the Transferee issued and allotted 19.2845 equity shares for each equity share of ₹ 2 each held by the shareholders of the Transferor. Accordingly, our Company cumulatively issued and allotted 9,642,250 equity shares to the erstwhile shareholders of the Transferor. For details of such allotment, see “*Capital Structure*” on page 78.

Revaluation of assets in the last 10 years

Our Company has not revalued its assets in the 10 years preceding the date of this Red Herring Prospectus.

Details of shareholders’ agreements

Except as disclosed below, as on the date of this Red Herring Prospectus, there are no subsisting shareholders’ agreements among our shareholders *vis-a-vis* our Company.

The Investment Agreement and the Waiver cum Amendment Agreement to the Investment Agreement

With respect to certain investments made into our Company, Rhine Holdings Limited and Kedaara Capital AIF-1 (together, “**Kedaara**”), our Promoters, Ravi Modi HUF (a member of the Promoter Group), the erstwhile Rainbow Iron & Steel Suppliers Private Limited and our Company had entered into an investment agreement (“**Investment Agreement**”) on July 24, 2017, with an objective to govern certain *inter se* rights and obligations with respect to our Company subsequent to the acquisition of equity shares of our Company by Kedaara. Certain specific terms of the Investment Agreement were amended in terms of a subsequent amendment agreement entered into between the parties on August 10, 2018. Pursuant to the terms of the Investment Agreement, Kedaara is entitled to certain rights, including *inter alia* certain board composition rights, director nomination rights (available only to Rhine), pre-emptive rights and anti-dilution rights in case of a further issuance of shares of our Company, right to transfer shares to affiliates and third parties, a right of first offer, a right of first refusal, a right to “tag” along in the event of a transfer of securities by our Promoters to a third party, certain information rights with respect to internal records and business plans of the Company, certain visitation and inspection rights and the right to exercise a put option in the event of a default as stipulated in the Investment Agreement and liquidation rights. Further, Kedaara is entitled to all the rights set out above in relation to the existing or future subsidiaries of the Company. For details on Equity Shares held by Kedaara, see “*Capital Structure – Notes to the Capital Structure – Equity Share Capital history of our Company*” on page 78.

Subsequently, with the objective of facilitating the Offer, the parties to the Investment Agreement have entered into a Waiver cum Amendment Agreement (“**WCA**”), which is effective on and from the execution date i.e., September 1, 2021, and shall remain in effect until the earlier of: (i) the date being six months from the date of the receipt of final observations from SEBI on the Draft Red Herring Prospectus, unless such period is extended by Kedaara; (ii) consummation of the Offer, i.e., upon receipt of final listing and trading approvals from each of the Stock Exchanges for the listing and trading of the Equity Shares of the Company pursuant to the Offer; or (iii) the date on which the Company and the Selling Shareholders jointly decide not to undertake the Offer (such period referred to as “**Term**”). From the date of filing of the Red Herring Prospectus in connection with the Offer with the RoC, until the expiry of the Term, Kedaara has agreed to waive/suspend their rights as applicable under the Investment Agreement, which include, (a) the right of access to meetings, discussions, proceedings and papers of the committees of the Board and meetings of the observer appointed by Rhine; (b) visitation and inspection rights; and (c) information rights. Further, to the extent of the sale of the Equity Shares held by the promoters (as defined in the Investment Agreement) in the Offer for Sale, Kedaara has agreed to waive (a) the requirement of prior consent for any transfer of shares by the promoters (as defined in the Investment Agreement) to the Company’s competitor or its affiliate (both terms as defined in the Investment Agreement); (b) right of first offer; (c) right of first refusal; and (d) tag along right. The promoters (as defined in the Investment Agreement) have also agreed to waive their rights under the Investment Agreement, which include, (a) the requirement of prior consent for any transfer of shares by Kedaara to the Company’s competitor or its affiliate (both terms as defined in the Investment

Agreement); and (b) right of first offer. Upon expiry of the Term, in the event that the Offer is not consummated, the provisions of the Investment Agreement shall be reinstated as of the date immediately prior to WCA, without giving effect to the terms of the WCA. The Investment Agreement will stand terminated automatically from commencement of listing and trading of the Equity Shares of the Company on a recognized stock exchange in India pursuant to the Offer.

Guarantees given by the promoter participating in the Offer for Sale

Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited), which is the Promoter Selling Shareholder, has not furnished any guarantees to third parties as on the date of this Red Herring Prospectus.

Other agreements

Neither our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

Other than as disclosed above, there are no other agreements, including any deed of assignment, acquisition agreement, shareholders' agreement, inter-se agreements, agreements of like nature, to which we are a party, which are material and which are required to be disclosed. Further, we confirm that there are no other clauses or covenants which are material, adverse or pre-judicial to the interest of the minority/ public shareholders.

OUR MANAGEMENT

Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of this Red Herring Prospectus, we have six Directors on our Board, of whom three are Independent Directors, including one woman Independent Director. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as of the date of this Red Herring Prospectus:

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
Ravi Modi <i>Designation:</i> Chairman and Managing Director <i>Date of birth:</i> March 13, 1977 <i>Address:</i> Flat no. 2C, Shyam Kunj, 12C, Lord Sinha Road, Kolkata, West Bengal 700071 <i>Occupation:</i> Business <i>Current term:</i> For a period of five years, with effect from August 28, 2021, liable to retire by rotation <i>Period of directorship:</i> Since May 23, 2002 <i>DIN:</i> 00361853	44	<ul style="list-style-type: none"> ▪ Manyavar Creations Private Limited ▪ Modi Fiduciary Services Private Limited
Shilpi Modi <i>Designation:</i> Whole-time Director <i>Date of birth:</i> September 18, 1978 <i>Address:</i> Flat no. 2C, Shyam Kunj, 12C, Lord Sinha Road, Kolkata, West Bengal 700071 <i>Occupation:</i> Business <i>Current term:</i> For a period of five years, with effect from August 28, 2021, liable to retire by rotation. <i>Period of directorship:</i> Since May 23, 2002 <i>DIN:</i> 00361954	43	<ul style="list-style-type: none"> ▪ Manyavar Creations Private Limited ▪ Modi Fiduciary Services Private Limited ▪ Sarwamangal Developers Consultants Private Limited
Sunish Sharma <i>Designation:</i> Nominee Director <i>Date of birth:</i> October 25, 1974 <i>Address:</i> 1305 North Tower The Imperial, BB Nakashe Marg, Tardeo, Tulsiwadi, Mumbai, Maharashtra India 400034 <i>Occupation:</i> Investment Professional <i>Current term:</i> Not Applicable	47	<ul style="list-style-type: none"> ▪ Spandana Sphoorty Financial Limited ▪ Care Health Insurance Limited

Name, designation, date of birth, address, occupation, current term, date of appointment and DIN	Age (years)	Other directorships
<i>Period of directorship:</i> Since August 24, 2017 <i>DIN:</i> 00274432		
Manish Mahendra Choksi <i>Designation:</i> Independent Director <i>Date of birth:</i> September 12, 1967 <i>Address:</i> Flat No. 1801/1802, C Tower, Beaumonde, Appasaheb Marathe Marg, Opp. Tata Motors, Prabhadevi, Mumbai, Maharashtra 400025 <i>Occupation:</i> Business <i>Current term:</i> For a period of five years, with effect from September 6, 2021 <i>Period of directorship:</i> Since September 6, 2021 <i>DIN:</i> 00026496	54	<ul style="list-style-type: none"> ▪ Asian Paints Limited ▪ Ricinash Renewable Materials Limited ▪ Asian Paints PPG Private Limited ▪ PPG Asian Paints Private Limited ▪ MSL Driveline Systems Limited ▪ ELF Trading and Chemical Manufacturing Private Ltd ▪ Satyadharma Investments and Trading Company Private Limited ▪ Ashimara Housing Private Limited ▪ Germinait Solutions Private Limited ▪ Unotech Software Private Limited
Abanti Mitra <i>Designation:</i> Independent Director <i>Date of birth:</i> July 8, 1978 <i>Address:</i> B-2505 Oberoi Woods Mohan Gokhale Marg Goregaon-East Mumbai, Maharashtra, 400063 <i>Occupation:</i> Self Employed <i>Current term:</i> For a period of five years, with effect from September 6, 2021 <i>Period of directorship:</i> Since September 6, 2021 <i>DIN:</i> 02305893	43	<ul style="list-style-type: none"> ▪ Criss Financial Limited ▪ Spandana Sphoorty Financial Limited ▪ Development Equities Private Limited ▪ Positron Consulting Services Private Limited
Tarun Puri <i>Designation:</i> Independent Director <i>Date of birth:</i> February 25, 1966 <i>Address:</i> 6A, Crown Aura, Jakkur Plantation Road, Near ITC Garden Enclave, Jakkuru, Bangalore North, Bengaluru, Karnataka, 560064 <i>Occupation:</i> Self-employed <i>Current term:</i> For a period of five years, with effect from September 6, 2021 <i>Period of directorship:</i> Since September 6, 2021 <i>DIN:</i> 02117623	55	Nil

Brief profiles of our Directors

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

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

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

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

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

Tarun Puri is an Independent Director on our Board. He holds a bachelor's degree (hons.) in mechanical engineering from Birla Institute of Technology and Science, Pilani, Rajasthan, India, and a post graduate diploma in management from Indian Institute of Management Calcutta, India. Tarun has worked with the Unilever group of companies and Nike, Inc. His last position was Vice President, Global Sales Lead (Women's) Category Sales

at Nike, Inc and has been associated with Nike since 2007, including being the Managing Director for Nike India Private Limited. Prior to that, Tarun was in Unilever Thai Trading Limited where his role was Regional Vice President, Hair X Brand, South Asia & South East Asia, based out of Thailand.

Confirmations

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

Except Ravi Modi and Shilpi Modi who are spouses, none of our other Directors are related to each another.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulters as defined under the SEBI ICDR Regulations.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Other than Sunish Sharma, who has been appointed as a nominee of Rhine Holdings pursuant to the Investment Agreement, there are no arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed or selected as a director.

Service contracts with Directors

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Terms of appointment of our Executive Directors:

1. Ravi Modi

Our Board at their meeting held on August 28, 2021 approved the reappointment of Ravi Modi as Chairman and Managing Director for a period of five years with effect from August 28, 2021. Our Shareholders have approved such reappointment for a period of five years with effect from August 28, 2021 at their extra-ordinary general meeting held on September 4, 2021 at a remuneration of a minimum of ₹30.00 million, subject to a ceiling of 5% of the audited annual profit before tax of the Company for the respective financial year, whichever is higher, when aggregated with the remuneration payable to Shilpi Modi.

2. Shilpi Modi

Our Board at their meeting held on August 28, 2021 approved the reappointment of Shilpi Modi as Whole-time Director for a period of five years with effect from August 28, 2021. Our Shareholders have approved such reappointment for a period of five years with effect from August 28, 2021 at their extra-ordinary general meeting held on September 4, 2021 at a remuneration of a minimum of ₹20.00 million, subject to a ceiling of 5% of the audited annual profit before tax of the Company for the respective financial year, whichever is higher, when aggregated with the remuneration payable to Ravi Modi.

Sunish Sharma, a Nominee Director on our Board is not entitled to any remuneration from our Company.

Terms of appointment of our Independent Directors

Pursuant to the Board resolution dated September 6, 2021 each Independent Director is entitled to receive a total fee of ₹3.00 million per annum, which comprises of sitting fees and commission. The sitting fees payable to our

Independent Directors is ₹0.05 million per meeting of the Board, ₹0.05 million per meeting of the Audit Committee, ₹ 0.05 million per meeting of the Nomination and Remuneration Committee and ₹ 0.04 million per meeting of other committees, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder. Further, each Independent Director is entitled to a commission equivalent to the difference between the aggregate sitting fees paid per annum to such Independent Director and the total fee of ₹3.00 million per annum. Additionally each Independent Director is also entitled to reimbursement of expenses as stipulated in their terms of appointment.

Payments or benefits to Directors

Our Company has not entered into any contract appointing or fixing the remuneration of a Director in the two years preceding the date of this Red Herring Prospectus.

In Fiscal 2021, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period.

The remuneration paid to our Directors in Fiscal 2021 is as follows:

1. Executive Directors

The details of the remuneration paid to our Executive Directors in Fiscal 2021 is as set out below:

Name of Director	Designation	Remuneration (in ₹)*
Ravi Modi	Chairman and Managing Director	59.29 million
Shilpi Modi	Whole-time Director	29.65 million

** Salary and allowances exclude Group's contribution towards retirement benefits and employee stock options scheme since those are ascertained for the Group as a whole.*

2. Independent Directors

All our Independent Directors were appointed during the current Fiscal i.e. Fiscal 2022. Accordingly, no remuneration was paid to them in Fiscal 2021.

Remuneration paid by our Subsidiary

None of our Directors have received or were entitled to receive any remuneration, sitting fees or commission from our Subsidiary in Fiscal 2021.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

The table below sets forth details of Equity Shares held by the Directors, as on date of this Red Herring Prospectus:

Sr. No.	Name of the Director	Number of Equity Shares held
1.	Ravi Modi	1,688,134
2.	Shilpi Modi	2,656,104

Borrowing Powers

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our Shareholders at their general meeting held on September 4, 2021, our Board has been authorized to borrow by obtaining cash credit, loan, overdraft facilities, discounting of bills, letters of credit or in any other forms, provided that the total amount so borrowed by the Board shall not at any time exceed ₹5,000.00 million.

Bonus or profit-sharing plan for our Directors

Our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

Interest of Directors

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees thereof as approved by our Board, the reimbursement of expenses payable to them, and commission as approved by our Board.

Our Chairman and Managing Director and our Whole-time Director may be deemed to be interested to the extent of the remuneration payable to each of them by our Company as Directors of our Company.

Ravi Modi, Shilpi Modi may also be interested to the extent of their shareholding in our Company, if any, including the Equity Shares held by Ravi Modi Family Trust (acting through its trustee Modi Fiduciary Services Private Limited) and Ravi Modi HUF and to the extent of any dividend payable to them and other distributions in respect of such shareholding.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners.

No loans have been availed by our Directors from our Company or the Subsidiary.

Interest of Directors in the promotion or formation of our Company

Other than, Ravi Modi and Shilpi Modi none of our Directors have any interest in the promotion or formation of our Company.

Our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company.

Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Red Herring Prospectus.

Confirmation in relation to RBI Circular dated July 1, 2016

As on the date of this Red Herring Prospectus, our Company, none of our Directors or Promoters have been declared as “Fraudulent Borrowers” by the lending banks or financial institutions or consortium, in terms of RBI master circular dated July 1, 2016.

Changes to our Board in the last three years

Name	Date of change	Designation (at the time of change)	Reason
Usha Devi Modi	September 6, 2021	Whole-Time Director	Resignation
Sanjeev Aga	September 6, 2021	Director	Resignation
Ajay Modi	September 6, 2021	Whole-Time Director	Resignation
Manish Mahendra Choksi	September 6, 2021	Independent Director	Appointment
Tarun Puri	September 6, 2021	Independent Director	Appointment
Abanti Mitra	September 6, 2021	Independent Director	Appointment

Note: This does not include changes such as regularisations or change in designations.

Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Red Herring Prospectus, we have six Directors on our Board, of whom three are Independent Directors, including one woman Independent Director.

Committees of our Board

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

1. *Audit Committee*

The Audit committee was constituted by a resolution of our Board dated September 6, 2021. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
Abanti Mitra	Chairperson	Independent Director
Manish Mahendra Choksi	Member	Independent Director
Ravi Modi	Member	Chairman and Managing Director

- (i) The Audit Committee shall have powers, which should include the following:
 - (a) To investigate any activity within its terms of reference;
 - (b) To seek information from any employee of the Company;
 - (c) To obtain outside legal or other professional advice;
 - (d) To secure attendance of outsiders with relevant expertise, if it considers necessary; and
 - (e) Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations, each as amended.
- (ii) The role of the Audit Committee shall include the following:
 - (a) 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;
 - (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
 - (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
 - (d) 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.

- (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- (f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice, and making appropriate recommendations to the Board to take up steps in this matter;
- (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
- (i) 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.

- (j) 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;
- (k) Scrutiny of inter-corporate loans and investments;
- (l) Valuation of undertakings or assets of the company, wherever it is necessary;
- (m) Evaluation of internal financial controls and risk management systems;
- (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (o) 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;
- (p) Discussion with internal auditors of any significant findings and follow up there on;
- (q) 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;
- (r) 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;
- (s) 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;
- (t) 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;
- (u) Reviewing the functioning of the whistle blower mechanism;
- (v) 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;

- (w) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations, each as amended and other applicable laws;
 - (x) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
 - (y) Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee for directors and employees to report their genuine concerns or grievances; and
 - (z) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 - (aa) 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;
 - (bb) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
- (iii) The Audit Committee shall mandatorily review the following information:
- (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
 - (c) Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
 - (d) Internal audit reports relating to internal control weaknesses;
 - (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
 - (f) Statement of deviations:
 - (i) quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
 - (ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
 - (g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

2. **Nomination and Remuneration Committee (“NR Committee”)** The NR Committee was constituted by a resolution of our Board dated September 6, 2021. The current constitution of the NR Committee is as follows:

Name of Director	Position in the Committee	Designation
Tarun Puri	Chairperson	Independent Director
Manish Mahendra Choksi	Member	Independent Director
Sunish Sharma	Member	Director

The scope and function of the NR Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

- (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, should ensure that

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
 - (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- (b) Formulation of criteria for evaluation of performance of independent directors and the Board;
- (c) Devising a policy on Board diversity;
- (d) Issuance and allotment of shares to eligible participants in pursuance to the VFL Employee Stock Option Scheme 2018-Scheme Pratham or any other schemes formulated from time to time;
- (e) 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;
- (f) Analyzing, monitoring and reviewing various human resource and compensation matters;
- (g) 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;
- (h) Recommending the remuneration, in whatever form, payable to the senior management personnel and other staff (as deemed necessary);
- (i) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (j) 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;
- (k) 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;
- (l) 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.
- (m) 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;
- (n) 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.
- (o) 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.
- (p) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

3. **Corporate Social Responsibility Committee (“CSR Committee”)**

The CSR Committee was constituted by a resolution of our Board dated October 30, 2014 and was last reconstituted on September 6, 2021. The current constitution of the CSR Committee is as follows:

Name of Director	Position in the Committee	Designation
Ravi Modi	Chairperson	Chairman and Managing Director
Shilpi Modi	Member	Whole-time Director
Tarun Puri	Member	Independent Director

The terms of reference of the CSR Committee framed in accordance with Section 135 of the Companies Act, 2013, are as follows:

- (a) to identify the CSR Projects to be undertaken in line with the specified activities under Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and any amendments thereof;
- (b) to decide to execute CSR projects through an external agency, such as trust, NGO or society;
- (c) to review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- (d) to monitor the CSR policy of the Company from time to time; and

- (e) any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

4. **Stakeholders Relationship Committee (“SR Committee”)**

The SR Committee was constituted by a resolution of our Board dated September 6, 2021. The current constitution of the SR Committee is as follows:

Name of Director	Position in the Committee	Designation
Abanti Mitra	Chairperson	Independent Director
Ravi Modi	Member	Chairman and Managing Director
Shilpi Modi	Member	Whole-time Director

The scope and function of the SR committee is in accordance with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

- 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;
- Reviewing of measures taken for effective exercise of voting rights by shareholders;
- Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- 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;
- 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;
- 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;
- 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.

5. **Risk Management Committee (“RM Committee”)**

The RM Committee was constituted by a resolution of our Board dated September 6, 2021. The current constitution of the RM Committee is as follows:

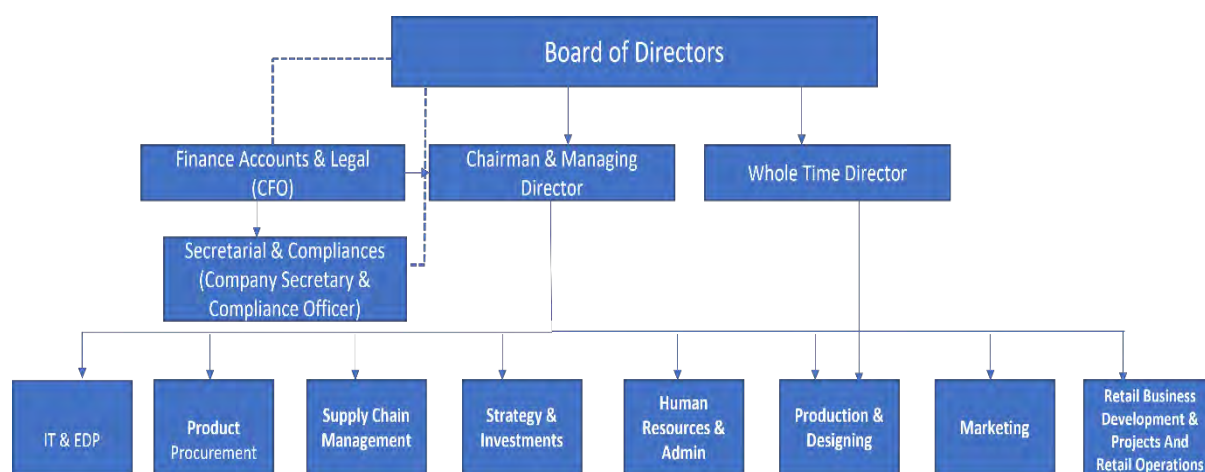
Name of Director	Position in the Committee	Designation
Ravi Modi	Chairperson	Chairman and Managing Director
Manish Mahendra Choksi	Member	Independent Director
Tarun Puri	Member	Independent Director

The scope and function of the RM Committee is in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference are as follows:

- 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.

Management organization chart



Key Managerial Personnel

In addition to Ravi Modi, our Chairman and Managing Director and Shilpi Modi, our Whole-time Director, whose details are provided in “*Our Management-Brief profiles of our Directors*” on page 168, the details of our other Key Managerial Personnel as on the date of this Red Herring Prospectus are as set forth below:

Rahul Murarka, aged 41 years, is the Chief Financial Officer of our Company. He joined our Company on December 16, 2013. He has completed his bachelor’s degree in commerce (honours) from the University of Calcutta. Further, he has also passed the final examination held by the Institute of Chartered Accountants of India and is a qualified chartered accountant. He has over 16 years of experience in finance, accounting, audits, taxation and regulatory compliances. Prior to joining our Company, he worked with S.R. Batliboi & Co. LLP from January 2005 to December 2013 and at the time of leaving he held the position of manager in the assurance practice. In Fiscal 2021, he received remuneration of ₹ 3.71 million* from our Company.

Navin Pareek, aged 35 years, is the Company Secretary and Compliance Officer of our Company. He joined our Company on June 1, 2012. He holds a bachelor's degree in commerce (honours) from the University of Calcutta. Further, he is a fellow member of the Institute of Company Secretaries of India. He has passed the chartered accountancy final group 1 and is pursuing the final level of chartered accountancy. He has over 10 years of experience in legal, compliance, finance, direct taxation and secretarial functions. In Fiscal 2021, he received remuneration of ₹ 1.40 million* from our Company.

**Note: Salary and allowances exclude the Group's contribution towards retirement benefits and employee stock options scheme since those are ascertained for the Group as a whole.*

Amar Sethia, aged 54 years, is the Chief Product Officer of our Company. He has been associated with the Company since 2002. He is engaged in product designing and in developing the product vision, strategy, analytics and metrics. He completed his schooling and attended college in Kolkata, West Bengal. In Fiscal 2021, he received a remuneration of ₹ 9.56 million from our Company.

Siddhartha Saraf, aged 37 years, is the Chief - Strategy & Investments of our Company, who joined the Company on March 2, 2020. He leads the business strategy and investment functions of our Company. He is a Certified Financial Analyst registered with the CFA Institute, USA and a Financial Risk Manager enrolled with the Global Association of Risk Professionals, USA. In the past, he has been associated with Kotak Mahindra Bank Limited as an associate vice president-II. In Fiscal 2021, he received remuneration of ₹ 4.14 million from our Company.

Ajay Modi, aged 37 years, is currently the Chief Supply chain officer of our Company, who joined our Company on January 25, 2008. He oversees the entire supply chain process including replenishment and inventory management. He has passed his bachelor's degree in business management from the Bangalore University. In Fiscal 2021, he received remuneration of ₹ 8.55 million * from our Company.

**Note: Salary and allowances exclude the Group's contribution towards retirement benefits and employee stock options scheme since those are ascertained for the Group as a whole.*

S. Arif Raza, aged 46 years, is the Chief of Retail Business Development and Projects of our Company. He joined our Company on November 1, 2018. He holds a bachelor's degree in arts from University of Delhi. He has completed his master's program in business administration (marketing) from S.P. Jain Center of Management. He has also completed the retail next practice, executive program from XLRI. He has over 10 years of experience in retail business development and management. In the past, he has worked with PVR Limited, Madura Fashion & Lifestyle (a division of the Aditya Birla group) and Nike India Private Limited. In Fiscal 2021, he received remuneration of ₹ 4.08 million from our Company.

Sushil Kumar Agarwal, aged 47 years, is the Chief Information Officer of our Company. He joined our Company on January 1, 2009. He has completed his bachelor's degree in commerce from Calcutta University and is a qualified chartered accountant certified by the Institute of Chartered Accountants of India since May 2002. He has also successfully completed the post qualification course in information systems audit conducted by the Institute of Chartered Accountants of India in September 2007. In Fiscal 2021, he received remuneration of ₹ 6.50 million from our Company.

Vedant Modi, aged 22 years, is the Chief Marketing Officer of our Company. He joined our Company on June 24, 2021. He holds a bachelor's degree in science from University College London where his main field of study was information management for business. Since he was appointed in Fiscal 2022, no remuneration was payable to him in Fiscal 2021.

Kanchan Banerjee, aged 40 years, is the Chief Human Resources Officer of our Company. She joined our Company on November 9, 2020. She has passed her master's in business administration from Sikkim Manipal University. She has completed her executive diploma in human resource management from XLRI. She has over 10 years' experience in the human resources industry. In the past, she has been associated with Vikram Solar Limited as head corporate human resources, Trident Limited as vice president talent management and separation Punjab, Vodafone Mobile Services Limited as manager talent and operations, Wipro Limited as manager and Bharti Airtel Limited as assistant manager CSD. In Fiscal 2021, she received remuneration of ₹ 1.68 million from our Company.

All our Key Managerial Personnel are permanent employees of our Company.

Retirement and termination benefits

Except applicable statutory and contractual (if any) benefits, none of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

Family relationships of Directors with Key Managerial Personnel

Except Ravi Modi and Shilpi Modi who are spouses, and Vedant Modi who is the son of Ravi Modi and Shilpi Modi, none of our Key Managerial Personnel are related to any of our Directors or other Key Managerial Personnel.

Arrangements and Understanding with Major Shareholders

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Managerial Personnel

Set forth in the table below, are details of Equity Shares held by our KMPs in our Company (other than Ravi Modi and Shilpi Modi) as on date of this Red Herring Prospectus:

Sr. No.	Name of KMP	Number of Equity Shares held
1.	Rahul Murarka	12,922
2.	Navin Pareek	4,888
3.	Amar Sethia	71,678
4.	Ajay Modi	72,600
5.	S. Arif Raza	7,666
6.	Sushil Kumar Agarwal	20,120

Service Contracts with Key Managerial Personnel

Our Directors and Key Managerial Personnel have not entered into any service contracts with our Company.

Contingent and deferred compensation payable to Key Managerial Personnel

There is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

Bonus or profit-sharing plan of the Key Managerial Personnel

Our Company does not have any formal bonus or profit sharing plan outside of the regular terms of appointment of our Key Managerial Personnel which envisages certain performance linked incentives for certain of our Key Managerial Personnel.

Interest of Key Managerial Personnel

For details of the interest of our Executive Directors in our Company, see “*Our Management - Interest of Directors*” on page 171.

Our Key Managerial Personnel (other than our Directors and Promoters) are interested in our Company only to the extent of the remuneration and options, if any, as per the ESOP Plan or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

Changes in the Key Managerial Personnel in last three years:

For details of the changes in our Executive Directors, see “*Our Management - Changes to our Board in the last three years*” on page 171. The changes in our Key Managerial Personnel (other than our Directors) in the three years preceding the date of this Red Herring Prospectus is as mentioned below:

Name	Designation	Date of Change	Reason
Dalpat Raj Jain	Chief Financial Officer	December 31, 2020	Resignation
Rahul Murarka	Chief Financial Officer	May 17, 2021	Appointment
Ajay Modi	Chief Supply Chain Officer	August 1, 2021	Appointment as Chief Supply Chain Officer
S. Arif Raza	Chief - Retail Business Development and Projects	August 1, 2021	Change in designation to current position held
Kanchan Banerjee	Chief Human Resources Officer	August 1, 2021	Change in designation to current position held
Siddhartha Saraf	Chief - Strategy and Investments	August 1, 2021	Change in designation to current position held
Sushil Kumar Agarwal	Chief Information Officer	August 1, 2021	Change in designation to current position held
Vedant Modi	Chief Marketing Officer	June 24, 2021	Appointment

The attrition of the Key Managerial Personnel of our Company is not high compared to the industry.

Payment or Benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given since incorporation or intended to be paid or given to any officer of the Company, including our directors and Key Managerial Personnel.

Employee Stock Option

For details of our Company's employee stock option plan, see "*Capital Structure – Employee Stock Option Plan*" on page 84.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

The Promoters of our Company are:

1. Ravi Modi
2. Shilpi Modi; and
3. Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited).

As on the date of this Red Herring Prospectus, our Promoters hold 185,368,424 Equity Shares in aggregate, representing 76.38% of the issued, subscribed and paid-up Equity Share capital of our Company. For details, please see the section titled “*Capital Structure – Build-up of the Promoters’ shareholding in our Company*” beginning on page 87.

Details of our Promoters are as follows:

Individual Promoters:

	<p>Ravi Modi, aged 44 years, is one of our Promoters, and is also the Chairman and Managing Director of our Company. As at the date of this Red Herring Prospectus, Ravi Modi holds 1,688,134 Equity Shares, representing 0.70% of the issued, subscribed and paid-up Equity Share capital of our Company.</p> <p>Date of Birth: March 13, 1977 Address: Flat no. 2C, Shyam Kunj, 12C, Lord Sinha Road, Kolkata, West Bengal 700071 Permanent Account Number: ADTPM5363Q Aadhar Card Number: 473912396011 Driving License: Not applicable</p> <p>For the complete profile of Ravi Modi, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see “<i>Our Management – Board of Directors</i>” on page 166.</p>
	<p>Shilpi Modi, aged 43 years, is one of our Promoters, and is also a Whole time Director of our Company. As at the date of this Red Herring Prospectus, Shilpi Modi holds 2,656,104 Equity Shares, representing 1.09% of the issued, subscribed and paid-up Equity Share capital of our Company.</p> <p>Date of Birth: September 18, 1978 Address: Flat no. 2C, Shyam Kunj, 12C, Lord Sinha Road, Kolkata, West Bengal 700071 Permanent Account Number: AEXPM7841J Aadhar Card Number: 796389140992 Driving License: Not applicable</p> <p>For the complete profile of Shilpi Modi, along with details of her educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see “<i>Our Management – Board of Directors</i>” on page 166.</p>

Our Company confirms that the permanent account number, bank account number and passport number of Ravi Modi and Shilpi Modi were submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Promoter Trust:

Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited)

Trust Information and history

Ravi Modi Family Trust was formed as a private family trust pursuant to a deed of trust dated March 2, 2017 (“**Trust Deed**”) in accordance with the provisions of the Indian Trusts Act, 1882. The office of Ravi Modi Family Trust is located at 19 Canal South Road, Paridhan Complex, Block A502, 4th Floor, Paridhan Garment Park, Kolkata, West Bengal – 700 015.

Usha Devi Modi is the settlor of Ravi Modi Family Trust. As at the date of this Red Herring Prospectus, Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited) holds 181,024,186 Equity Shares, representing 74.59% of the issued, subscribed and paid-up Equity Share capital of our Company.

Trustee of Ravi Modi Family Trust

The trustee of Ravi Modi Family Trust is Modi Fiduciary Services Private Limited (“**MFSP**”). MFSP is a private limited company incorporated on February 27, 2017, under the Companies Act, 2013, having its registered office at 19 Canal South Road, Paridhan Complex, Block A502, 4th Floor, Paridhan Garment Park, Kolkata, West Bengal 700 015.

The board of directors of MFSP comprises Ravi Modi and Shilpi Modi. Further, Ravi Modi and Shilpi Modi respectively hold 76% and 24% of the paid up equity share capital of MFSP.

Beneficiaries of Ravi Modi Family Trust

The beneficiaries of Ravi Modi Family Trust are Ravi Modi, Shilpi Modi and Vedant Modi (collectively the “**Beneficiaries**”).

Objects and Function

The objectives of Ravi Modi Family Trust include, *inter alia*:

- to receive, acquire, hold and manage the trust property for the sole benefit of the Beneficiaries;
- to provide for benefit and welfare of the Beneficiaries;
- to make distribution of income, corpus or capital of Ravi Modi Family Trust in accordance with the Trust Deed; and
- To ensure that the trust fund is properly managed and administered.

Our Company confirms that the permanent account number and bank account number of Ravi Modi Family Trust will be submitted to the Stock Exchanges at the time of filing this Red Herring Prospectus.

Change in control of Ravi Modi Family Trust

There has been no change in control of Ravi Modi Family Trust in the three years immediately preceding the date of this Red Herring Prospectus.

Change in control of our Company

There has been no effective change in control of our Company in the five years immediately preceding the date of this Red Herring Prospectus. However, Ravi Modi Family Trust has been identified as a Promoter by our Company in 2021. For further details, please see “*Capital Structure -Build-up of the Promoters’ shareholding in our Company*” on page 87.

Other ventures of our Promoters

Other than as disclosed in this section and in the section “*Our Management – Other Directorships*” on page 166, our Promoters are not involved in any other ventures.

Interests of Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company (directly or indirectly, as the case may be), the dividends payable and any other distributions in respect of their respective shareholding in our Company and the rights afforded to them in terms of the Investment Agreement. Further, our individual Promoters are also interested in our Company to the extent of remuneration payable to them in their capacity as Executive Directors of our Company. For further details, see “*Capital Structure - Build-up of the Promoters’ shareholding in our Company*” beginning on page 87. Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) controlled by our Promoters.

No sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by such Promoter(s) or by such firm or company, in connection with the promotion or formation of our Company.

Interest in property, land, construction of building and supply of machinery

None of our Promoters have any interest in any property acquired by our Company in the preceding three years from the date of this Red Herring Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Payment or Benefits to Promoters or Promoter Group

Except as disclosed herein and as stated in “*Related Party Transactions*” on page 261, there has been no amount paid or benefits given by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Red Herring Prospectus nor is there any intention to pay any amount or give any benefit to our Promoters or Promoter Group as on the date of this Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

None of our Promoters have disassociated themselves from any other company or firm in the three years preceding the date of this Red Herring Prospectus.

Material Guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Red Herring Prospectus.

Promoter Group

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

Natural persons who are part of the Promoter Group

The natural persons who are part of the Promoter Group, other than our individual Promoters, are as follows:

S. No.	Name of member of our Promoter Group	Relationship with our individual Promoters
1.	Usha Devi Modi	Mother of Ravi Modi
2.	Uma Agarwal	Sisters of Ravi Modi
3.	Vandana Tikmany	
4.	Kavita Modi	
5.	Vedant Modi	Son of our individual Promoters
6.	Chanda Devi Tikmani	Mother of Shilpi Modi
7.	Pawan Kumar Tikmani	Father of Shilpi Modi
8.	Prateek Tikmani	Brother of Shilpi Modi
9.	Shurbhi Pansari	Sister of Shilpi Modi
10.	Suruchi Bagla	Sister of Shilpi Modi

Entities forming part of the Promoter Group

The entities, partnerships and proprietorships forming part of our Promoter Group by virtue of such entities being controlled by our Promoters or persons related to our Promoters, are as follows:

1. Modi Fiduciary Services Private Limited
2. Navin Marketing Private Limited
3. Debbaru Vincom Private Limited
4. ModiFi Investment Services Private Limited (formerly known as Dynamic Storage and Retrieval Systems Private Limited)
5. Shenayah Retail Stores Private Limited
6. Third Layer Retail Private Limited
7. Usraa Gems & Jewellery Private Limited
8. Shagun Vyapaar Private Limited
9. Vandana Enterprise
10. Kkasidaa
11. Mohey Fashions Private Limited
12. Pranit Fashions
13. Shri Kanak Transport
14. M/s. Pawan Tikmani

The Hindu Undivided Families forming part of our Promoter Group are as follows:

1. Ravi Modi HUF
2. Piyush Pansari HUF
3. Prateek Tikmani HUF

GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “group companies”, includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions as covered under the relevant accounting standard (i.e. Ind AS 24), as per the Restated Consolidated Financial Statements, have been considered as Group Companies in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy, a company shall be considered material and shall be disclosed as a Group Company in this Red Herring Prospectus if: (i) such company is a member of the Promoter Group; and (ii) our Company has entered into one or more transactions with such company during Fiscal 2021 or the six months ended September 30, 2021, which individually or cumulatively in value exceeds 5% of the total consolidated income of our Company for the latest fiscal year derived from the Restated Consolidated Financial Statements.

Based on the above, our Group Companies are set forth below:

1. ModiFi Investment Services Private Limited (previously known as Dynamic Storage & Retrieval Systems Private Limited);
2. Shenayah Retail Stores Private Limited; and
3. Mohey Fashions Private Limited.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the previous three financial years, extracted from their respective audited financial statements (as applicable) are available at the respective websites indicated below.

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations.

None of our Company, the BRLMs or any of the Company’s or the BRLMs’ respective directors, employees, affiliates, associates, advisors, agents or representatives have verified the information available on the websites indicated below.

Details of our Group Companies

The details of our Group Companies are provided below:

1. ***ModiFi Investment Services Private Limited (previously known as Dynamic Storage and Retrieval Systems Private Limited) (“MISPL”)***

Registered Office

The registered office of MISPL is situated at Paridhan Garment Park, 19 Canal South Road, SDF-1, 4th Floor, A501-A502, Kolkata, West Bengal – 700015.

Financial information

The financial information derived from the audited financial statements of MISPL for the last three financial years, as required by the SEBI ICDR Regulations, are available on <https://www.modifins.com/>.

2. ***Shenayah Retail Stores Private Limited (“SRSPL”)***

Registered Office

The registered office of SRSPL is situated at B 27/87, A-4th Floor, Bhelupur Durgakund Road, Varanasi,

Uttar Pradesh - 221005.

Financial information

The financial information derived from the audited financial statements of SRSPL for the last three financial years, as required by the SEBI ICDR Regulations, are available on www.shenayahretail.com.

3. *Mohey Fashions Private Limited (“Mohey Fashions”)*

Registered Office

The registered office of Mohey Fashions is situated at 1st floor, Unit No. 5, Part C, Block A, Srijan Industrial Logistics Park, NH 6, Bombay Road, Howrah, West Bengal - 711302.

Financial information

The financial information derived from the audited financial statements of Mohey Fashions for the last three financial years, as required by the SEBI ICDR Regulations, are available on <https://www.moheyfashions.com/financials>.

Nature and extent of interest of Group Companies

In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Red Herring Prospectus or proposed to be acquired by our Company

None of our Group Companies are interested in the properties acquired by our Company in the three years preceding the filing of this Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

None of our Group Companies are interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Companies and our Company

There are no common pursuits amongst our Group Companies and our Company.

Related Business Transactions within our Group Companies and significance on the financial performance of our Company

Except as disclosed in “*Related Party Transactions*” on page 261, there are no related business transactions with the Group Companies.

Litigation

As on the date of this Red Herring Prospectus, there is no pending litigation involving our Group Companies which will have a material impact on our Company.

Business interest of Group Companies

Except in the ordinary course of business and as stated in “*Related Party Transactions*” on page 261, none of our Group Companies have any business interest in our Company.

Confirmations

None of our Group Companies have any securities listed on a stock exchange. Further, neither of our Group Companies has made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion and subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend distribution policy of our Company was adopted by way of a resolution dated September 3, 2021, passed by our Board of Directors.

The Board shall, *inter alia*, consider certain financial, internal and external parameters before declaring dividend including financial performance and profitability; liquidity position of the Company during the financial year; and accumulated reserves available for the distribution of dividend.

The details of the dividend paid by our Company on the Equity Shares during the last three Fiscals and the six months period ended September 30, 2021, are given below:

Particulars	Six months ended September 30, 2021	Six months ended September 30, 2020	Fiscal 2021	Fiscal 2020*	Fiscal 2019
Number of equity shares at year/period ended	242,432,254	123,933,299	123,933,299	125,227,420	125,227,420
Face value per equity share (in ₹)	1.00	2.00	2.00	2.00	2.00
Aggregate Dividend paid (in ₹ million)	NIL	NIL	NIL	500.91	NIL
Dividend per Equity Share (in ₹)	NIL	NIL	NIL	4.00*	NIL
Rate of dividend (%)	NIL	NIL	NIL	200%	NIL
Dividend distribution tax (in ₹ million)	NIL	NIL	NIL	102.96	NIL
Dividend distribution tax (%)	NIL	NIL	NIL	20.56%	NIL
Mode of payment of Dividend	NIL	NIL	NIL	Bank transfer	NIL

*Interim dividend paid.

Our Company has not declared or paid any dividend from October 1, 2021 until the date of this Red Herring Prospectus.

Our Company believes in distributing value to its shareholders and has undertaken buybacks in Fiscal 2021 and 2022. While we declared an interim dividend of ₹4 per equity share in Fiscal 2020, we also undertook a buyback of 1,294,121 equity shares in Fiscal 2021 and a buyback of 2,717,172 equity shares in Fiscal 2022 and paid the requisite buyback consideration of ₹880.00 million and ₹ 2,690.00 million respectively, to our Shareholders. For details, see “*Capital Structure - Equity Share Capital history of our Company*” on page 78.

The amount of dividend paid in past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or the amount thereof will be decreased in the future. For details, see “*Risk Factors – Our ability to pay dividends or conduct share buybacks in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and lender consents and we cannot assure you that we will be able to pay dividends or conduct share buybacks in the future*” on page 59.

SECTION VI – FINANCIAL INFORMATION
RESTATED CONSOLIDATED FINANCIAL STATEMENTS

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Independent Auditor’s Examination Report on the Restated Consolidated Summary Statement, comprising the Restated Consolidated Statement of Assets and Liabilities as at September 30 2021, March 31, 2021, September 30, 2020, March 31, 2020 and March 31, 2019, the Restated Consolidated Statement of Profits and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the six months ended September 30, 2021 & September 30, 2020 and for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Summary Statement of Significant Accounting Policies, and other explanatory information of Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited) and its subsidiaries (hereinafter collectively, the “Restated Consolidated Summary Statement”)

The Board of Directors
Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)
Paridhan Garment Park
A501-502, 19 Canal South Road,
SDF-1, 4th Floor
Kolkata – 700105
West Bengal India

Dear Sirs/Madams:

1. We have examined the attached Restated Consolidated Summary Statement of Vedant Fashions Limited (the “Company”) and its subsidiaries (the Company together with its subsidiaries hereinafter referred to as “the Group”) as at and for the six months ended September 30, 2021 and September 30, 2020 and as at and for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019 annexed to this report and prepared by the Company for the purpose of inclusion in the Offer documents to be filed by the Company with the with the Securities and Exchange Board of India (“SEBI”) and Registrar of Companies (“ROC”) in connection with its proposed initial public offering through offer for sale of the Company’s equity shares of face value of Rs. 1 each (“the proposed IPO”). The Restated Consolidated Summary Statement has been approved by the Board of Directors of the Company at their meeting held on November 08, 2021 and has been prepared in accordance with the requirements of:

- a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“the Act”);
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
- c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) (as amended) issued by the Institute of Chartered Accountants of India (“ICAI”), (the “Guidance Note”).

Management's Responsibility for the Restated Consolidated Summary Statement

- 2. The preparation of the Restated Consolidated Summary Statement, which are to be included in the Offer documents, is the responsibility of the management of the Group. The Restated Consolidated Summary Statement has been prepared by the management of the Group in accordance with the basis of preparation, stated in note no. 2.1 to the Restated Consolidated Summary Statement. The management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Consolidated Summary Statement. The management is also responsible for identifying and ensuring that the Group complies with the Act, the ICDR Regulations and the Guidance Note.

Auditor's Responsibilities

- 3. We have examined such Restated Consolidated Summary Statement taking into consideration:
 - a) the terms of reference and terms of our engagement agreed with the Company vide our engagement letter dated July 24, 2021, in connection with the proposed IPO of the Company;
 - b) the Guidance Note that requires us to comply with the ethical requirements of the Code of Ethics Issued by the ICAI.
 - c) concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Consolidated Summary Statement; and
 - d) the requirements of Section 26 of the Act and the ICDR Regulations.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

Restated Consolidated Summary Statement

4. The Restated Consolidated Summary Statement has been compiled by the management of the Group from the audited consolidated financial statements of the Group as at and for the six months ended September 30, 2021 and September 30, 2020 and as at and for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019 , which were prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which had been approved by the Board of Directors of the Company at their meeting held on November 08, 2021, November 08, 2021, July 13, 2021, September 24, 2020 and September 16, 2019 respectively.
5. For the purpose of our examination, we have relied on the independent auditor’s report issued by us, dated November 08, 2021, November 08, 2021, July 13, 2021, September 24, 2020 and September 16, 2019 on the interim consolidated financial statements of the Group as at and for the six months ended September 30, 2021 and September 30, 2020 and annual consolidated financial statements of the Group for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019 respectively as referred to in Paragraph 4 above.
6. As indicated in our audit reports referred to in paragraph 5 above, we did not audit the financial statements of a subsidiary, Mohey Fashions Private Limited (MFPL). The Holding Company has now sold its investments in MFPL on August 20, 2021 and consequent to which, MFPL is ceased to be its subsidiary Company. Total assets, total revenues and net cash flows of MFPL, as mentioned below and included in the consolidated financial statements, were audited by the independent auditor of the subsidiary (“Other Auditor”) and whose audit reports have been furnished to us by the Company’s management and Our opinions on the consolidated financial statements, in so far as it relates to the said subsidiary, were based solely on the audit reports of such Other Auditor.

Rs. in million

Particulars	As at and for the period April 01, 2021 to August 20, 2021	As at and for the period April 01, 2020 to September 30, 2020	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019
Total Assets	0.52	0.58	0.58	0.60	0.75
Total revenue	-	-	-	-	-
Net Cash inflow / (outflow)	(0.03)	(0.02)	(0.03)	(0.11)	(0.14)

7. Our audit reports for the six months ended September 30, 2021 and September 30, 2020 and for each of the years ended March 31, 2021 and March 31, 2020 included an Emphasis of Matter paragraph on the below matter:

We draw attention to note no. 60 of the accompanying Restated Consolidated Summary Statement which describes the impact of COVID-19 pandemic, and its possible consequential implications, on the Group's operations. The above Emphasis of Matter did not give rise to any modification

8. Based on our examination and according to the information and explanations given to us, we report that:

- i. The Restated Consolidated Summary Statement has been prepared after incorporating adjustments for changes in accounting policies and regrouping/reclassifications retrospectively in the year ended March 31, 2021, March 31, 2020 and March 31, 2019 and in the six months period ended September 30, 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed in the audited interim consolidated financial statements of the Group as at and for the six months period ended September 30, 2021;
- ii. Our auditor's report were not modified on the interim consolidated financial statements of the Group as at and for the six months period ended September 30, 2021 & September 30, 2020 and audited consolidated financial statements of the Group as at and for each of the years ended March 31, 2021, March 31, 2020 and March 31, 2019, which requires any adjustment to the Restated Consolidated Summary Statement.
- iii. The Restated Consolidated Summary Statement has been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

9. We have not audited any financial statements of the Group as at any date or for any period subsequent to September 30, 2021. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group as at any date or for any period subsequent to September 30, 2021.

10. This report should not in any way be construed as a reissuance or re-dating of any previous audit report issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. The Restated Consolidated Summary Statement does not reflect the effects of events that occurred subsequent the date of the report on the audited financial statements mentioned in paragraph 5 above.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the Board of Directors of the Company for inclusion in the Offer documents to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and Registrar of Companies in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership Number: 055596

UDIN: 21055596AAAAER1139

Place of Signature: Kolkata

Date: November 08, 2021

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

CIN: U51311WB2002PLC094677

Restated Consolidated Summary Statement of Assets & Liabilities

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

Particulars	Notes	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
ASSETS						
Non-current assets						
(a) Property, plant and equipment	5	763.76	780.01	794.76	817.43	736.61
(b) Right of use assets	5	2,209.10	2,212.29	2,034.70	2,460.22	1,963.30
(c) Capital work in progress	5	6.50	-	2.47	-	13.67
(d) Goodwill	6	157.11	157.11	157.11	157.11	157.11
(e) Other intangible assets	6	1,591.23	1,615.91	1,602.65	1,631.41	1,515.65
(f) Intangible assets under development	6	1.14	2.54	1.38	2.54	11.12
(g) Financial assets						
(i) Investments	7	559.61	468.58	799.78	460.39	251.78
(ii) Others	8	455.32	389.04	433.93	386.86	343.12
(h) Deferred tax assets (net)	9	14.34	17.75	15.61	6.05	0.49
(i) Other assets	10	620.66	628.57	621.82	628.77	629.23
(j) Non-current tax assets (net)	11	121.50	204.15	41.03	49.95	134.34
Total non-current assets		6,500.27	6,475.95	6,505.24	6,600.73	5,756.42
Current assets						
(a) Inventories	12	1,236.95	1,239.30	1,012.36	1,208.57	909.47
(b) Financial assets						
(i) Investments	13	2,004.88	2,462.56	4,555.92	3,549.42	1,692.33
(ii) Trade receivables	14	4,011.31	3,421.15	3,612.42	3,720.56	3,327.42
(iii) Cash and cash equivalents	15	42.98	53.53	66.10	88.66	21.39
(iv) Bank Balances other than (iii) above	16	4.94	107.88	4.96	110.37	1,172.53
(v) Others	17	235.17	161.44	163.30	131.23	17.33
(c) Other assets	18	418.53	420.47	336.22	420.62	288.18
(d) Current tax assets (net)	19	-	-	0.01	85.37	-
Total Current assets		7,954.76	7,866.33	9,751.29	9,314.80	7,428.65
Total Assets		14,455.03	14,342.28	16,256.53	15,915.53	13,185.07
Continued..						

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)
CIN: U51311WB2002PLC094677

Restated Consolidated Summary Statement of Assets & Liabilities

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

Particulars	Notes	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
EQUITY AND LIABILITIES						
Equity						
(a) Equity share capital	20	242.44	247.87	247.87	250.46	250.46
(b) Other equity	21	8,351.09	9,158.63	10,666.23	10,409.68	8,577.24
Total Equity		8,593.53	9,406.50	10,914.10	10,660.14	8,827.70
Liabilities						
Non-current Liabilities						
(a) Financial liabilities						
(i) Lease liabilities	22	1,538.88	1,534.37	1,396.52	1,696.62	1,296.53
(ii) Deposits	23	815.96	740.13	817.90	736.75	634.25
(b) Provisions	24	30.56	26.63	26.01	23.40	17.34
(c) Deferred tax liabilities (net)	25	165.76	54.47	147.33	80.71	90.15
(d) Other non-current liabilities	26	358.01	366.34	357.49	399.53	394.29
Total non-current liabilities		2,909.17	2,721.94	2,745.25	2,937.01	2,432.56
Current Liabilities						
(a) Financial liabilities						
(i) Borrowings	27	-	-	-	-	0.02
(ii) Lease liabilities	28	828.57	753.80	707.22	730.85	540.42
(iii) Trade payables						
- total outstanding dues of micro enterprises, small enterprises and medium enterprises	29	183.10	37.08	121.45	126.59	65.74
- total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises	29	430.69	222.11	377.48	377.44	515.35
(iv) Others	30	202.77	148.34	107.15	92.47	74.36
(b) Other current liabilities	31	1,281.08	1,002.01	1,239.16	940.43	726.43
(c) Provisions	32	4.16	3.73	3.78	3.83	2.49
(d) Current tax liabilities (net)	33	21.96	46.77	40.94	46.77	-
Total current liabilities		2,952.33	2,213.84	2,597.18	2,318.38	1,924.81
Total liabilities		5,861.50	4,935.78	5,342.43	5,255.39	4,357.37
Total equity and liabilities		14,455.03	14,342.28	16,256.53	15,915.53	13,185.07

Summary of Significant Accounting Policies

3

The accompanying notes are an integral part of the Restated Consolidated Summary Statement
In terms of our report attached of the even date

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

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

per Bhaswar Sarkar
Partner
Membership No. 055596

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholetime Director
DIN : 00361954

Place: Kolkata
Date: November 8, 2021

Rahul Murarka
Chief Financial Officer

Navin Pareek
Company Secretary
ICSI Membership No : F10672

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

CIN: U51311WB2002PLC094677

Restated Consolidated Summary Statement of Profits and Losses

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

Particulars		Notes	For the six months period ended September 30, 2021	For the six months period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Income:						
I	Revenue from operations	34	3,598.43	717.05	5,648.16	9,155.49	8,007.42
II	Other income	35	274.47	371.89	602.03	324.27	190.57
III	Total income (I + II)		3,872.90	1,088.94	6,250.19	9,479.76	8,197.99
IV	Expenses:						
	Cost of materials used						
	- Raw materials	36A	419.72	122.48	554.85	928.61	742.08
	- Accessories & packing materials	36B	67.08	28.83	100.81	146.43	120.20
	Purchases of stock-in-trade	37	582.13	70.45	707.61	1,682.39	1,367.39
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	38	(163.88)	(140.94)	100.04	(245.21)	(3.81)
	Employee benefits expense	39	230.32	171.31	381.07	532.96	472.13
	Finance costs	40	122.35	134.15	258.22	256.06	196.30
	Depreciation and amortisation expense	41	431.15	491.00	955.29	887.34	643.00
	Other expenses	42	859.32	425.83	1,373.13	2,172.77	1,951.32
	Total expenses		2,548.19	1,303.11	4,431.02	6,361.35	5,488.61
V	Profit/(loss) before tax (III-IV)		1,324.71	(214.17)	1,819.17	3,118.41	2,709.38
VI	Tax expense/(credit):						
	-Current tax [includes charge for earlier period/years (September 30, 2021 -NIL) (September 30, 2020 - NIL) (March 31, 2021 - Nil) (March 31, 2020 - INR 0.15 Million) (March 31, 2019 - INR 1.21 Million)]		320.28	-	433.30	796.51	865.67
	-Deferred tax charge/(credit)		20.36	(37.70)	56.84	(44.47)	79.44
VII	Profit/(loss) for the period/year (V-VI)		984.07	(176.47)	1,329.03	2,366.37	1,764.27
VIII	Other comprehensive income/(loss) for the period/year						
	Item that will not be subsequently reclassified to profit or loss						
	(a) Re-measurement gains/(losses) on defined benefit obligations		(2.56)	(0.98)	0.88	(2.23)	1.64
	(b) Income tax effect on above		0.65	0.25	(0.22)	1.23	(0.57)
	Total other comprehensive income/(loss), net of tax		(1.91)	(0.73)	0.66	(1.00)	1.07
IX	Total comprehensive income/(loss) for the period/year		982.16	(177.20)	1,329.69	2,365.37	1,765.34
X	Earnings per equity share (EPS) (face value of share of INR 1 each) (EPS for six months period ended September 30, 2021 and September 30, 2020 is not annualised)						
	Basic (in INR per share)	43	4.01	(0.71)	5.36	9.45	7.04
	Diluted (in INR per share)	43	4.01	(0.71)	5.36	9.45	7.04

Summary of Significant Accounting Policies

3

The accompanying notes are an integral part of the Restated Consolidated Summary Statement
In terms of our report attached of the even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership No. 055596

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

For and on behalf of the Board of Directors

Ravi Modi

Chairman and Managing Director

DIN : 00361853

Shilpi Modi

Wholetime Director

DIN : 00361954

Place: Kolkata

Date: November 8, 2021

Rahul Murarka

Chief Financial Officer

Navin Pareek

Company Secretary

ICSI Membership No : F10672

Restated Consolidated Summary Statement of Cash Flow

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

Particulars	For the six months period ended September 30, 2021	For the six months period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash Flow from Operating Activities					
Profit/(loss) before tax	1,324.71	(214.17)	1,819.17	3,118.41	2,709.38
Adjustments for :					
Depreciation & amortisation expenses	431.15	491.00	955.29	887.34	643.00
(Profit)/Loss on sale/ discard of property, plant and equipment (net)	(0.59)	(0.98)	(7.22)	1.56	(8.20)
Profit on sale of investments in subsidiary	(0.61)	-	-	-	-
Interest income	(30.36)	(88.77)	(136.97)	(158.06)	(49.91)
Dividend income from mutual funds	-	-	-	(38.09)	(39.11)
Profit on sale of investments	(33.31)	(21.57)	(47.24)	(62.87)	(76.35)
Profit on fair valuation of investments carried at FVTPL	(54.40)	(7.16)	(31.42)	(15.14)	(3.77)
Provision for doubtful debts & advances	1.94	10.39	26.38	12.60	2.56
Bad debts/advances written off	1.30	0.01	4.20	3.22	0.82
Liabilities/provisions no longer required written back	(12.92)	(0.50)	(16.07)	(14.92)	(5.56)
Unrealised net loss/(gain) on foreign currency transactions and translations	0.14	(0.24)	(0.24)	(1.03)	0.23
Rent concession on lease arrangements	(71.65)	(248.72)	(338.97)	-	-
Gain on termination of lease arrangements (Refer Note 35)	(12.78)	(0.58)	(13.52)	-	-
Finance cost on lease liabilities	99.05	106.15	204.70	208.57	152.80
Finance cost on others	23.30	28.00	53.52	47.49	43.50
Operating profit before working capital changes	1,664.97	52.86	2,471.61	3,989.08	3,369.39
Movement in working capital:					
Increase in other financial assets	(99.95)	(0.99)	(68.34)	(111.70)	(65.11)
(Increase)/decrease in non financial assets	(89.94)	(1.81)	80.92	(105.29)	(27.67)
(Increase)/decrease in trade receivables	(396.27)	289.26	115.84	(356.26)	(165.15)
(Increase)/decrease in inventories	(224.59)	(30.72)	196.22	(299.11)	(15.58)
Increase in provisions	2.37	2.15	3.44	5.32	5.62
Increase/(decrease) in trade payables	121.76	(244.43)	(27.07)	(84.20)	153.08
Increase in other financial and non financial liabilities	48.39	27.22	98.44	146.93	48.23
Cash Generated from operations	1,026.74	93.54	2,871.06	3,184.77	3,302.81
Income tax paid (net of refund)	(419.73)	(68.83)	(344.84)	(750.30)	(954.43)
Net cash flow from operating activities (A)	607.01	24.71	2,526.22	2,434.47	2,348.38
B. Cash Flow from Investing Activities					
Purchase of property, plant and equipments, capital work in progress & intangible assets (including capital advances)	(11.91)	(18.18)	(124.99)	(284.39)	(100.57)
Proceeds from sale of property, plant and equipments & intangible assets (including advance received) (Refer Note 10.1)	79.31	53.68	275.69	100.19	27.80
Interest received	43.31	27.44	110.75	69.42	1.63
Dividend income from investments	-	-	-	38.09	39.11
Proceeds from sale of Investment in subsidiary Company (Refer Note 57.2)	1.00	-	-	-	-
Purchase of investments	(3,297.65)	(1,078.46)	(8,033.85)	(9,784.82)	(5,843.07)
Sale/redemption of investments	5,996.57	2,493.76	6,609.97	8,339.92	5,380.19
Bank Balances not considered as cash and cash equivalents:					
- Deposits placed	-	(575.04)	(727.54)	(886.28)	(1,170.00)
- Deposits matured	175.00	300.04	1,005.82	1,450.50	36.00
Net cash flow from/(used) in investing activities (B)	2,985.63	1,203.24	(884.15)	(957.37)	(1,628.91)
C. Cash flow from Financing Activities					
Repayment of cash credit	-	-	-	-	(126.00)
Repayment of short term borrowings	-	-	-	(0.02)	(0.93)
Principal payment of lease liabilities	(201.23)	(73.18)	(373.41)	(594.63)	(428.45)
Interest on lease liabilities	(99.05)	(105.12)	(204.70)	(208.57)	(152.80)
Interest paid other than interest on lease liabilities	(2.17)	(0.37)	(2.11)	(2.74)	(1.72)
Dividend Paid (including Corporate Dividend Tax)	-	-	-	(603.87)	-
Buy Back of shares (including Tax) (Refer Note 20 (iii) and 20 (iv))	(3,313.31)	(1,084.41)	(1,084.41)	-	-
Net cash used in financing activities (C)	(3,615.76)	(1,263.08)	(1,664.63)	(1,409.83)	(709.90)
Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)	(23.12)	(35.13)	(22.56)	67.27	9.57
Cash and Cash Equivalents at the beginning of the period/year	66.10	88.66	88.66	21.39	11.82
Cash and Cash Equivalents at the end of the period/year	42.98	53.53	66.10	88.66	21.39

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

CIN: U51311WB2002PLC094677

Restated Consolidated Summary Statement of Cash Flow

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

Particulars	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Components of Cash & Cash Equivalents (Refer Note 15)					
Balance with Banks	42.66	53.29	65.67	88.34	21.08
Cash on hand	0.32	0.24	0.43	0.32	0.31
Cash and Cash Equivalents as at the end of the period/year	42.98	53.53	66.10	88.66	21.39

Non-cash investing activities

Particulars	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Acquisition of Right-of-use assets (Refer Note 4 & Note 5)	658.07	189.63	516.13	1,185.17	2,265.39

The accompanying notes are an integral part of the Restated Consolidated Summary Statement

In terms of our report attached of the even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

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

For and on behalf of the Board of Directors

per Bhaswar Sarkar

Partner

Membership No. 055596

Ravi Modi

Chairman and Managing Director

DIN : 00361853

Shilpi Modi

Wholetime Director

DIN : 00361954

Place: Kolkata

Date: November 8, 2021

Rahul Murarka

Chief Financial Officer

Navin Pareek

Company Secretary

ICSI Membership No : F10672

A Equity share capital

Particulars	As at September 30, 2021		As at September 30, 2020		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the period/year	12,39,33,299	247.87	12,52,27,420	250.46	12,52,27,420	250.46	12,52,27,420	250.46	12,51,15,170	250.24
Add: Fresh issue of shares pursuant to the scheme of amalgamation (Refer Note 56)	-	-	-	-	-	-	-	-	96,42,250	19.28
Less: Equity Shares cancelled pursuant to the scheme of amalgamation (Refer Note 56)	-	-	-	-	-	-	-	-	(95,30,000)	(19.06)
Less: Equity Shares cancelled pursuant to buyback (Refer Note 20 (iii) and 20 (iv))	(27,17,172)	(5.43)	(12,94,121)	(2.59)	(12,94,121)	(2.59)	-	-	-	-
Add: Split of shares from INR 2 per share to INR 1 per share (Refer Note 20 (iii))	12,12,16,127	-	-	-	-	-	-	-	-	-
Equity shares outstanding	24,24,32,254	242.44	12,39,33,299	247.87	12,39,33,299	247.87	12,52,27,420	250.46	12,52,27,420	250.46

B Other Equity

As at September 30, 2021

Particulars	Attributable to the equity shareholders					
	Reserves and Surplus					Total other equity
	Securities premium	Capital Reserves	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
As at March 31, 2021	1,298.87	7.62	2.59	34.76	9,322.39	10,666.23
Profit for the period	-	-	-	-	984.07	984.07
Other comprehensive loss	-	-	-	-	(1.91)	(1.91)
Total comprehensive income	-	-	-	-	982.16	982.16
Buyback of shares (including tax) (Refer Note 20 (iv))	(1,298.87)	-	-	-	(2,009.01)	(3,307.88)
Transfer to Capital Redemption Reserve on account of buy back of shares (Refer Note 20 (iv))	-	-	5.43	-	(5.43)	-
Share-based payments (Note 55)	-	-	-	10.58	-	10.58
As at September 30, 2021	-	7.62	8.02	45.34	8,290.11	8,351.09

As at September 30, 2020

Particulars	Attributable to the equity shareholders					
	Reserves and Surplus					Total other equity
	Securities premium	Capital Reserves	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
As at March 31, 2020	2,383.28	7.62	-	26.08	7,992.70	10,409.68
Profit/(loss) for the period	-	-	-	-	(176.47)	(176.47)
Other comprehensive loss	-	-	-	-	(0.73)	(0.73)
Total comprehensive income	-	-	-	-	(177.20)	(177.20)
Buyback of shares (including tax) (Refer Note 20 (iii))	(1,081.82)	-	-	-	-	(1,081.82)
Transfer to Capital Redemption Reserve on account of buy back of shares (Refer Note 20 (iii))	(2.59)	-	2.59	-	-	-
Share-based payments (Note 55)	-	-	-	7.97	-	7.97
As at September 30, 2020	1,298.87	7.62	2.59	34.05	7,815.50	9,158.63

As at March 31, 2021

Particulars	Attributable to the equity shareholders					
	Reserves and Surplus					Total other equity
	Securities premium	Capital Reserves	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
As at March 31, 2020	2,383.28	7.62	-	26.08	7,992.70	10,409.68
Profit for the year	-	-	-	-	1,329.03	1,329.03
Other comprehensive income	-	-	-	-	0.66	0.66
Total comprehensive income	-	-	-	-	1,329.69	1,329.69
Buyback of shares (including tax) (Refer Note 20 (iii))	(1,081.82)	-	-	-	-	(1,081.82)
Transfer to Capital Redemption Reserve on account of buy back of shares (Refer Note 20 (iii))	(2.59)	-	2.59	-	-	-
Share-based payments (Note 55)	-	-	-	8.68	-	8.68
As at March 31, 2021	1,298.87	7.62	2.59	34.76	9,322.39	10,666.23

As at March 31, 2020

Particulars	Attributable to the equity shareholders					
	Reserves and Surplus					Total other equity
	Securities premium	Capital Reserves	Capital Redemption Reserve	Share based payment reserve	Retained earnings	
As at March 31, 2019	2,383.28	7.62	-	12.51	6,173.83	8,577.24
Changes in accounting policy (Refer Note 4)	-	-	-	-	57.37	57.37
Restated balance as at March 31, 2019	2,383.28	7.62	-	12.51	6,231.20	8,634.61
Profit for the year	-	-	-	-	2,366.37	2,366.37
Other comprehensive loss	-	-	-	-	(1.00)	(1.00)
Total comprehensive income	-	-	-	-	2,365.37	2,365.37
Share-based payments (Note 55)	-	-	-	13.57	-	13.57
Dividend Paid (including Corporate Dividend Tax)	-	-	-	-	(603.87)	(603.87)
As at March 31, 2020	2,383.28	7.62	-	26.08	7,992.70	10,409.68

As at March 31, 2019

As at March 31, 2019									
Particulars	Attributable to the equity shareholders							Total other equity	
	Reserves and Surplus					Total Reserves and Surplus	Shares Pending Issuance (Refer Note 56)		
	Securities premium	Capital Reserves	Capital Redemption Reserve	Share based payment reserve	Retained earnings				
As at March 31, 2018	2,383.28	7.62	-	-	4,408.49	6,799.39	19.28	6,818.67	
Profit for the year	-	-	-	-	1,764.27	1,764.27	-	1,764.27	
Other comprehensive income	-	-	-	-	1.07	1.07	-	1.07	
Total comprehensive income	-	-	-	-	1,765.34	1,765.34	-	1,765.34	
Issue of share capital	-	-	-	-	-	-	(19.28)	(19.28)	
Share-based payments (Note 55)	-	-	-	12.51	-	12.51	-	12.51	
As at March 31, 2019	2,383.28	7.62	-	12.51	6,173.83	8,577.24	-	8,577.24	

The accompanying notes are an integral part of the Restated Consolidated Summary Statement
In terms of our report attached of the even date

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

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

per Bhaswar Sarkar
Partner
Membership No. 055596

Ravi Modi
Chairman and Managing Director
DIN : 00361853

Shilpi Modi
Wholetime Director
DIN : 00361954

Place: Kolkata
Date: November 8, 2021

Rahul Murarka
Chief Financial Officer

Navin Pareek
Company Secretary
ICSI Membership No : F10672

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

Notes to the Restated Consolidated Summary Statements

CIN: U51311WB2002PLC094677

1. GROUP OVERVIEW

The Restated Consolidated Summary Statements comprise financial statements of Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited) (the Holding Company) and its subsidiaries (collectively, the Group) for half year ended September 30, 2021, September 30, 2020 and for each years ended March 31, 2021, March 31, 2020 and March 31, 2019 that had been previously prepared and audited as per the requirements of Companies Act, 2013.

The company is a public company incorporated under the provisions of the Companies Act applicable in India. The Group is principally engaged in manufacturing, trading and sale of readymade ethnic wear for men, women and kids primarily in India under the brand names Manyavar, Mohey, Mebaz, Twamev and Manthan.

Registered and corporate office of the Holding Company is located at Paridhan Garment Park, 19 Canal South Road, SDF-1, 4th floor, A501-502, Kolkata- 700015, West Bengal, India.

The Holding Company was originally incorporated on 24th of May, 2002 under the name “Vedant Fashions Private Limited”. The Holding Company was converted into a public limited company under the Companies Act, 2013 on August 25, 2021 and consequently, the name was changed to “Vedant Fashions Limited”.

The Restated Consolidated Summary Statement were approved for issue in accordance with a resolution of the directors dated November 8, 2021.

2.1 BASIS OF PREPARATION OF RESTATED CONSOLIDATED SUMMARY STATEMENTS

a. Basis of preparation

The Restated Consolidated Summary Statements of assets and liabilities of the Group as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 & March 31, 2019 and the related Restated Consolidated Summary Statements of Profits & Losses, Changes in Equity and Cash Flows for the half year ended September 30, 2021, September 30, 2020 and each of the years ended March 31, 2021, March 31, 2020 & March 31, 2019 and accompanying notes to the aforesaid Consolidated Summary Statements (hereinafter collectively called “Restated Consolidated Summary Statement”) have been prepared specifically for inclusion in the Offer documents to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) and Registrar of Companies (“ROC”) in connection with proposed initial public offer of equity shares of Re. 1 each (post split) of the Company (the “Offering”).

The Restated Consolidated Summary Statements have been prepared to comply in all material respects with the requirement of:

- a. Relevant Provisions of Section 26 of Part I of Chapter III Companies Act, 2013 (the “Act”)
- b. Relevant provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“the SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992
- c. Guidance Note on reports in Company Prospectus (Revised 2019) (“Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”).

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

Notes to the Restated Consolidated Summary Statements

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The Restated Consolidated Summary Statement has been compiled from:

- a. Audited Interim Consolidated Financial Statements of the Group as at and for the six months' period ended September 30, 2021 and September 30, 2020 which is prepared in accordance with Indian Accounting Standard 34 "Interim Financial Reporting", as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meeting held on November 8, 2021 ; and
- b. Audited Consolidated Financial Statements of the Group as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 which were prepared in accordance with the Indian Accounting Standards as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (referred to as "Ind AS"), which have been approved by the Board of Directors at their meetings held on July 13, 2021, September 24, 2020 and September 16, 2019 respectively;
- c. The Restated Consolidated Summary Statement have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, 2020 and 2019 and for the six months period ended September 30, 2020 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at six months' period ended September 30, 2021.

The Restated Consolidated Summary Statement are presented in Indian Rupees "INR" or "Rs." and all values are stated as INR Million, unless indicated otherwise.

These notes provide a list of the significant accounting policies adopted in the preparation of these Restated Consolidated Summary Statements. These policies have been consistently applied to all the years/periods presented, unless otherwise stated.

These Restated Consolidated Summary Statements have been prepared under the historical cost convention on the accrual basis except the following assets and liabilities which have been measured at fair value as required by the relevant Indian Accounting Standards.

- a) Certain financial assets and liabilities measured at fair value (refer accounting policies regarding financial instruments)
- b) Defined employee benefit plans

b. Basis of fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

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

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The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

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

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

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

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

For assets and liabilities that are recognized in the Restated Consolidated Summary Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions (Note 60)
- Quantitative disclosures of fair value measurement hierarchy (Note 51)
- Property, plant and equipment (Note 5)
- Financial instruments (including those carried at amortised cost) (Note 50)

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

c. Functional and presentation currency

These Restated Consolidated Summary Statements are prepared in Indian Rupee Million and has been rounded to the nearest Million with two decimals unless otherwise indicated.

d. Recent Accounting Developments

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

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

New and amended standards

Ind AS 116: COVID-19 related rent concessions

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

2.2 BASIS OF CONSOLIDATION

The Restated Consolidated Summary Statements comprise the Restated Summary Statements of the Company and its subsidiaries as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year/period are included in the Restated Consolidated Summary Statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The results of subsidiaries acquired or disposed off during the year are included in the Restated Consolidated Summary Statement of Profits and Losses from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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Restated Consolidated Summary Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Consolidated Summary Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Restated Consolidated Summary Statements to ensure conformity with the Group's accounting policies.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests if any, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the Restated Standalone Summary Statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

There are no associates, joint ventures and joint operations of the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group has applied following accounting policies to all periods/years presented in these Restated Consolidated Summary Statements.

a) i) Revenue Recognition from contract with customer

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations and that reflects the consideration to which the Group expect to be entitled to in exchange of products. The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 60.

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

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

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

Contract balances

Trade receivables

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

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Contract liabilities

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

Assets and liabilities arising from rights of return

Right of return assets

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

Refund liabilities

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

ii) Export benefits

Export benefits are accounted on recognition of export sales where there is reasonable assurance that the benefits will be received, and all attached conditions will be complied with.

iii) Interest Income

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

iv) Dividend Income

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

b) Property, Plant and Equipment

(i) Property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs

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of bringing an asset to working condition and location for its intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the Restated Consolidated Summary Statement of Profits and Losses in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized 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 Restated Consolidated Summary Statement of Profits and Losses.

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 Restated Consolidated Summary Statement of Profits and Losses, when the asset is derecognized.

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

(ii) Capital work in progress

Assets in the course of construction are capitalized 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 capitalized when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Capital work in progress is stated at cost, net of accumulated impairment loss, if any

(iii) Depreciation

Assets in the course of development or construction and freehold land are not depreciated. These assets are tested for impairment.

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

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

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

• Buildings	30-60	years
• Computers	3	years
• Computers - Servers	6	years
• Plant and equipment	15	years
• Furniture and fixtures	5-10	years
• Vehicles	8	years
• Office equipment	5	years

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

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

c) Intangible assets and intangible assets under development

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

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

Intangible assets with finite economic useful life are amortized over those useful life and tested for impairment whenever there is an indication of impairment. The amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the Restated Consolidated Summary Statement of Profits and Losses unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

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

• Computer software	3 years
• Trademark and Copyright	5 – 10 years
• Tenancy Right and others	5 years
• Brand and goodwill (acquired) by Holding Company	Indefinite Life subject to impairment testing

An intangible asset is derecognized 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 Restated Consolidated Summary Statement of Profits and Losses when the asset is derecognized.

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 recognized based on the accounting policy for business combinations and is tested for impairment annually.

Intangible assets under development is stated at cost, net of accumulated impairment loss, if any.

d) Non- current assets 'held for sale' and discontinued operations

The Group classifies non-current assets and disposal assets as held for sale if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

The criteria to classify an asset as 'Held for Sale' is considered met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset or to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification,
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.
- Property, plant and equipment and intangible are not depreciated, or amortized assets once classified as held for sale. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

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e) Financial instruments

Initial recognition and measurement

i. Financial assets

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

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

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

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

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

There is no financial instruments which are measured through fair value through OCI.

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

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

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ii. Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Restated Consolidated Summary Statement of Profits and Losses, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Classification and subsequent measurement

i. Financial assets

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

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

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

Realized and unrealized gains/ losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" investment category are included in the Restated Consolidated Summary Statement of Profits and Losses in the period in which they arise.

ii. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables, the carrying amounts represents the fair value due to the short maturity of these instruments. Realized and unrealized gains/ losses arising from changes in the fair value of the "financial liabilities at fair value through profit or loss" are included in the Restated Consolidated Summary Statement of Profits and Losses in the period in which they arise.

Derecognition of financial instruments

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

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)**Notes to the Restated Consolidated Summary Statements****CIN: U51311WB2002PLC094677****Impairment of financial assets**

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

Reclassification of financial assets

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

f) Derivative financial instruments**Initial recognition and subsequent measurement**

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Derivatives are designated upon initial recognition at fair value through profit or loss only if the criteria in Ind AS 109 are satisfied.

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

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

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

There is no other hedge instrument in the Group.

Vedant Fashions Limited (formerly known as Vedant Fashions Private Limited)**Notes to the Restated Consolidated Summary Statements****CIN: U51311WB2002PLC094677****g) Cash and cash equivalents**

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

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

h) Borrowing Costs

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

i) Inventories

- a. Raw materials, accessories and packing material are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, accessories and packing material is determined on a First-in-First-out basis.
- b. Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads (where applicable). Cost of finished goods is determined on weighted average basis using retail method.
- c. Traded goods are valued at lower of cost and net realizable 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 realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- e. Obsolete, slow moving and defective inventories are identified and written down to net realizable value.

j) Leases**Group as a lessee**

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

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

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

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

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

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

Leasehold land which is part of right of use asset is amortized over the period of lease i.e. 99 years.

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

Group as a lessor

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

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

k) Taxation

Current income tax

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

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

Deferred tax

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

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

- ▶ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ▶ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the

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deferred tax asset to be utilized. 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 during the year/period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

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

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

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

1) Employee benefit schemes

i) Post employment benefits

Defined Contribution Plans

The Group has defined contribution plans for post-employment benefits such as Provident Fund, National Pension Scheme, Employee's State Insurance and Employee's Pension Scheme, 1995. The Group contributes to a government administered Provident Fund, state plan namely Employee's Pension Scheme, 1995, Employee's State Insurance Scheme and National Pension Scheme on behalf of its employees and has no further obligation beyond making its contribution. The Group's contributions to the above funds are recognized in the Restated Consolidated Summary Statement of Profits and Losses for the year/period.

Defined Benefit Plans

The Group has defined benefit plans namely gratuity for all its employees. Liability for defined benefit plans is provided based on valuations, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by the independent actuary for measuring the liability is the projected unit credit method. Actuarial losses and gains are recognized in other comprehensive income

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and shall not be reclassified to the Restated Consolidated Summary Statement of Profits and Losses in a subsequent period. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit or loss as past service costs.

ii) Other Long term benefits

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

iii) Share-Based Payments

Selected employees of the Group receive part of their remuneration through share-based payments in consideration for the services rendered. The fair value of the options at the grant date is calculated by an independent valuer based on Black Scholes model.

Related 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 Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the Restated Consolidated Summary Statement of Profits and Losses for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is 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 recognized as an expense as and when incurred.

m) Foreign currency transactions

In the Restated Consolidated Summary Statements of the Group, transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets

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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 Restated Consolidated Summary Statement of Profits and Losses except any exchange differences on monetary items designated as an effective hedging instrument of the currency risk of designated forecasted sales or purchases, which are recognized in the other comprehensive income.

n) Earnings per share

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

In a capitalisation or bonus issue or a share split, ordinary shares are issued to existing shareholders for no additional consideration. Therefore, the number of ordinary shares outstanding is increased without an increase in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

o) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Group is solely into manufacture, trading, and sale of branded apparels for men, women and kids. Based on the nature of business and internal reporting provided to the management for evaluation of the performance of the segment, the Group has a single reportable segment.

p) Use of Estimates and Judgments

The preparation of the Restated Consolidated Summary 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 Restated Consolidated Summary Statements and the reported amounts of revenues and expenses for the years/ periods presented. Actual results may differ from these estimates under different assumptions and conditions.

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

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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 Restated Consolidated Summary Statements are elaborated in Note 60.

q) Business combinations and goodwill

Business combinations, if any are accounted by using the acquisition method as per Ind AS 103 'Business Combination'. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. Acquisition related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the net acquisition cost and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the net cost of acquisition, then the gain is recognised in Other Comprehensive Income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the Group recognises the gain directly in equity as capital reserve, without routing the same through Other Comprehensive Income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

r) Provisions and contingent liabilities

The Group recognizes 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 recognized as interest expense. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow

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of resources embodying economic benefit. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

s) Exceptional items

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

- t)** The details of the subsidiaries considered in the preparation of Restated Consolidated Summary Statements has been disclosed in Note 57.

4 Part A: Particulars of Restated Consolidated Summary Statements for prior years**Reconciliation between audited Other Equity and restated Other Equity**

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other Equity (as per audited financial statements)	8,351.09	9,158.63	10,666.23	10,409.68	8,634.61	6,818.67
Adjustments						
Change in accounting policies						
(i) Ind AS 116 transition adjustment (Refer Note 4.1)	-	-	-	-	(57.37)	-
Other Equity as per restated consolidated summary statement of assets and liabilities	8,351.09	9,158.63	10,666.23	10,409.68	8,577.24	6,818.67

Reconciliation between audited profit/(loss) and restated profit/(loss)

Particulars	For the period ended September 30, 2021	For the period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit/(loss) after tax (as per audited financial statements)	984.07	(176.47)	1,329.03	2,366.37	1,821.64
Restatement adjustments					
Impact of Ind AS 116 transition adjustment					
(Increase)/decrease in total expenses					
Depreciation of Right-of-use assets	-	-	-	-	(557.17)
Interest on lease liabilities	-	-	-	-	(152.80)
Other expenses - Lease cost	-	-	-	-	621.93
	-	-	-	-	(88.04)
Tax impact of above adjustments	-	-	-	-	30.67
Total impact on adjustments	-	-	-	-	(57.37)
Restated profit/(loss) after tax for the period / year	984.07	(176.47)	1,329.03	2,366.37	1,764.27

4.1 Notes to adjustments:

Ind AS 116 - Leases effective from April 1, 2019, prescribes accounting of the lease contracts/arrangements. The Group had applied Ind AS 116 for preparing the Ind AS audited financial statements for the period beginning from April 1, 2019. For the purpose of preparing Restated Consolidated Financial Information, Ind AS 116 has been applied using the modified retrospective approach with effect from April 1, 2018 as prescribed by ICDR, 2018.

Effective April 1, 2018, the Group had recognised lease liability measured at an amount equal to present value of remaining lease payments and corresponding Right of Use asset at an amount equivalent to lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before April 1, 2018. ROU assets are being amortized over the period of the lease. Interest on lease liabilities are recognised as charge following incremental rate of borrowing method and lease liabilities (including interest) are adjusted either on settlement through periodic payouts or on reversal for rent concessions negotiated with lessors.

Part B : Reconciliation of total equity as per audited financial statements with total equity as per Restated consolidated Summary statement as at March 31, 2019:

The Group has followed the same accounting policy choices (transition options as per Ind AS 116) as adopted on April 1, 2019 for transition to Ind AS 116, while preparing the Restated Consolidated Summary Statement for each of the period/year ended September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019. As specified in the Guidance Note, the equity balance computed under Restated Consolidated Summary Statement for the year ended March 31, 2019 and equity balance computed on transition (using modified retrospective approach) to Ind AS 116 on April 1, 2019, differs due to restatement adjustments made for year ended March 31, 2019. Accordingly, following balances as at March 31, 2019 of the Restated Consolidated Summary Statement has not been carried forward to opening balance sheet as at April 1, 2019. The reconciliation difference is as below:

Particulars	Right of Use Asset	Deferred tax	Retained earnings	Lease Liability
Restated balance as at March 31, 2019	1,963.30	89.66	6,173.83	1,836.95
Add: Adjustment on account of transition to Ind AS 116	74.96	30.67	57.37	(0.02)
Balance as at April 1, 2019 after adjustment of impact of adoption of Ind AS 116 w.e.f April 1, 2019 as per audited financial statement for the year ended March 31, 2020	2,038.26	120.33	6,231.20	1,836.93

Part C - Non adjusting events**a) Audit qualifications for the respective years, which do not require any adjustments in the restated consolidated financial information are as follows:**

1) There are no audit qualification in auditor's reports on the financial statements for six months period ended September 30, 2021, September 30, 2020 and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019.

b) Emphasis of matters not requiring adjustments to restated consolidated summary financial information:

1) Emphasis of matter for the period ended September 30, 2021

"We draw attention to Note 57 of the accompanying interim consolidated Ind AS financial statement which describes the impact of COVID-19 pandemic, and its possible consequential implications, on the Company's and its subsidiaries operations. Our opinion is not modified in respect of this matter."

2) Emphasis of matter for the period ended September 30, 2020

"We draw attention to Note 57 of the accompanying interim consolidated Ind AS financial statement which describes the impact of COVID-19 pandemic, and its possible consequential implications, on the Company's and its subsidiaries operations. Our opinion is not modified in respect of this matter."

3) Emphasis of matter for the period ended March 31, 2021

"We draw attention to Note 58 of the accompanying financial statement which describes the impact of COVID-19 pandemic, and its possible consequential implications, on the Company's and its subsidiaries operations. Our opinion is not modified in respect of this matter."

4) Emphasis of matter for the period ended March 31, 2020

"We draw attention to Note 58 of the accompanying financial statement which describes the impact of COVID-19 pandemic, and its possible consequential implications, on the Company's and its subsidiaries operations. Our opinion is not modified in respect of this matter."

(c) Other matters reported in the Annexure to the Auditors' Reports issued under Companies (Auditor's Report) Order, 2003 (as amended), on the financial statements of the Holding Company and its subsidiaries for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 which do not require any adjustment to the Restated Consolidated Summary Statement are as follows:

For the year ended March 31, 2019Clause (i) (c) of CARO 2016 Order

According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company except for following immovable properties aggregating net block of INR 482.07 Million as at March 31, 2019. As explained to us, registration of title deeds is in progress in respect of such immovable property.

Type of Property	Gross Block	Net Block
Building	480.53	428.35
Freehold Land	53.72	53.72
Total	534.25	482.07

Clause (vii) (c) of CARO 2016 Order

According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, goods and service tax, value added tax and cess on account of any dispute, are as follows :-

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu VAT Act, 2006	Levy of VAT on certain goods	0.56	2009-10 to 2011-12	Sales tax Appellate Tribunal
West Bengal VAT Act, 2005	Disallowance of claim of input tax credit	1.20	2011-12	West Bengal Commercial Taxes Appellate & Revision Board

For the year ended March 31, 2020 and March 31, 2021Clause (vii) (c) of CARO 2016 Order

According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, goods and service tax, value added tax and cess on account of any dispute, are as follows :-

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu VAT Act, 2006	Levy of VAT on certain goods	0.56	2009-10 to 2011-12	High Court, Tamil Nadu

Part D: Material reclassification

Appropriate regroupings have been made in the restated consolidated summary statements of assets and liabilities, profit and loss and cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the interim Consolidated financial statement of the Group for the six months period ended September 30, 2021 prepared in accordance with Schedule III of the Act, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the SEBI ICDR regulations, as amended.

- 4.2 In order to align classifications for all periods presented with those of the latest period, the Group has reclassified fixed deposits with financial institutions from "Other Bank Balances" to "Current Investments" as on March 31, 2021 and March 31, 2020. Management believes that the revised classification reflects the nature of the asset more appropriately. The "Current Investments" and "Other Bank Balances" for the previous year has been reclassified for comparative purposes. The aforesaid revision has no impact on the financial position and profits earned by the Group for the reported periods.

Particulars	As at March 31, 2021	As at March 31, 2020
Current Investments	325.00	498.00
Other Bank Balances	(325.00)	(498.00)

5. 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 ³
	Land	Building	Total	Land-Freehold	Land-Leasehold	Buildings	Buildings-Leasehold	Plant and equipment	Furniture and fixtures	Computers	Office equipments	Vehicles	Total	
Gross Block														
As at March 31, 2018	-	-	-	85.00	626.64	575.07	151.43	10.86	93.45	12.85	43.46	21.22	1,619.98	1.83
Recognised pursuant to adoption of Ind AS 116 as at April 1, 2018 (Restated) (Refer Note 4)	-	1,565.61	1,565.61	-	-	-	-	-	-	-	-	-	-	-
Reclassification pursuant to adoption of Ind AS 116	613.30	133.32	746.62	-	(626.64)	-	(151.43)	-	-	-	-	-	(778.07)	-
Additions	-	833.56	833.56	-	-	-	-	2.71	49.69	4.93	11.04	-	68.37	11.84
Disposals	(613.30)	(3.64)	(616.94)	-	-	-	-	(2.22)	(2.70)	(0.52)	(1.93)	(1.79)	(9.16)	-
As at March 31, 2019	-	2,528.85	2,528.85	85.00	-	575.07	-	11.35	140.44	17.26	52.57	19.43	901.12	13.67
Ind AS 116 transition adjustment (Refer Note 4)	-	(490.59)	(490.59)											
Additions	-	1,185.17	1,185.17	4.03	-	36.07	-	3.77	91.04	7.16	34.65	0.08	176.80	97.77
Disposals	-	-	-	-	-	-	-	(1.76)	(2.45)	(0.10)	(1.14)	(1.17)	(6.62)	-
Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	(111.44)
As at March 31, 2020	-	3,223.43	3,223.43	89.03	-	611.14	-	13.36	229.03	24.32	86.08	18.34	1,071.30	-
Additions	-	524.75	524.75	-	-	99.00	-	2.01	6.15	3.61	0.48	-	111.25	2.47
Disposals	-	(182.85)	(182.85)	-	-	-	-	(0.68)	(55.63)	(1.27)	(18.78)	(4.13)	(80.49)	-
As at March 31, 2021	-	3,565.33	3,565.33	89.03	-	710.14	-	14.69	179.55	26.66	67.78	14.21	1,102.06	2.47
As at April 1, 2020	-	3,223.43	3,223.43	89.03	-	611.14	-	13.36	229.03	24.32	86.08	18.34	1,071.30	-
Additions	-	190.05	190.05	-	-	-	-	1.90	4.32	1.49	0.28	-	7.99	0.21
Disposals*	-	(8.75)	-	-	-	-	-	-	(0.76)	(0.00)	(0.10)	(4.14)	(5.00)	(0.21)
As at September 30, 2020	-	3,404.73	3,404.73	89.03	-	611.14	-	15.26	232.59	25.81	86.26	14.20	1,074.29	-
As at April 1, 2021	-	3,565.33	3,565.33	89.03	-	710.14	-	14.69	179.55	26.66	67.78	14.21	1,102.06	2.47
Additions	-	666.89	666.89	-	-	-	-	-	-	2.12	0.54	-	2.66	4.03
Disposals	-	(259.39)	(259.39)	-	-	-	-	(0.01)	(3.26)	(0.05)	(0.80)	-	(4.12)	-
As at September 30, 2021	-	3,972.83	3,972.83	89.03	-	710.14	-	14.68	176.29	28.73	67.52	14.21	1,100.60	6.50
Accumulated Depreciation														
As at March 31, 2018	-	-	-	-	13.34	39.07	18.11	2.76	21.37	6.69	18.67	8.51	128.52	-
Reclassification pursuant to adoption of Ind AS 116	-	-	-	-	(13.34)	-	(18.11)	-	-	-	-	-	(31.45)	-
Charge for the year	1.80	565.55	567.35	-	-	26.08	-	1.64	23.80	4.59	12.69	3.87	72.67	-
Disposals	(1.80)	-	(1.80)	-	-	-	-	(0.80)	(1.45)	(0.38)	(1.45)	(1.15)	(5.23)	-
As at March 31, 2019	-	565.55	565.55	-	-	65.15	-	3.60	43.72	10.90	29.91	11.23	164.51	-
Ind AS 116 transition adjustment (Refer Note 4)	-	(565.55)	(565.55)											
Charge for the year	-	763.21	763.21	-	-	25.60	-	1.57	40.03	5.06	19.09	2.54	93.89	-
Disposals	-	-	-	-	-	-	-	(0.83)	(1.66)	(0.10)	(1.00)	(0.94)	(4.53)	-
As at March 31, 2020	-	763.21	763.21	-	-	90.75	-	4.34	82.09	15.86	48.00	12.83	253.87	-
Charge for the year	-	836.31	836.31	-	-	26.96	-	1.83	36.14	5.02	15.56	1.62	87.13	-
Disposals	-	(68.89)	(68.89)	-	-	-	-	(0.49)	(18.65)	(1.06)	(9.82)	(3.68)	(33.70)	-
As at March 31, 2021	-	1,530.63	1,530.63	-	-	117.71	-	5.68	99.58	19.82	53.74	10.77	307.30	-
As at April 1, 2020	-	763.21	763.21	-	-	90.75	-	4.34	82.09	15.86	48.00	12.83	253.87	-
Charge for the period	-	430.52	430.52	-	-	12.69	-	0.87	19.35	2.30	8.57	0.85	44.63	-
Disposals*	-	(1.29)	(1.29)	-	-	-	-	-	(0.46)	(0.00)	(0.09)	(3.67)	(4.22)	-
As at September 30, 2020	-	1,192.44	1,192.44	-	-	103.44	-	5.21	100.98	18.16	56.48	10.01	294.28	-
As at April 1, 2021	-	1,530.63	1,530.63	-	-	117.71	-	5.68	99.58	19.82	53.74	10.77	307.30	-
Charge for the period	-	383.79	383.79	-	-	14.45	-	0.80	10.14	2.01	3.05	0.53	30.98	-
Disposals*	-	(150.69)	(150.69)	-	-	-	-	(0.00)	(1.00)	(0.03)	(0.41)	-	(1.44)	-
As at September 30, 2021	-	1,763.73	1,763.73	-	-	132.16	-	6.48	108.72	21.80	56.38	11.30	336.84	-
Net Block														
As at March 31, 2019	-	1,963.30	1,963.30	85.00	-	509.92	-	7.75	96.72	6.36	22.66	8.20	736.61	13.67
As at March 31, 2020	-	2,460.22	2,460.22	89.03	-	520.39	-	9.02	146.94	8.46	38.08	5.51	817.43	-
As at March 31, 2021	-	2,034.70	2,034.70	89.03	-	592.43	-	9.01	79.97	6.84	14.04	3.44	794.76	2.47
As at September 30, 2020	-	2,212.29	2,212.29	89.03	-	507.70	-	10.05	131.61	7.65	29.78	4.19	780.01	-
As at September 30, 2021	-	2,209.10	2,209.10	89.03	-	577.98	-	8.20	67.57	6.93	11.14	2.91	763.76	6.50

(1) On transition to Ind AS w.e.f. April 1, 2016, the Group had opted to continue with carrying values of items of property, plant and equipment measured as per the previous Indian GAAP and had considered those carrying values as deemed cost of respective items of property, plant and equipment.

(2) The Group implemented Indian Accounting Standard for Leases ("Ind AS 116") with effect from April 1, 2019 using the modified retrospective approach without adjusting the comparative period. For the purpose of preparing Restated Consolidated Summary Statement, Ind AS 116 has been applied using the modified retrospective approach with effect from April 1, 2018. The right of use assets comprise of land and buildings (including retail stores) taken on lease. (Refer Note 4)

(3) Represents furniture & fixtures and office equipments under installation.

(4) For lien/charge details against property, plant and equipment, Refer Note 53.1.

*Amount is below the rounding off norms adopted by the Group.

5.1 Title deeds of immovable property not held in name of the Holding Company - Based on the requirements of Amended Schedule III

Relevant line item in the Balance sheet	Description of item of property	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Gross carrying value as on March 31, 2019	Property held since which date	Reason for not being held in the name of the Holding Company
Property, Plant & Equipment	Buildings	Srijan Realty Private Limited	No	480.53	August 1, 2016	The same was under construction phase.
Property, Plant & Equipment	Land- Freehold	Srijan Realty Private Limited	No	53.72	August 1, 2016	The same was under construction phase.
TOTAL				534.25		

The property was subsequently registered in the name of Holding Company on November 7, 2019.

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

As at September 30, 2021

Particulars	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress	6.50	-	6.50
Total	6.50	-	6.50

As at September 30, 2020

Particulars	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress	-	-	-
Total	-	-	-

As at March 31, 2021

Particulars	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress	2.47	-	2.47
Total	2.47	-	2.47

As at March 31, 2020

Particulars	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress	-	-	-
Total	-	-	-

As at March 31, 2019

Particulars	Amount in CWIP for a period of		
	Less than 1 year	1-2 years	Total
Projects in progress	11.84	1.83	13.67
Total	11.84	1.83	13.67

- (1) There are no projects as on each reporting period where activity had been suspended. Also there are no projects as on the reporting period which has exceeded cost as compared to its original plan or where completion is overdue.
- (2) There are no CWIP with ageing above 2 years.

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Notes to Restated Consolidated Summary Statement

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

6. Intangible Assets¹

Particulars	Goodwill ²	Other Intangible Assets				Intangible assets under development ⁴
		Computer software	Tenancy right ³	Trade Mark, Brand & Others ²	Total	
Gross Block						
As at March 31, 2018	157.11	10.05	5.16	1,511.15	1,526.36	4.90
Additions	-	1.64	-	2.82	4.46	9.05
Disposals	-	(0.02)	-	-	(0.02)	-
Transfers	-	-	-	-	-	(2.83)
As at March 31, 2019	157.11	11.67	5.16	1,513.97	1,530.80	11.12
Additions	-	0.85	71.99	73.16	146.00	0.06
Transfers	-	-	-	-	-	(8.64)
As at March 31, 2020	157.11	12.52	77.15	1,587.13	1,676.80	2.54
Additions	-	1.52	-	1.57	3.09	0.40
Disposals	-	(2.76)	-	-	(2.76)	-
Transfers	-	-	-	-	-	(1.56)
As at March 31, 2021	157.11	11.28	77.15	1,588.70	1,677.13	1.38
As at April 1, 2020	157.11	12.52	77.15	1,587.13	1,676.80	2.54
Additions	-	0.35	-	-	0.35	-
As at September 30, 2020	157.11	12.87	77.15	1,587.13	1,677.15	2.54
As at April 1, 2021	157.11	11.28	77.15	1,588.70	1,677.13	1.38
Additions	-	2.50	2.22	0.24	4.96	0.12
Disposals	-	-	-	-	-	(0.36)
As at September 30, 2021	157.11	13.78	79.37	1,588.94	1,682.09	1.14
Accumulated Amortisation						
As at March 31, 2018	-	6.43	5.16	0.59	12.18	-
Charge for the year	-	2.01	-	0.97	2.98	-
Disposals	-	(0.01)	-	-	(0.01)	-
As at March 31, 2019	-	8.43	5.16	1.56	15.15	-
Charge for the year	-	2.00	12.63	15.61	30.24	-
As at March 31, 2020	-	10.43	17.79	17.17	45.39	-
Charge for the year	-	1.58	14.40	15.87	31.85	-
Disposals	-	(2.76)	-	-	(2.76)	-
As at March 31, 2021	-	9.25	32.19	33.04	74.48	-
As at April 1, 2020	-	10.43	17.79	17.17	45.39	-
Charge for the period	-	0.82	7.22	7.81	15.85	-
As at September 30, 2020	-	11.25	25.01	24.98	61.24	-
As at April 1, 2021	-	9.25	32.19	33.04	74.48	-
Charge for the period	-	1.04	7.38	7.96	16.38	-
As at September 30, 2021	-	10.29	39.57	41.00	90.86	-
Net Block						
As at March 31, 2019	157.11	3.24	-	1,512.41	1,515.65	11.12
As at March 31, 2020	157.11	2.09	59.36	1,569.96	1,631.41	2.54
As at March 31, 2021	157.11	2.03	44.96	1,555.66	1,602.65	1.38
As at September 30, 2020	157.11	1.62	52.14	1,562.15	1,615.91	2.54
As at September 30, 2021	157.11	3.49	39.80	1,547.94	1,591.23	1.14

(1) On transition to Ind AS w.e.f. April 1, 2016, the Group had elected to continue with carrying values of all intangible assets measured as per the previous Indian GAAP and had considered those carrying values as deemed cost of respective items of intangible assets.

(2) Based on the information provided to and used by the Chief Operating Decision Maker, the Group had identified that its only Cash Generating Unit (CGU) is "Branded fashion apparel and accessories", to which the goodwill and brand (with indefinite life) acquired in earlier years through acquisition of business, has been entirely allocated. The carrying amount of goodwill and brand as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 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, 2021	March 31, 2020	March 31, 2019
Annual growth rate for next 5 financial years	10.00%*	10.00%**	5.00%
Terminal growth rate	5.00%	5.00%	5.00%
Weighted Average Cost of Capital % (WACC) before tax (Discount rate)	13.74%	13.00%	15.50%

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

** 10% growth rate has been considered after the financial year 2021-22 based on normal sales of financial year 2019-20

The projections cover a period of five years, as the Group believes this to be the most appropriate time period over which to review and consider annual performances and thereafter fixed terminal value has been considered. The estimated future projections are after considering past performance and expected normal future performance excluding disruption caused by the pandemic.

Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Group).

The goodwill and brand (with indefinite life) are tested for impairment annually and based on such testing, no provision towards impairment has been considered necessary in each of the period/year presented. Further based on Management assessment there is no trigger for impairment as on September 30, 2021 & September 30, 2020.

The Group has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU to be less than the carrying value.

(3) Represents usage rights acquired under license arrangement from Kolkata Municipal Corporation as recorded permit holder.

(4) Represents applications made for various trademark registration in various countries.

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

Intangible Assets Under Development (IAUD) ageing schedule

As at September 30, 2021

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.23	-	0.40	0.51	1.14
Total	0.23	-	0.40	0.51	1.14

As at September 30, 2020

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	0.03	0.88	0.34	1.29	2.54
Total	0.03	0.88	0.34	1.29	2.54

As at March 31, 2021

Particulars	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.20	-	0.52	0.66	1.38
Total	0.20	-	0.52	0.66	1.38

As at March 31, 2020

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	0.03	0.77	0.54	1.20	2.54
Total	0.03	0.77	0.54	1.20	2.54

As at March 31, 2019

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	8.29	1.20	1.63	-	11.12
Total	8.29	1.20	1.63	-	11.12

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.

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7 Financial assets - non current : Investments

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Investment in bonds and debentures					
Quoted					
At amortised cost					
National Highways Authority of India (2,10,000 units at par value of INR 1,000 each) (September 30, 2020 - 2,10,000 units at par value of INR 1,000 each) (March 31, 2021 - 2,10,000 units at par value of INR 1,000 each) (March 31, 2020 - 2,10,000 units at par value of INR 1,000 each) (March 31, 2019 - NIL)	235.93	235.93	235.93	235.93	-
Tata Capital Financial Services Limited (September 30, 2021 - NIL) (September 30, 2020 - 200 units at par value of INR 10,00,000 each) (March 31, 2021 - 200 units at par value of INR 10,00,000 each) (March 31, 2020 - 200 units at par value of INR 10,00,000 each) (March 31, 2019 - NIL)	-	232.65	240.80	224.46	-
HDB Financial Services Limited (September 30, 2021 - NIL) (September 30, 2020 - NIL) (March 31, 2021 - NIL) (March 31, 2020 - NIL) (March 31, 2019 - 250 units at par value of INR 10,00,000 each)	-	-	-	-	251.78
At fair value through profit and loss					
ICICI Bank Limited (150 units at par value of INR 10,00,000 each) (September 30, 2020 - NIL) (March 31, 2021 - 150 units at par value of INR 10,00,000 each) (March 31, 2020 - NIL) (March 31, 2019 - NIL)	165.80	-	158.00	-	-
HDFC Bank Limited (150 units at par value of INR 10,00,000 each) (September 30, 2020 - NIL) (March 31, 2021 - 150 units at par value of INR 10,00,000 each) (March 31, 2020 - NIL) (March 31, 2019 - NIL)	157.88	-	165.05	-	-
Total	559.61	468.58	799.78	460.39	251.78
Aggregate market value of quoted investments	581.35	504.06	822.19	453.36	250.15

8 Financial assets - non current : Others

(unsecured, considered good, unless otherwise stated)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At amortised cost					
Security deposits					
- Considered good	454.71	384.55	433.26	386.37	341.73
- Considered doubtful (significant increase in credit risk)	0.30	0.41	0.30	0.53	0.53
	455.01	384.96	433.56	386.90	342.26
Less: Credit impaired	(0.30)	(0.41)	(0.30)	(0.53)	(0.53)
	454.71	384.55	433.26	386.37	341.73
Bank deposits with remaining maturity greater than 12 months ¹	0.39	2.73	0.37	0.24	0.30
Interest accrued on fixed deposits	0.18	1.65	0.22	0.13	0.09
Loan to employees	0.04	0.11	0.08	0.12	0.21
Loan to Others	-	-	-	-	0.79
Total	455.32	389.04	433.93	386.86	343.12

(1) Represents bank deposits lodged with sales tax authorities which earns interest ranging from 4.50% to 6.40% (September 30, 2020 - 6.00% p.a to 7.75%) (March 31, 2021 - 4.50% to 6.40%) (March 31, 2020 - 6%) (March 31, 2019 - 6% to 7.75%).

9 Deferred tax assets - Non current (net)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets					
Provision for expected sales return (net)	2.13	0.18	1.53	0.21	0.13
Lease liabilities	34.69	18.75	16.53	22.61	4.60
Brought forward business losses and unabsorbed depreciation (subsidiary)	2.92	10.51	5.84	-	-
Others	2.41	1.80	1.79	2.87	0.03
Total Deferred Tax Assets	42.15	31.24	25.69	25.69	4.76
Deferred Tax Liabilities					
Temporary differences in carrying value of property, plant and equipment, intangible assets and right of use assets between books of accounts and for tax purpose	27.81	13.49	10.08	19.64	4.27
Total Deferred Tax Liabilities	27.81	13.49	10.08	19.64	4.27
Net deferred tax assets	14.34	17.75	15.61	6.05	0.49

10 Others assets - non-current

(unsecured, considered good)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Capital advances (Refer Note 10.1)	618.42	618.47	618.42	620.22	627.65
Prepaid expenses	0.79	4.38	0.45	0.51	0.33
Advances recoverable in cash or kind	-	4.60	1.50	6.92	-
Balances with statutory /government authorities	1.45	1.12	1.45	1.12	1.25
Total	620.66	628.57	621.82	628.77	629.23

- 10.1 During a prior year, the Group had entered into an agreement with a reputed real estate developer for joint development of a parcel of land acquired by the Group under long term lease of 99 years from West Bengal Housing Infrastructure Development Corporation Limited. Subsequent to such agreement, the Group had transferred possession of such land parcel in lieu of which the Group was entitled to a share of the area/space to be constructed thereon. Accordingly, the Group had derecognised such leasehold land from property, plant and equipment and considered its cost as capital advance pending possession of its share of constructed area/space. Cost of the land transferred was considered more reliably measurable pending commencement of construction. Based on valuation exercise conducted by an external valuer, fair value of the leasehold land was considered equivalent to the cost of land transferred. Subsequently, the Group had exercised an exclusive and irrevocable option, granted by the aforesaid developer, to convert such area/space sharing arrangement into the revenue sharing arrangement in terms of which the Group is entitled to receive certain agreed percentage of proceeds from sale of the constructed area/space to third parties. Share of sale proceeds received from developer will be adjusted against capital advance on transfer of control of the respective constructed space which will coincide with handover of possession to customers. Pending such handover of possession, advances towards sales proceeds received till September 30, 2021 aggregating INR 395.16 Million (net of GST) [September 30, 2020 - INR 151.58 Million (net of GST), March 31, 2021 - INR 321.37 Million (net of GST), March 31, 2020 - INR 99.69 Million (net of GST), March 31, 2019 - Nil] has been considered as "Advance from customer".

Advances towards sales proceeds aggregating INR 73.79 Million received during six months ended September 30, 2021, INR 51.89 Million received during six months ended September 30, 2020 and INR 221.68 Million received during the financial year 2020-21 had been reported as cash inflows from Investing Activities in the Cash Flow Statement for that respective year. Hitherto, such advances towards sales proceeds were being reported as cash inflows from Operating Activities in Cash Flow Statement of prior years. Management believes that the revised classification reflects the nature of the transaction more appropriately. The Cash Flow Statement for the financial year 2019-20 has been revised for comparative purposes. Consequently, net cash flows from Investing Activities during the financial year 2019-20 has increased by INR 99.69 Million with corresponding reduction of cash flows from Operating Activities by an equivalent amount. The aforesaid revision has no impact on the financial position of and profits earned by the Group for the reported years.

11 Tax assets (net): Non-current

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Advance income tax (net of provision for taxation) ¹	121.50	204.15	41.03	49.95	134.34
Total	121.50	204.15	41.03	49.95	134.34

(1) Non current tax asset is net of provision for taxation amounting to INR 3,269.75 Million as on September 30, 2021 (September 30, 2020 - INR 2,949.48 Million) (March 31, 2021 - INR 2,949.48 Million) (March 31, 2020 - INR 2,083.38 Million) (March 31, 2019 - INR 2,950 Million)

12 Inventories^{1 & 2}

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At lower of cost and net realisable value					
Raw materials (Refer Note 36A)	194.97	132.62	146.53	217.35	139.97
Accessories and packing material (Refer Note 36B)	43.15	32.48	32.15	54.04	36.75
Work in progress (Refer Note 38)	188.65	139.78	170.00	268.95	196.90
Finished goods (Refer Note 38) [Including in transit INR. 37.84 Million (September 30, 2020 - INR 30.19 Million) (March 31, 2021 - INR 34.72 Million) (March 31, 2020 - INR 20.07 Million) (March 31, 2019: INR 1.08 Million)]	450.25	627.08	409.56	351.11	251.56
Stock-in-trade (Refer Note 38) [Including in transit INR 32.38 Million (September 30, 2020 - INR 16.22 Million) (March 31, 2021 - INR 24.70 Million)] (March 31, 2020 - INR 11.26 Million) (March 31, 2019: INR 1.23 Million)]	359.93	307.34	254.12	317.12	284.29
Total	1,236.95	1,239.30	1,012.36	1,208.57	909.47

(1) For details of lien / charge against the inventories, Refer Note 53.1

(2) Includes all inventories lying with third parties aggregating INR 276.16 Million (September 30, 2020 - INR 180.45 Million) (March 31, 2021 - INR 241.28 Million) (March 31, 2020 - INR 366.08 Million) (March 31, 2019 - INR 265.42 Million).

13 Financial assets - Current : Investments

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Investments in debentures					
Quoted					
At amortised cost					
Kotak Mahindra Prime Limited (September 30, 2021 - NIL) (September 30, 2020 - NIL) (March 31, 2021 - NIL) (March 31, 2020 - NIL) (March 31, 2019 - 250 units at par value of INR 10,00,000 each)	-	-	-	-	263.34
Kotak Mahindra Investments Limited (September 30, 2021 - NIL) (September 30, 2020 - 300 units at par value of INR 10,00,000 each) (March 31, 2021 - NIL) (March 31, 2020 - 300 units at par value of INR 10,00,000 each) (March 31, 2019 - NIL)	-	334.59	-	321.30	-
HDB Financial Services Limited (September 30, 2021 - NIL) (September 30, 2020 - 250 units at par value of INR 10,00,000 each) (March 31, 2021 - NIL) (March 31, 2020 - 250 units at par value of INR 10,00,000 each) (March 31, 2019 - NIL)	-	284.23	-	272.80	-
Tata Capital Financial Services Limited (200 units at par value of INR 10,00,000 each) (September 30, 2020 - NIL) (March 31, 2021 - NIL) (March 31, 2020 - NIL) (March 31, 2019 - NIL)	249.59	-	-	-	-
Unquoted					
At amortised cost					
Housing Development Finance Corporation Limited (September 30, 2021 - NIL) (September 30, 2020 - NIL) (March 31, 2021 - NIL) (March 31, 2020 - NIL) (March 31, 2019 - 500 units at par value of INR 10,00,000 each)	-	-	-	-	516.02
Investments in mutual funds					
Unquoted					
At fair value through profit and loss					
Kotak Equity Arbitrage Fund - Direct Plan (September 30, 2021 - NIL) (September 30, 2020 - NIL) (March 31, 2021 - NIL) (March 31, 2020 - NIL) (March 31, 2019 - 1,68,54,524 units at par value of INR 10 each)	-	-	-	-	396.74
Kotak Liquid Fund - Direct Plan - Growth (23,921 units at par value of INR 1,000 each) (September 30, 2020 - 1,62,073 units at par value of INR 1,000 each) (March 31, 2021 - 3,90,833 units at par value of INR 1,000 each) (March 31, 2020 - 3,75,175 units at par value of INR 1,000 each) (March 31, 2019 - 1,26,062 units at par value of INR 1000 each)	101.14	663.57	1,625.49	1,506.28	477.06
HDFC Liquid Fund - Direct Plan - Growth Option (35,685 units at par value of INR 1,000 each) (September 30, 2020 - 1,005 units at par value of INR 1,000 each) (March 31, 2021 - 3,18,460 units at par value of INR 1,000 each) (March 31, 2020 - 2,43,444 units at par value of INR 1,000 each) (March 31, 2019 - NIL)	146.74	4.00	1,288.34	951.04	-
Aditya Birla Sun Life Liquid Fund - Growth - Direct Plan (September 30, 2021 - NIL) (September 30, 2020 - NIL) (March 31, 2021 - NIL) (March 31, 2020 - NIL) (March 31, 2019 - 1,30,362 units at par value of INR 10 each)	-	-	-	-	39.17
Axis Corporate Debt Fund - Direct - Growth (57,53,452 units at par value of INR 10 each) (September 30, 2020 - 57,53,452 units at par value of INR 10 each) (March 31, 2021 - 57,53,452 units at par value of INR 10 each) (March 31, 2020 - NIL) (March 31, 2019 - NIL)	80.44	75.66	78.05	-	-
Axis Treasury Advantage Fund - Direct - Growth (41,604 units at par value of INR 1,000 each) (September 30, 2020 - 41,604 units at par value of INR 1,000 each) (March 31, 2021 - 41,604 units at par value of INR 1,000 each) (March 31, 2020 - NIL) (March 31, 2019 - NIL)	105.63	100.91	103.29	-	-
HDFC Corporate Bond Fund - Direct - Growth (89,67,268 units at par value of INR 10 each) (September 30, 2020 - NIL) (March 31, 2021 - 89,67,268 units at par value of INR 10 each) (March 31, 2020 - NIL) (March 31, 2019 - NIL)	233.62	-	225.83	-	-
HDFC Money Market Fund - Direct Plan - Growth (11,500 units at par value of INR 1,000 each) (September 30, 2020 - 11,500 units at par value of INR 1,000 each) (March 31, 2021 - 11,500 units at par value of INR 1,000 each) (March 31, 2020 - NIL) (March 31, 2019 - NIL)	52.48	50.44	51.45	-	-
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth (96,51,613 units at par value of INR 10 each) (September 30, 2020 - NIL) (March 31, 2021 - 96,51,613 units at par value of INR 10 each) (March 31, 2020 - NIL) (March 31, 2019 - NIL)	233.92	-	226.88	-	-
ICICI Prudential Banking and PSU Debt Fund - Direct Plan - Growth (30,28,561 units at par value of INR 10 each) (September 30, 2020 - 30,28,561 units at par value of INR 10 each) (March 31, 2021 - 30,28,561 units at par value of INR 10 each) (March 31, 2020 - NIL) (March 31, 2019 - NIL)	80.40	75.30	77.58	-	-
ICICI Prudential Money Market Fund - Direct Plan - Growth (3,48,358 units at par value of INR 100 each) (September 30, 2020 - 3,48,358 units at par value of INR 100 each) (March 31, 2021 - 3,48,358 units at par value of INR 100 each) (March 31, 2020 - NIL) (March 31, 2019 - NIL)	104.85	100.86	102.86	-	-
IDFC Corporate Bond Fund - Direct Plan - Growth (1,47,72,541 units at par value of INR 10 each) (September 30, 2020 - NIL) (March 31, 2021 - 1,47,72,541 units at par value of INR 10 each) (March 31, 2020 - NIL) (March 31, 2019 - NIL)	232.83	-	225.54	-	-
Kotak Bond Fund (Short Term) - Direct Plan - Growth (51,88,975 units at par value of INR 10 each) (September 30, 2020 - NIL) (March 31, 2021 - 51,88,975 units at par value of INR 10 each) (March 31, 2020 - NIL) (March 31, 2019 - NIL)	233.24	-	225.61	-	-
Fixed deposits with financial institutions (Refer Note 4.2)					
Unquoted					
At amortised cost					
LIC Housing Finance Limited	150.00	275.00	325.00	100.00	-
Housing Development Finance Corporation Limited	-	498.00	-	398.00	-
Total	2,004.88	2,462.56	4,555.92	3,549.42	1,692.33
Aggregate market value of quoted investments	253.38	624.03	-	601.25	263.75
Aggregate book value of quoted investments	249.59	618.82	-	594.10	263.34
Aggregate book value of unquoted investments	1,755.29	1,843.74	4,555.92	2,955.32	1,428.99

14 Financial Assets - Current : Trade receivables²

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At amortised cost					
- Trade Receivables considered good - Secured ¹	1,387.18	1,262.02	1,311.64	1,241.41	1,076.74
- Trade Receivables considered good - Unsecured	2,624.13	2,159.13	2,300.78	2,479.15	2,250.68
- Trade Receivables - credit impaired - Unsecured	21.31	22.12	28.81	12.18	4.16
	4,032.62	3,443.27	3,641.23	3,732.74	3,331.58
Less: Credit impaired	(21.31)	(22.12)	(28.81)	(12.18)	(4.16)
Total trade receivables	4,011.31	3,421.15	3,612.42	3,720.56	3,327.42
- Receivables from related parties (Refer Note 49)	144.18	111.10	123.26	124.36	114.46
- Others	3,867.13	3,310.05	3,489.16	3,596.20	3,212.96
Total trade receivables	4,011.31	3,421.15	3,612.42	3,720.56	3,327.42

(1) Receivables are secured to the extent of security deposits and bank guarantees taken from customers.

(2) For Lien/ charge details against trade receivables, Refer Note 53.1.

14.1 Trade receivables Ageing Schedule- Based on the requirements of Amended Schedule III

Particulars	Outstanding from due date of payment as on September 30, 2021						
	Not due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
- considered good*	3,536.91	433.37	11.72	12.15	0.01	0.00	3,994.16
- credit impaired*	-	2.65	0.79	16.43	0.00	0.29	20.16
	3,536.91	436.02	12.51	28.58	0.01	0.29	4,014.32
Less: Credit impaired*	-	(2.65)	(0.79)	(16.43)	(0.00)	(0.29)	(20.16)
	3,536.91	433.37	11.72	12.15	0.01	0.00	3,994.16
Disputed							
- considered good	9.78	7.37	-	-	-	-	17.15
- credit impaired	-	1.15	-	-	-	-	1.15
	9.78	8.52	-	-	-	-	18.30
Less: Credit impaired	-	(1.15)	-	-	-	-	(1.15)
	9.78	7.37	-	-	-	-	17.15
Total	3,546.69	440.74	11.72	12.15	0.01	0.00	4,011.31

Particulars	Outstanding from due date of payment as on September 30, 2020						
	Not due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
- considered good	831.58	2,564.22	24.32	1.03	-	-	3,421.15
- credit impaired	-	8.57	12.43	0.14	0.12	0.86	22.12
	831.58	2,572.79	36.75	1.17	0.12	0.86	3,443.27
Less: Credit impaired	-	(8.57)	(12.43)	(0.14)	(0.12)	(0.86)	(22.12)
Total	831.58	2,564.22	24.32	1.03	-	-	3,421.15

Particulars	Outstanding from due date of payment as on March 31, 2021						
	Not due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
- considered good	3,525.07	47.56	38.63	0.86	0.01	0.29	3,612.42
- credit impaired	0.21	10.77	15.40	2.43	-	-	28.81
	3,525.28	58.33	54.03	3.29	0.01	0.29	3,641.23
Less: Credit impaired	(0.21)	(10.77)	(15.40)	(2.43)	-	-	(28.81)
Total	3,525.07	47.56	38.63	0.86	0.01	0.29	3,612.42

Particulars	Outstanding from due date of payment as on March 31, 2020						
	Not due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
- considered good	3,620.34	94.49	3.88	0.02	0.09	1.74	3,720.56
- credit impaired	0.14	11.04	0.10	-	-	0.90	12.18
	3,620.48	105.53	3.98	0.02	0.09	2.64	3,732.74
Less: Credit impaired	(0.14)	(11.04)	(0.10)	-	-	(0.90)	(12.18)
Total	3,620.34	94.49	3.88	0.02	0.09	1.74	3,720.56

Particulars	Outstanding from due date of payment as on March 31, 2019						
	Not due	Upto 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed							
- considered good	3,249.66	74.19	-	2.55	0.10	0.92	3,327.42
- credit impaired	-	1.03	0.61	0.71	-	0.83	3.18
	3,249.66	75.22	0.61	3.26	0.10	1.75	3,330.60
Less: Credit impaired	-	(1.03)	(0.61)	(0.71)	-	(0.83)	(3.18)
	3,249.66	74.19	-	2.55	0.10	0.92	3,327.42
Disputed							
- credit impaired	-	-	0.05	0.93	-	-	0.98
	-	-	0.05	0.93	-	-	0.98
Less: Credit impaired	-	-	(0.05)	(0.93)	-	-	(0.98)
	-	-	-	-	-	-	-
Total	3,249.66	74.19	-	2.55	0.10	0.92	3,327.42

1. As per terms of payment under agreements with majority of customers, sales consideration are receivable by the Group 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 30 days to 90 days.

2. Generally, customers remit sales consideration without specifying particular invoices in respect of which such remittances are being made. Hence, such receipts from the customers are adjusted against their trade receivables on First in First out (FIFO) basis. In few cases, where identification is possible, such receipts are adjusted on basis of actual invoice.

3. There are no unbilled trade receivables as on each reporting date.

4. There are no disputed trade receivables as on September 30, 2020, March 31, 2021 and March 31, 2020.

* Amount is below the rounding off norms adopted by the Group.

Notes to Restated Consolidated Summary Statement

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

15 Financial assets - Current : Cash and cash equivalents

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At amortised cost					
- Balances with banks	42.66	53.29	65.67	88.34	21.08
- Cash on hand	0.32	0.24	0.43	0.32	0.31
Total	42.98	53.53	66.10	88.66	21.39

16 Financial Assets - Current : Other bank balances

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At amortised cost					
Fixed deposits with banks with remaining maturity greater than 3 months but not greater than 12 months (Refer Note 4.2 and Note 16.1 below)	4.94	107.88	4.96	110.37	1,172.53
Total	4.94	107.88	4.96	110.37	1,172.53

16.1 Includes deposits of INR 0.08 Million (September 30, 2020 - INR 0.10 Million) (March 31, 2021 - INR 0.10 Million) (March 31, 2020 - INR 0.23 Million) (March 31, 2019 - INR 0.17 Million) lodged with sales tax authorities which earns interest at the rate of 6% (September 30, 2020 - interest at the rate of 6.50%) (March 31, 2021 - interest at the rate of 5.10%) (March 31, 2020 - interest ranging from 6.25% p.a to 7.75% p.a) (March 31, 2019 - interest ranging from 6% p.a to 6.25% p.a).

17 Financial assets - Current : Others

(unsecured, considered good, unless otherwise stated)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At amortised cost					
Security deposits					
- Considered good	115.20	110.93	120.41	95.73	4.66
- Considered doubtful (significant increase in credit risk)	1.77	0.18	1.77	0.18	-
	116.97	111.11	122.18	95.91	4.66
Less: Credit impaired	(1.77)	(0.18)	(1.77)	(0.18)	-
	115.20	110.93	120.41	95.73	4.66
Interest accrued on					
- Fixed and other deposits	8.15	42.66	12.63	18.28	11.37
- Bonds and Debentures	7.74	7.74	15.44	15.48	-
- Loan given	-	-	-	0.01	-
- Others	1.85	-	1.26	-	-
Loan to employees	0.31	0.11	0.31	0.20	0.10
Loan to others	-	-	-	1.53	1.04
Receivable from sale of property, plant and equipment	10.98	-	13.25	-	-
Receivable from sale of investment in mutual fund	12.00	-	-	-	-
IPO expenses recoverable (Refer Note 49.1)	78.94	-	-	-	-
At fair value through profit and loss					
Derivative instrument ^{1 & 2}	-	-	0.00	-	0.16
Total	235.17	161.44	163.30	131.23	17.33

(1) It represents receivables arising from fair valuation of foreign exchange forward contracts.

(2) Amount is below the rounding off norms adopted by the Group.

Disclosure of loans given to related parties required under section 186(4) of the Companies Act, 2013

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening Balance	-	-	-	38.59	-
Loans given	40.00	14.90	14.90	75.00	37.50
Interest accrued **	0.00	0.50	0.78	1.60	1.09
Repayment of interest **	(0.00)	-	(0.78)	(2.69)	-
Repayment of principal amount	(40.00)	-	(14.90)	(112.50)	-
Closing Balance*	-	15.40	-	-	38.59

** Amount is below the rounding off norms adopted by the Group.

*The above transaction and balance got eliminated at the time of preparing Restated Consolidated Summary Statement.

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Type of Borrower	Related Party (Subsidiary Company)	Related Party (Subsidiary Company)	Related Party (Subsidiary Company)	Related Party (Subsidiary Company)	Related Party (Subsidiary Company)
Amount of loan or advance in the nature of loan outstanding	40.00	14.90	14.90	75.00	37.50
Rate of interest	8.50%	8.50%	8.50%	9.50%	11.00%
Percentage to the total loans and advances in the nature of loans	100.00%	100.00%	100.00%	100.00%	100.00%

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

CIN: U51311WB2002PLC094677

Notes to Restated Consolidated Summary Statement

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

18 Other assets: current

(unsecured, considered good, unless otherwise stated)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Export incentive receivables					
- Considered good	0.61	0.30	0.51	0.27	2.12
- Considered doubtful	0.69	0.65	0.63	0.56	0.37
	1.30	0.95	1.14	0.83	2.49
	(0.69)	(0.65)	(0.63)	(0.56)	(0.37)
Less: Impairment allowance	0.61	0.30	0.51	0.27	2.12
Balances with statutory / government authorities					
- Considered good	101.40	82.64	29.95	45.83	23.17
- Considered doubtful	0.22	0.22	0.22	0.22	-
	101.62	82.86	30.17	46.05	23.17
	(0.22)	(0.22)	(0.22)	(0.22)	-
Less: Impairment allowance	101.40	82.64	29.95	45.83	23.17
Advances recoverable in cash or kind					
- Considered good	13.27	20.58	6.34	52.68	16.87
- Considered doubtful	1.98	1.36	2.52	1.08	-
	15.25	21.94	8.86	53.76	16.87
	(1.98)	(1.36)	(2.52)	(1.08)	-
Less: Credit impaired	13.27	20.58	6.34	52.68	16.87
Others					
- Considered good	-	-	-	1.43	1.46
- Considered doubtful	0.03	0.03	0.03	0.03	-
	0.03	0.03	0.03	1.46	1.46
	(0.03)	(0.03)	(0.03)	(0.03)	-
Less: Credit impaired	-	-	-	1.43	1.46
Advance to employees	0.58	0.52	0.85	0.83	0.49
Prepaid expenses	40.84	52.87	35.47	59.94	25.21
Right of return assets ¹	261.83	263.56	263.10	259.64	218.86
Total	418.53	420.47	336.22	420.62	288.18

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

19 Tax assets (net) - Current

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Advance income tax (net of provision for taxation) ¹	-	-	0.01	85.37	-
Total	-	-	0.01	85.37	-

(1) Current tax assets is net of provision for taxation amounting to NIL as on September 30, 2021 (September 30, 2020 - NIL) (March 31, 2021 - Nil) (March 31, 2020 - INR 866.62 Million) (March 31, 2019 - Nil).

Notes to Restated Consolidated Summary Statement

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

20 Equity Share capital

Particulars	As at September 30, 2021		As at September 30, 2020		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Authorized										
30,10,00,000 equity shares of INR 1 each (September 30, 2020: 150,500,000 equity shares of INR 2 each) (March 31, 2021: 150,500,000 equity shares of INR 2 each) (March 31, 2020: 150,500,000 equity shares of INR 2 each) (March 31, 2019: 150,500,000 equity shares of INR 2 each) (Refer Note (ii) below)	30,10,00,000	301.00	15,05,00,000	301.00	15,05,00,000	301.00	15,05,00,000	301.00	15,05,00,000	301.00
Issued, subscribed and fully paid-up shares										
242,432,254 equity shares of INR 1 each (September 30, 2020: 123,933,299 equity shares of INR 2 each) (March 31, 2021: 123,933,299 equity shares of INR 2 each) (March 31, 2020: 125,227,420 equity shares of INR 2 each) (March 31, 2019: 125,227,420 equity shares of INR 2 each) (Refer Note (ii), (iii) and (iv) below)	24,24,32,254	242.44	12,39,33,299	247.87	12,39,33,299	247.87	12,52,27,420	250.46	12,52,27,420	250.46
Total	24,24,32,254	242.44	12,39,33,299	247.87	12,39,33,299	247.87	12,52,27,420	250.46	12,52,27,420	250.46

i) During the year ended March 31, 2019, the authorised share capital was increased from 150,000,000 equity shares of INR 2 each amounting to INR 300 Million to 150,500,000 equity shares of INR 2 each amounting to INR 301 Million pursuant to the scheme of amalgamation of Rainbow Iron & Steel Suppliers Private Limited with the Holding Company as described in Note 56.

ii) Pursuant to a resolution passed by the Board of Directors and a resolution passed by the Holding Company's equity shareholders in the Extra-ordinary General Meeting held on July 16, 2021, the Holding Company has split face value of its equity shares from INR 2 per equity share to INR 1 per equity share. Consequently, total number of authorised equity shares have increased from 15,05,00,000 to 30,10,00,000 and total number of issued equity shares have gone up from 12,12,16,127 to 24,24,32,254 as on September 30, 2021 (after adjustment of buyback as mentioned in Note 20 (iv)). The impact of split of shares has been retrospectively considered for the computation of Earnings Per Share as per the requirement of Ind AS 33.

iii) The Board of Directors of the Holding Company, at its meeting held on April 11, 2020, approved buyback of the Holding Company's 12,94,121 fully paid-up equity shares of face value of INR 2 each from the equity shareholders of the Holding Company, at a price of INR 680 per equity share, for an aggregate amount of INR 880.00 Million under the Companies Act, 2013 and Rules thereunder. The actual buyback size was less than 10% of aggregate of the Holding Company's paid up equity capital and free reserves based on the audited financial statements of the Holding Company as at March 31, 2019, which is in compliance with the maximum permissible limit of 10% of the total paid up equity share capital and free reserves in accordance with Section 68(2) of Companies Act, 2013.

Total cash outflow on account of buyback was INR 1,084.41 Million (including tax). Out of the said amount, nominal value of shares bought back INR 2.59 Million, has been reduced from share capital and Securities premium account has been utilised to the extent of the balance amount of INR 1,081.82 Million. A sum equal to the nominal value of the shares so bought back i.e INR 2.59 Million has been transferred from securities premium to the capital redemption reserve as per requirement of Companies Act, 2013.

iv) The Board of Directors of the Holding Company, at its meeting held on June 25, 2021 and Shareholders of the Holding Company at the Extra-ordinary General Meeting held on June 26, 2021, approved buyback of the Holding Company's 27,17,172 fully paid-up equity shares of face value of INR 2 each from the equity shareholders of the Holding Company, at a price of INR 990 per equity share under the Companies Act, 2013, and Rules thereunder. The Maximum buyback size is less than 25% of aggregate of the Holding Company's paid up equity capital and free reserves based on the audited financial statements of the Holding Company for the year ended March 31, 2021.

Total cash outflow on account of buyback was INR 3,313.31 Million (including tax of INR 621.93 Million and buyback related expense of INR 1.38 Million). Out of the said amount, nominal value of shares bought back INR 5.43 Million, has been reduced from share capital and Securities premium account has been utilised to the extent of the amount of INR 1,298.87 Million and retained earning has been utilised to the extent of the balance amount of INR 2,009.01 Million. A sum equal to the nominal value of the shares so bought back i.e INR 5.43 Million has been transferred from retained earnings to the capital redemption reserve as per requirement of Companies Act, 2013. The shares were extinguished as on September 30, 2021

v) Reconciliation of the number of shares and amount outstanding as at the beginning and at the end of the reporting period/year :

Particulars	As at September 30, 2021		As at September 30, 2020		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the period/year	12,39,33,299	247.87	12,52,27,420	250.46	12,52,27,420	250.46	12,52,27,420	250.46	12,51,15,170	250.24
Add: Fresh issue of shares during the period/year pursuant to the scheme of amalgamation (Refer Note 56)	-	-	-	-	-	-	-	-	96,42,250	19.28
Less: Equity Shares cancelled pursuant to the scheme of amalgamation (Refer Note 56)	-	-	-	-	-	-	-	-	(95,30,000)	(19.06)
Less: Equity Shares cancelled pursuant to the scheme of buyback (Refer Note 20 (iii) and 20 (iv))	(27,17,172)	(5.43)	(12,94,121)	(2.59)	(12,94,121)	(2.59)	-	-	-	-
Add: Split of shares from INR 2 per share to INR 1 per share (Refer Note 20 (ii))	12,12,16,127	-	-	-	-	-	-	-	-	-
Equity shares outstanding	24,24,32,254	242.44	12,39,33,299	247.87	12,39,33,299	247.87	12,52,27,420	250.46	12,52,27,420	250.46

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

Name of Shareholder	As at September 30, 2021		As at September 30, 2020		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding	Number of shares held	% of Holding
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	18,10,24,186	74.67%	9,25,41,005	74.67%	9,25,41,005	74.67%	9,35,07,325	74.67%	9,35,07,325	74.67%
Ravi Modi HUF	3,88,81,422	16.04%	1,98,76,493	16.04%	1,98,76,493	16.04%	2,00,84,045	16.04%	2,00,84,045	16.04%
Rhine Holdings Limited	1,74,59,392	7.20%	89,25,380	7.20%	89,25,380	7.20%	90,18,580	7.20%	90,18,580	7.20%
Total	23,73,65,000	97.91%	12,13,42,878	97.91%	12,13,42,878	97.91%	12,26,09,950	97.91%	12,26,09,950	97.91%

Notes to Restated Consolidated Summary Statement
(All amounts are in INR Million, unless otherwise stated)

vii) Disclosure of shareholding of Promoters

Name of Shareholder	As at September 30, 2021		As at September 30, 2020		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	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	18,10,24,186	74.67%	9,25,41,005	74.67%	9,25,41,005	74.67%	9,35,07,325	74.67%	9,35,07,325	74.67%
Shilpi Modi	26,56,104	1.10%	13,57,822	1.10%	13,57,822	1.10%	13,72,000	1.10%	13,72,000	1.10%
Ravi Modi	16,88,134	0.70%	8,62,989	0.70%	8,62,989	0.70%	8,72,000	0.70%	8,72,000	0.70%
Total	18,53,68,424	76.47%	9,47,61,816	76.47%	9,47,61,816	76.47%	9,57,51,325	76.47%	9,57,51,325	76.47%

There has been no change in percentage during any of the period/year.

viii) Rights, preferences and restrictions attached to shares (Refer Note (ii) above)

The Holding Company has only one class of equity shares having par value of INR 1 each (September 30, 2020: INR 2 each) (March 31, 2021: INR 2 each) (March 31, 2020: INR 2 each) (March 31, 2019: INR 2 each). Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the general meeting. The above shareholding represents legal ownership of shares.

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

Equity shares held by Rhine Holdings Limited and Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1 in the Holding Company carry certain protective rights under the term of shareholder agreement.

ix) Shares reserved for issue under options

Particulars	No. of shares				
	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Under Employee Stock Option Plan - 2018	9,83,892	2,68,322	2,48,774	2,82,268	3,45,787

For movement of shares issued under options and other terms and conditions, refer Note 55.

x) 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 September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Aggregate number of fully paid bonus shares issued ¹	6,25,57,585	6,25,57,585	6,25,57,585	6,25,57,585	6,25,57,585
Shares issued for consideration other than cash	96,42,250	96,42,250	96,42,250	96,42,250	96,42,250
Shares bought back (Refer Note 20 (iii) and 20 (iv))	40,11,293	12,94,121	12,94,121	-	-

(1) The bonus shares were issued on December 5, 2017.

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

CIN: U51311WB2002PLC094677

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

21 Other equity

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Retained earnings					
Opening balance	9,322.39	7,992.70	7,992.70	6,173.83	4,408.49
Ind AS 116 transition adjustment (Refer Note 4)	-	-	-	57.37	-
Retained earnings as at April 1 as per the audited financial statements	9,322.39	7,992.70	7,992.70	6,231.20	4,408.49
Profit/(loss) for the period/year	984.07	(176.47)	1,329.03	2,366.37	1,764.27
Other comprehensive income/(loss) for the period/year					
- Re-measurement gains/(losses) on defined benefit obligations (net of tax)	(1.91)	(0.73)	0.66	(1.00)	1.07
Buyback of shares (including tax) [Refer Note 20 (iv)]	(2,009.01)	-	-	-	-
Transfer to Capital Redemption Reserve on buy back of shares [Refer Note 20 (iv)]	(5.43)	-	-	-	-
Dividend Paid (including Corporate Dividend Tax)*	-	-	-	(603.87)	-
	8,290.11	7,815.50	9,322.39	7,992.70	6,173.83
Securities Premium					
Opening balance	1,298.87	2,383.28	2,383.28	2,383.28	2,383.28
Buyback of shares (including tax) (Refer Note 20 (iii) and 20 (iv))	(1,298.87)	(1,081.82)	(1,081.82)	-	-
Transfer to Capital Redemption Reserve on buy back of shares (Refer Note 20 (iii))	-	(2.59)	(2.59)	-	-
	-	1,298.87	1,298.87	2,383.28	2,383.28
Shares Pending Issuance (Refer Note 56)					
Opening balance	-	-	-	-	19.28
Shares issued during the year pursuant to scheme of amalgamation	-	-	-	-	(19.28)
	-	-	-	-	-
Capital Redemption Reserve					
Opening balance	2.59	-	-	-	-
On buy back of shares (Refer Note 20 (iii) and 20 (iv))	5.43	2.59	2.59	-	-
	8.02	2.59	2.59	-	-
Capital Reserve					
Opening balance	7.62	7.62	7.62	7.62	7.62
	7.62	7.62	7.62	7.62	7.62
Share based payment reserve (Refer Note 55)					
Opening balance	34.76	26.08	26.08	12.51	-
Recognition of share based payment under employee stock option plan	10.58	7.97	8.68	13.57	12.51
	45.34	34.05	34.76	26.08	12.51
Total	8,351.09	9,158.63	10,666.23	10,409.68	8,577.24

* During the financial year 2019-20, the Holding Company paid interim dividend at the rate of INR 4 per share amounting to INR 603.87 Million (including Corporate Dividend Tax of INR 102.96 Million).

Nature and purpose of reserves

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

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

Capital Redemption Reserve: As per the provisions of section 68 of Companies Act, 2013, the Group has recognised Capital Redemption Reserve on buyback of equity shares from its securities premium and retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

Shares Pending Issuance: Pending issuance of shares to the shareholders of Rainbow Iron and Steel Suppliers Private Limited pursuant to the scheme of amalgamation as on March 31, 2018 (Refer Note 56) . The same was issued to those shareholders on December 21, 2018.

Capital Reserve: During amalgamation, the excess amount of the cancelled share capital of the Holding Company over the investment by the amalgamating Company in the Holding Company is treated as Capital Reserve in the restated consolidated summary statement.

Share based payment reserve: The grant date fair value of the equity-settled share options is recognised in Restated Consolidated Summary Statement of Profits and Losses with corresponding credit to Share based payment reserve.

22 Financial liabilities - Non current : Lease Liabilities

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At amortised cost					
Lease liabilities	1,538.88	1,534.37	1,396.52	1,696.62	1,296.53
Total	1,538.88	1,534.37	1,396.52	1,696.62	1,296.53

(1) For changes in liabilities arising from financing activities and maturity analysis, refer Note 48.

23 Financial liabilities - Non current : Deposits

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At amortised cost					
Security deposits	815.96	740.13	817.90	736.75	634.25
Total	815.96	740.13	817.90	736.75	634.25

24 Provisions : Non-current

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Employee Benefits - Gratuity (Refer Note 46)	30.56	26.63	26.01	23.40	17.34
Total	30.56	26.63	26.01	23.40	17.34

25 Deferred tax liabilities (net) : Non current

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Deferred Tax Assets					
Expenses allowable on payment, write off, etc.	13.20	13.39	6.93	6.42	8.79
Provision for expected sales return (net)	116.66	120.80	118.34	119.10	148.85
Profit elimination upon consolidation	2.85	22.31	3.59	25.94	6.90
Tax impact on losses (current period loss)	-	47.88	-	-	-
Lease liabilities	533.93	541.28	504.06	584.52	628.16
Others	5.94	4.72	3.71	7.53	-
Total Deferred Tax Assets	672.58	750.38	636.63	743.51	792.70
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	787.78	763.51	744.42	824.22	868.81
Income taxable in future on realisation	11.02	1.80	-	-	-
Goodwill	39.54	39.54	39.54	-	-
Others	-	-	-	-	14.04
Total Deferred Tax Liabilities	838.34	804.85	783.96	824.22	882.85
Net deferred tax liabilities	165.76	54.47	147.33	80.71	90.15

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Accounting profit/(loss) before tax	1,324.71	(214.17)	1,819.17	3,118.41	2,709.38
At India's statutory income tax rate of 25.168% (September 30, 2020: 25.168%) (March 31, 2021: 25.168%) (March 31, 2020: 25.168%) (March 31, 2019: 34.944%)	333.40	(53.90)	457.85	784.84	946.77
Adjustments in respect of current income tax of earlier years	-	-	-	0.15	1.21
Non taxable (income) and deductible expenses for tax purposes	6.52	1.60	18.29	(2.97)	(7.37)
Impact of tax rate changes	-	-	-	(35.68)	-
Deferred Tax on account of change in treatment of goodwill	-	14.60	12.51	-	-
Others	0.72	-	1.49	5.70	4.50
Total tax expenses/credit for the period/year	340.64	(37.70)	490.14	752.04	945.11

25.2 During the financial year 2019-20, the Group had elected to apply tax rates permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Group re-measured its deferred tax assets/liabilities basis the rate prescribed in the said provision. The impact of this change was recognised in the Restated Consolidated Summary Statement of Profits and Losses for the said financial year.

25.3 The Holding Company is having expected long term capital loss (LTCL) of INR 102.11 Million (September 30, 2020 - INR 180.16 Million) (March 31, 2021 - INR 102.11 Million) (March 31, 2020 - INR 180.16 Million), (March 31, 2019 - Nil), subject to income tax return filing / pending assessment, on which deferred tax assets has not been recognized in the absence of certainty regarding availability of future long term capital gains against which aforesaid LTCL can be set off. The LTCL can be carried forward till assessment year 2028-29.

25.4 Refer Note 4 for restatement adjustment impact on deferred tax.

26 Other liabilities : Non-current

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At amortised cost					
Deferred income	358.01	366.34	357.49	399.53	394.29
Total	358.01	366.34	357.49	399.53	394.29

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

27 Financial liabilities - Current : Borrowings

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At amortised cost					
From related parties	-	-	-	-	0.02
- Short term loan (Unsecured)	-	-	-	-	-
Total	-	-	-	-	0.02

27.1 Changes in liabilities arising from financing activities

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening balance	-	-	-	0.02	126.93
Addition during the year/ period	-	-	-	-	0.02
Repayments during the year/ period	-	-	-	(0.02)	(126.93)
Closing balance	-	-	-	-	0.02

28 Financial liabilities - Current : Lease Liabilities

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At amortised cost					
Lease liabilities	828.57	753.80	707.22	730.85	540.42
Total	828.57	753.80	707.22	730.85	540.42

(1) For changes in liabilities arising from financing activities and maturity analysis, refer Note 48.

29 Financial liabilities - Current : Trade payables

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At amortised cost					
- Total outstanding dues of micro enterprises, small enterprises and medium enterprises (Refer Note 29.1)	183.10	37.08	121.45	126.59	65.74
	183.10	37.08	121.45	126.59	65.74
- Dues to related parties (Refer Note 49)*	0.63	-	-	-	-
- Total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises	430.06	222.11	377.48	377.44	515.35
	430.69	222.11	377.48	377.44	515.35
Total	613.79	259.19	498.93	504.03	581.09

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

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting period/year	183.10	37.08	121.45	126.59	65.74
(ii) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-	-	-	-
(iii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period/year.	1.87	-	0.34	0.10	0.05
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting period/year	0.19	2.12	1.87	0.62	0.10
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	0.04	0.03	-	-
Interest payable to micro, small and medium enterprises (Refer Note 30)	0.19	2.16	1.90	0.62	0.10

Trade Payables Ageing Schedule - Based on the requirements of Amended Schedule III¹

Particulars	Outstanding as on September 30, 2021 from due date of payment						
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Total outstanding dues of micro enterprises, small enterprises and medium enterprises	34.02	147.50	1.58	-	-	-	183.10
Total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises	222.97	163.20	34.98	0.47	0.08	0.28	421.98
Disputed dues of creditors other than micro enterprises, small enterprises and medium enterprises	0.86	-	7.75	0.02	-	0.08	8.71
Total	257.85	310.70	44.31	0.49	0.08	0.36	613.79

Particulars	Outstanding as on September 30, 2020 from due date of payment						
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Total outstanding dues of micro enterprises, small enterprises and medium enterprises	1.41	31.33	4.28	0.06	-	-	37.08
Total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises	142.68	49.22	29.44	0.38	0.31	0.02	222.05
Disputed dues of creditors other than micro enterprises, small enterprises and medium enterprises	-	-	-	-	0.04	0.02	0.06
Total	144.09	80.55	33.72	0.44	0.35	0.04	259.19

Particulars	Outstanding as on March 31, 2021 from due date of payment						
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Total outstanding dues of micro enterprises, small enterprises and medium enterprises	0.48	118.16	2.81	-	-	-	121.45
Total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises	144.27	213.73	9.55	0.12	0.88	0.24	368.79
Disputed dues of creditors other than micro enterprises, small enterprises and medium enterprises	0.86	-	7.54	0.23	-	0.06	8.69
Total	145.61	331.89	19.90	0.35	0.88	0.30	498.93

Particulars	Outstanding as on March 31, 2020 from due date of payment						
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Total outstanding dues of micro enterprises, small enterprises and medium enterprises	0.11	113.55	12.93	-	-	-	126.59
Total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises	149.52	225.81	1.23	0.58	0.24	-	377.38
Disputed dues of creditors other than micro enterprises, small enterprises and medium enterprises	-	-	-	-	0.06	-	0.06
Total	149.63	339.36	14.16	0.58	0.30	-	504.03

Particulars	Outstanding as on March 31, 2019 from due date of payment						
	Unbilled Due	Not Due	Upto 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Total outstanding dues of micro enterprises, small enterprises and medium enterprises	0.00	60.65	5.09	-	-	-	65.74
Total outstanding dues of creditors other than micro enterprises, small enterprises and medium enterprises	125.18	346.78	42.33	1.00	-	-	515.29
Disputed dues of creditors other than micro enterprises, small enterprises and medium enterprises	-	-	-	0.06	-	-	0.06
Total	125.18	407.43	47.42	1.06	-	-	581.09

* Amount is below the rounding off norms adopted by the Group.

1) There are no disputed dues to micro enterprises, small enterprises and medium enterprises at the end of the each reporting period.

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30 Financial liabilities - Current : Others

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
At amortised cost					
Employees related liabilities	43.44	65.12	32.91	28.00	60.88
Security deposits	159.07	81.06	71.87	51.50	10.54
Payables to capital creditors	-	-	0.47	11.58	2.84
Interest payable to micro, small and medium enterprises (Refer Note 29.1)	0.19	2.16	1.90	0.62	0.10
At fair value through profit and loss					
Derivative instrument ⁽¹⁾	0.07	-	-	0.77	-
Total	202.77	148.34	107.15	92.47	74.36

(1) It represents liability arising from fair valuation of foreign exchange forward contracts.

31 Other liabilities : Current

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Advance from customers (Refer Note 10.1)	434.93	176.03	350.64	111.26	9.04
Refund liabilities ¹	733.84	744.24	739.39	733.23	627.61
Statutory dues	46.46	14.01	83.36	28.52	21.26
Interest payable on income tax	0.78	0.56	0.78	0.56	-
Deferred income (Refer Note 26.1)	65.07	67.17	64.99	66.86	68.52
Total	1,281.08	1,002.01	1,239.16	940.43	726.43

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

32 Provisions : Current

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Employee benefits - Gratuity (Refer Note 46)	4.16	3.73	3.78	3.83	2.49
Total	4.16	3.73	3.78	3.83	2.49

33 Tax liabilities (net) : Current

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Income tax liabilities (net of advance income tax) ¹	21.96	46.77	40.94	46.77	-
Total	21.96	46.77	40.94	46.77	-

(1) Current tax liabilities is net of advance taxes paid amounting to INR 1,207.88 Million as on September 30, 2021 (September 30, 2020 - INR 750.16 Million) (March 31, 2021 - INR 1,189.88 Million) (March 31, 2020 - INR 750.16 Million).

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34 Revenue from operations

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Sale of products	3,592.79	715.88	5,640.75	9,145.28	7,995.10
Other operating revenue:					
(i) Scrap sales	2.04	0.10	1.31	1.09	1.28
(ii) Insurance charges recovered	2.22	0.63	4.12	6.79	4.27
(iii) Export incentives	1.38	0.44	1.98	2.33	6.77
Revenue from operations	3,598.43	717.05	5,648.16	9,155.49	8,007.42

34.1 Disaggregated revenue information

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

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
India	3,433.01	678.94	5,544.69	8,977.85	7,888.25
Outside India	159.78	36.94	96.06	167.43	106.85
Total revenue from contracts with customers	3,592.79	715.88	5,640.75	9,145.28	7,995.10

34.2 Reconciliation of revenue from sale of products with contract price

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Contract Price	3,567.53	688.36	5,585.60	9,093.63	7,945.42
Add: Impact of deferred income on deposits taken from customers (Refer Note 26.1)	25.26	27.52	55.15	51.65	49.68
Total revenue from sale of products	3,592.79	715.88	5,640.75	9,145.28	7,995.10

Performance obligation from contracts with customers

Revenue from sale of goods is recognised when the Group transfers the control of the goods to customer and the Group has present right to collect sale proceeds for those goods both of which coincides with delivery.

35 Other income

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Interest income on					
- Fixed deposits	7.91	26.28	41.63	53.42	12.29
- Loans	0.01	0.02	0.02	0.34	0.52
- Bonds and debentures	16.53	40.64	65.06	78.75	19.07
- Others ¹	5.91	21.83	30.26	25.55	18.03
Dividend income from mutual funds	-	-	-	38.09	39.11
Profit on sale of investments	33.31	21.57	47.24	62.87	76.35
Profit on fair valuation of investments carried at FVTPL	54.40	7.16	31.42	15.14	3.77
Profit on sale of investment in subsidiary Company	0.61	-	-	-	-
Profit on sale of property, plant & equipment (net)	0.59	0.98	7.22	-	8.20
Gain on foreign exchange fluctuations (net)	0.35	1.43	2.82	1.97	-
Liabilities/provisions no longer required written back	12.92	0.50	16.07	14.92	5.56
Insurance claim received	52.97	1.21	3.92	26.81	1.75
Rent concession on lease arrangements (Refer Note 48.1)	71.65	248.72	338.97	-	-
Gain on termination of lease arrangements	12.78	0.58	13.52	-	-
Other miscellaneous income	4.53	0.97	3.88	6.41	5.92
Total	274.47	371.89	602.03	324.27	190.57

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

36 Cost of materials used

A. Raw materials

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Inventory at the beginning of the period/year	146.53	217.35	217.35	139.97	126.16
Add: Purchases during the period/year	468.16	37.75	484.03	1,005.99	755.89
	614.69	255.10	701.38	1,145.96	882.05
Less: Inventory at the end of the period/year (Refer Note 12)	194.97	132.62	146.53	217.35	139.97
Total	419.72	122.48	554.85	928.61	742.08

B. Accessories & packing materials

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Inventory at the beginning of the period/year	32.15	54.04	54.04	36.75	33.16
Add: Purchases during the period/year	78.08	7.27	78.92	163.72	123.79
	110.23	61.31	132.96	200.47	156.95
Less: Inventory at the end of the period/year (Refer Note 12)	43.15	32.48	32.15	54.04	36.75
Total	67.08	28.83	100.81	146.43	120.20

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37 Purchases of stock-in-trade

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Purchases of stock-in-trade	582.13	70.45	707.61	1,682.39	1,367.39
Total	582.13	70.45	707.61	1,682.39	1,367.39

38 Changes in inventories of finished goods, work-in-progress & stock-in-trade

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Inventory at the end of the period/year (Refer Note 12)					
Finished goods	450.25	627.08	409.56	351.11	251.56
Work in progress	188.65	139.78	170.00	268.95	196.90
Stock-in-trade	359.93	307.34	254.12	317.12	284.29
	998.83	1,074.20	833.68	937.18	732.75
Inventories at the beginning of the period/year					
Finished goods	409.56	351.11	351.11	251.56	263.41
Work in progress	170.00	268.95	268.95	196.90	197.03
Stock-in-trade	254.12	317.12	317.12	284.29	274.13
	833.68	937.18	937.18	732.75	734.57
	(165.15)	(137.02)	103.50	(204.43)	1.82
(Increase)/ decrease in right of return assets (Refer Note 18)	1.27	(3.92)	(3.46)	(40.78)	(5.63)
Changes in inventories of finished goods, work-in-progress & stock-in-trade	(163.88)	(140.94)	100.04	(245.21)	(3.81)

39 Employee benefits expense

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Salaries, wages and bonus (including Directors' remuneration) (Refer Note 49)	209.17	155.61	354.62	493.17	430.22
Contribution to provident and other funds	4.23	3.89	7.62	11.37	13.64
Gratuity expense (Refer Note 46)	2.94	3.25	6.43	7.07	6.22
Staff welfare expenses	3.40	0.59	3.72	7.78	9.54
Share based compensation (Refer Note 55)	10.58	7.97	8.68	13.57	12.51
Total	230.32	171.31	381.07	532.96	472.13

40 Finance cost

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Interest expense:					
- on income tax	-	-	0.78	0.56	-
- on lease liabilities (Refer Note 4 and Note 48)	99.05	106.15	204.70	208.57	152.80
- others ¹	23.30	28.00	52.74	46.93	43.50
Total	122.35	134.15	258.22	256.06	196.30

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

41 Depreciation and amortisation expense

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Property, plant and equipment (Refer Note 5)	30.98	44.63	87.13	93.89	72.67
Right of use assets (Refer Note 4 & Note 5)	383.79	430.52	836.31	763.21	567.35
Intangible assets (Refer Note 6)	16.38	15.85	31.85	30.24	2.98
Total	431.15	491.00	955.29	887.34	643.00

42 Other expenses

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Job charges	313.72	131.78	414.48	662.76	577.63
Electricity charges	5.07	5.45	12.02	16.55	11.47
Lease cost (Refer Note 4 & Note 48)	209.65	92.38	294.28	342.47	310.71
Rates and taxes	6.77	10.34	27.61	19.25	24.08
Loss on foreign exchange fluctuations (net)	0.52	-	-	-	0.60
Insurance	14.41	14.69	27.57	12.66	8.63
Repairs and maintenance					
- Plant and machinery*	-	-	0.01	0.00	0.03
- Others	5.39	5.84	12.01	5.37	4.78
Legal & professional fees	18.57	15.29	33.90	45.42	56.49
Travelling and conveyance	5.53	0.53	7.83	31.41	22.97
Donations and charity	-	-	-	0.18	0.22
Director Fees and Commission	0.62	-	-	-	-
Payment to auditors (Refer Note 44)	1.73	1.86	3.75	4.56	4.12
Shop running and maintenance expenses	0.51	0.55	1.50	2.76	1.65
Provision for doubtful debts & advances	1.94	10.39	26.38	12.60	2.56
Bad debts/advances written off	1.30	0.01	4.20	3.22	0.82
Loss on sale/discard of Property, plant & equipments (net)	-	0.14	-	1.56	-
Corporate social responsibility expenditure (Refer Note 45)	26.54	8.20	54.78	43.80	35.75
Selling and distribution expenses					
- Advertisement, publicity and sales promotion expenses	113.36	76.15	272.15	693.52	666.67
- Commission	36.55	9.79	44.02	65.12	64.12
- Freight and forwarding expenses	49.75	4.93	43.25	88.85	63.51
Miscellaneous expenses	47.39	37.51	93.39	120.71	94.51
Total	859.32	425.83	1,373.13	2,172.77	1,951.32

*Amount is below the rounding off norms adopted by the Group.

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43 Earnings per share (EPS)

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Net profit/(loss) after tax for the period/year	984.07	(176.47)	1,329.03	2,366.37	1,764.27
Basic earnings per share (Refer Note 20)					
Weighted average number of ordinary shares (No. in Million)	245.52	248.25	248.06	250.46	250.46
Nominal value of ordinary share (INR per share)	1.00	1.00	1.00	1.00	1.00
Basic earnings for ordinary shares (in INR per share)¹	4.01	(0.71)	5.36	9.45	7.04
Diluted earnings per share (Refer Note 20)					
Weighted average number of ordinary shares (No. in Million)	245.52	248.25	248.06	250.46	250.46
Weighted average number of ESOP options (No. in Million) (Refer Note 55)	0.17	0.02	0.08	-	-
	245.69	248.27	248.14	250.46	250.46
Nominal value of ordinary share (INR per share) (Refer Note 20)	1.00	1.00	1.00	1.00	1.00
Diluted earnings for ordinary shares (in INR per share)¹	4.01	(0.71)	5.36	9.45	7.04

(1) Earnings per share for six months period ended September 30, 2021 and September 30, 2020 are not annualised.

44 Payment to auditors

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
As statutory auditors :					
Audit fees	1.45	1.58	3.18	3.18	2.83
Tax audit fees	0.27	0.27	0.55	0.55	0.55
Reimbursement of expenses	0.01	0.01	0.02	0.23	0.19
In other capacity :					
Other services ¹	-	-	-	0.60	0.55
Total	1.73	1.86	3.75	4.56	4.12

1) It does not include payment to auditors of INR 0.13 Million, during the period ended September 30, 2021, towards services received in connection with buyback of shares and the same has been adjusted in retained earnings. (Refer Note 20 (iv)).

45 Corporate social responsibility (CSR) expenditure

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
a) Gross amount to be spent by the Holding Company during the year	52.01	54.48	54.48	44.10	35.73
b) Amount spent during the period/year					
(i) Construction/ acquisition of any asset	-	-	-	-	-
(ii) On purpose other than (i) above	26.54	8.20	54.58	43.80	35.75
c) Amount unspent during the period/year*	Not Applicable	Not Applicable	0.20	0.30	-
d) Nature of CSR activities	Environment Sustainability & Animal Welfare, Healthcare, Education	Environment Sustainability & Animal Welfare, Healthcare, Education	Environment Sustainability & Animal Welfare, Healthcare, Education	Healthcare, Education, Healthcare (Covid-19 related activities)	Healthcare, Education, Encouraging Sports

(1) The Holding Company has an unspent CSR liability of INR. 0.20 Million as at March 31, 2021 (March 31, 2020: INR. 0.30 Million). The Holding Company has recognised unspent CSR liability of INR 0.20 Million in the balance sheet as at March 31, 2021. There is no contractual obligation on the Holding Company for any projects for which such provision is required. The unspent amount for March 31, 2021 and March 31, 2020 was subsequently spent on May 13, 2021 and April 6, 2020 respectively.

(2) Reason for CSR Funds unspent:

As a responsible corporate, over the years, the Holding Company has been contributing for various CSR activities (as prescribed under the law and otherwise) for the benefit of the society as well as for the economically underprivileged sections of the society and has been fulfilling its mandatory requirement of CSR expenditure, in line with the CSR Policy of the Company.

Pending identification of an appropriate CSR project, the unspent amount was subsequently spent.

(3) For details of related party transactions, refer Note 49.

For movement is CSR, refer below:

Particulars	For the period/year				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Opening Balance	0.20	0.30	0.30	-	-
Gross amount to be spent during the period/year	52.01	54.48	54.48	44.10	35.73
Actual spent	(26.54)	(8.20)	(54.58)	(43.80)	(35.75)
(Excess)/short spent*	25.67	46.58	0.20	0.30	(0.02)

* For September 30, 2021, excess/short spent to be determined at the end of the financial year. For the period ended September 30, 2020, the shortfall amount was determined as on March 31, 2021 which was Rs. 0.20 Million.

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

In accordance with The Employees Provident Funds and Miscellaneous Provisions Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for the period ended September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 & March 31, 2019) of an employee's basic salary. Retirement benefit in the form of provident fund and employees' state insurance (ESI) are defined contribution scheme and the contributions are charged to 'Restated Consolidated Summary Statement of Profits and Losses of the period/year when the employee renders the service. There are no obligations other than the contribution payable to the respective funds.

(II) Defined benefit plan - Unfunded

In accordance with the Payment of Gratuity Act, 1972, the Group contributes to a defined benefit plan (the "Gratuity Plan") for employees who have completed 5 years of service. The Gratuity Plan provides a lump sum payment to vested employees at retirement, disability or termination of employment being an amount based on the respective employee's last drawn salary and the number of years of employment with the Group.

A Principal actuarial assumptions

Principal actuarial assumptions used to determine the present value of the defined benefit obligation as at and for the period/year ended are as follows:

Particulars	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Discount rate	6.60%	6.50%	6.70%	6.70%	7.69%
Expected rate of increase in compensation level of covered employees	7.00%	7.00%	7.00%	0% for first year, 7% thereafter	7.00%
Average duration of defined benefit obligation	10 years	10 years	10 years	10 years	10 years
Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Withdrawal Rate					
- Upto 30 years	15.00%	15.00%	15.00%	15.00%	15.00%
- 31 to 40 years	8.00%	8.00%	8.00%	8.00%	8.00%
- 41 years and above	3.00%	3.00%	3.00%	3.00%	3.00%

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

B Details of Actuarial Valuation carried out on Balance Sheet date are as under:

Amount recognised in the Restated Consolidated Summary Statement of Assets & Liabilities consists of:

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligations	34.72	30.36	29.79	27.23	19.83
Net liability arising from defined benefit obligations	34.72	30.36	29.79	27.23	19.83

Amounts recognised in Restated Consolidated Summary Statement of Profits and Losses in respect of gratuity scheme are as follows:

Particulars	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Current service cost	1.95	2.36	4.70	5.62	5.03
Interest cost	0.99	0.89	1.73	1.45	1.19
Total charge to statement of profit or loss	2.94	3.25	6.43	7.07	6.22

Amounts recognised in the statement of comprehensive income are as follows:

Remeasurement of the net defined benefit obligation:-

Particulars	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Re-measurement losses arising from changes in financial assumptions	0.33	0.59	-	2.08	0.06
Re-measurement losses /(gains) arising from experience adjustments	2.23	0.39	(0.88)	0.15	(1.70)
Re measurement of the net defined benefit liability	2.56	0.98	(0.88)	2.23	(1.64)

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

Particulars	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Opening balance	29.79	27.23	27.23	19.83	15.85
Current service cost	1.95	2.36	4.70	5.62	5.03
Interest cost of scheme liabilities	0.99	0.89	1.73	1.45	1.19
Benefits (paid)	(0.57)	(1.10)	(2.99)	(1.90)	(0.60)
Re-measurement losses arising from changes in financial assumptions	0.33	0.59	-	2.08	0.06
Re-measurement losses /(gains) arising from experience adjustments	2.23	0.39	(0.88)	0.15	(1.70)
Closing balance	34.72	30.36	29.79	27.23	19.83
Recognised under:					
Current provision	4.16	3.73	3.78	3.83	2.49
Non current provision	30.56	26.63	26.01	23.40	17.34

The gratuity scheme of the Group is unfunded hence there was no plan asset as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020, and March 31, 2019.

C Sensitivity analysis

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

Increased/(Decreased) defined benefit obligation

Particulars	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Discount rate					
Increase by 0.50%	33.13	28.94	28.44	25.98	18.45
Decrease by 0.50%	36.44	31.92	31.25	28.59	21.36
Expected rate of change in compensation level of covered employees					
Increase by 0.50%	35.77	31.64	30.97	28.24	21.13
Decrease by 0.50%	33.09	29.19	28.69	26.25	18.64
Mortality Rate					
Increase by 10%	34.73	30.37	29.80	27.24	19.97
Decrease by 10%	34.71	30.35	29.78	27.22	19.68
Attrition Rate					
Increase by 0.50%	34.77	30.40	29.86	27.29	19.88
Decrease by 0.50%	34.66	30.33	29.70	27.17	19.77

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

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

D Risk analysis

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

(1) Salary growth risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. Salary increase considered at the rate of 7%. For the financial year 2019-20, salary increase was considered at the rate of 0% for first year and 7% thereafter. As such, an increase in the salary of the plan participants will increase the plan's liability.

(2) Life expectancy / Longevity risks

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

(3) Interest rate risks

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

(4) Inflation risks

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

E

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

47 Contingencies and commitments
(To the extent not provided for)

(i) Contingent liabilities

	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Demands/claims by various government authorities and other claims not acknowledged as debts:					
- Commercial sales tax of various states	0.99	0.98	0.99	0.98	2.31
- Income tax demands (excluding interest)	155.42	155.42	-	-	-
- Demand for employee state insurance	6.98	6.64	5.16	5.16	5.16
Payment made under protest against the above					
- Commercial sales tax of various states	0.43	0.28	0.43	0.28	0.41
- Demand for employee state insurance	0.84	0.84	0.84	0.84	0.84
Total	1.27	1.12	1.27	1.12	1.25

"The Income Tax department had carried out a search and seizure operation at the premises of the Holding Company in November 2018. The department has issued assessment orders dated September 21, 2021 for Assessment Year 2013-14 to 2018-19 under Section 153A of the Income Tax Act disallowing certain expenses, resulting in additional tax exposure of INR 155.42 Million (net of allowances for INR 23.28 Million). The Holding Company has filed Appeals against these Orders and is confident of favourable outcome of the Appeals.

The Income tax department has raised tax demand aggregating to INR 644.52 Million (including interest) without giving the credit of certain Advance tax/ Tax deducted at source (TDS) aggregating to INR 418.70 Million in the aforesaid orders. The Holding Company has filed petitions under section 154 of the Income Tax Act to rectify the Orders and give credit of such Advance tax/ TDS, which were paid in these years.

The Group expects that the outcome of the appeal filed by the Holding Company against the aforesaid order will be in its favour and there will be no adverse financial impact therefrom."

(ii) Commitments

	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Capital Commitments					
Estimated amount of contracts remaining to be executed on capital account	1.21	0.24	0.24	4.93	11.99

48 Leases

(a) The Group implemented Indian Accounting Standard for Leases ("Ind AS 116") with effect from April 1, 2019 using the modified retrospective approach without adjusting the comparative period. For the purpose of preparing Restated Consolidated Summary Statement, Ind AS 116 has been applied using the modified retrospective approach with effect from April 1, 2018. The right of use assets comprise of land and buildings taken on lease. The effective interest rate for lease liabilities is 8.40% as on September 30, 2021 (September 30, 2020 - 8.91%) (March 31, 2021 - 8.91%) (March 31, 2020 - 8.91%) (March 31, 2019 - 9.43%). The effect of initial recognition as per Ind AS 116 was as follows:

Initial recognition on adoption of Ind AS 116

	As on April 1, 2019	As on April 1, 2018
Recognition of Right of use assets	1,836.93	1,474.09
Reclassification from property, plant and equipment to right of use assets pursuant to adoption of Ind AS 116	121.27	746.62
Reclassification from prepayments pursuant to adoption of Ind AS 116	80.06	91.52
Total recognition of Right of Use Assets	2,038.26	2,312.23
Recognition of Lease liabilities	1,836.93	1,474.09

	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
(b) Carrying value of right of use assets at the end of the reporting period (Refer Note 5)	2,209.10	2,212.29	2,034.70	2,460.22	1,963.30

(c) Analysis of Lease liabilities:

Movement of lease liabilities

	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Opening Lease liabilities	2,103.74	2,427.47	2,427.47	1,836.95	1,474.09
Addition during the period/year	658.07	189.63	516.13	1,185.17	791.31
Ind AS 116 transition adjustment	-	-	-	(0.02)	-
Accretion of interest during the period	99.05	106.15	204.70	208.57	152.80
Cash outflow towards payment of lease liabilities	(300.28)	(178.30)	(578.11)	(803.20)	(581.25)
Rent concession on lease arrangements (Refer Note 35 and Note 48.1)	(71.65)	(248.72)	(338.97)	-	-
Deletion during the year on account of termination of lease agreements	(121.48)	(8.06)	(127.48)	-	-
Closing Lease liabilities	2,367.45	2,288.17	2,103.74	2,427.47	1,836.95

48.1 The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. "Covid-19-Related Rent concessions" effective from the period beginning on or after April 01, 2020 as amended till June 30, 2022. As a practical expedient, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B of Ind AS 116 is a lease modification. Pursuant to the notification, the Group has applied the practical expedient in financial year ended March 31, 2021 and six months period ended September 30, 2021 & September 30, 2020 and hence rent concession received during the financial year ended March 31, 2021, and six months period ended September 30, 2021 & September 30, 2020 aggregating INR 338.97 Million, INR 248.72 Million and INR 71.65 Million respectively has been accounted for as reversal of liability and disclosed in Other Income.

The table below summarises the maturity profile of the Group's lease liabilities based on contractual undiscounted payments:

	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Less than 1 year	894.61	860.46	829.22	899.62	667.62
Between 2 to 3 year	1,316.95	1,314.48	1,247.93	1,348.62	1,063.61
More than 3 year	414.59	410.65	316.49	580.67	418.52

Lease liabilities included in the Restated Consolidated Summary Statement of Assets & Liabilities

Current	828.57	753.80	707.22	730.85	540.42
Non-Current	1,538.88	1,534.37	1,396.52	1,696.62	1,296.53
Total	2,367.45	2,288.17	2,103.74	2,427.47	1,836.95

(d) Impact on Statement of Restated Consolidated Summary Statement of Profits and Losses:

Particulars	For the period ended September 30, 2021	For the period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on lease liabilities	99.05	106.15	204.70	208.57	152.80
Depreciation on right of use assets *	383.79	430.52	836.31	763.21	567.35
Other expenses	(375.57)	(235.05)	(611.43)	(837.46)	(617.04)
Rent concession on lease arrangements (Refer Note 48.1)	(71.65)	(248.72)	(338.97)	-	-
Gain on termination of lease arrangements	(12.78)	(0.58)	(13.52)	-	-
Net impact on profit before tax	22.84	52.32	77.09	134.32	103.11
Deferred Tax	5.75	13.17	19.40	33.81	60.06
Net impact on profit after tax	17.09	39.15	57.69	100.51	43.05

* includes depreciation on leasehold building and land

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

	For the period ended September 30, 2021	For the period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Lease cost as per Restated Consolidated Summary Statement of Profits and Losses	209.65	92.38	294.28	342.47	310.71

Below is the reconciliation of lease liabilities with operating lease commitments:

Particulars	As at March 31, 2020	As at March 31, 2019
Operating lease commitments as at April 1	2,506.42	2,056.30
Weighted average incremental borrowing rate as at April 1	8.91%	9.43%
Discounted operating lease commitments as at April 1	2,179.40	1,784.80
Less: Commitments relating to short-term leases	(342.47)	(310.71)
Lease liabilities as at March 31	1,836.93	1,474.09

49 Related party disclosures

(A) Name of Related Parties

i. Subsidiaries:

Mohey Fashions Private Limited - Wholly owned subsidiary (ceased to be subsidiary w.e.f. August 20, 2021) (Refer Note 57.2)
Manyavar Creations Private Limited - Wholly owned subsidiary

ii. Enterprise controlling the Holding Company:

Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited

iii. Other related parties and related party relationships with whom transactions have taken place during the period/year:

Mr. Ravi Modi - Chairman and Managing Director	Key Managerial Person (KMP)
Mrs. Shilpi Modi - Wholetime Director	Key Managerial Person (KMP)
Mrs. Usha Devi Modi - Wholetime Director	Key Managerial Person (KMP) (upto September 06, 2021)
Mr. Ajay Modi - Wholetime Director	Key Managerial Person (KMP) (upto September 06, 2021)
Mr. Manish Mahendra Choksi - Independent Director	Key Managerial Person (KMP) (w.e.f. September 06, 2021)
Mr. Tarun Puri - Independent Director	Key Managerial Person (KMP) (w.e.f. September 06, 2021)
Mrs. Abanti Mitra - Independent Director	Key Managerial Person (KMP) (w.e.f. September 06, 2021)
Mr. Dalpat Raj Jain - Chief Financial Officer	Key Managerial Person (KMP) (From April 18, 2018 till December 31, 2020)
Mr. Rahul Murarka - Chief Financial Officer	Key Managerial Person (KMP) (w.e.f. May 17, 2021)
Mr. Navin Pareek - Company Secretary	Key Managerial Person (KMP)
Ms. Kavita Modi	Relative of KMP
Mr. Vedant Modi	Relative of KMP
ModiFi Investment Services Private Limited (formerly known as Dynamic Storage & Retrieval Systems Private Limited)	Enterprises owned or significantly influenced by KMP
Manas Foundation (Trust)	Enterprises owned or significantly influenced by KMP
Ravi Modi HUF	Enterprises owned or significantly influenced by KMP
Shenayah Retail Stores Private Limited	Enterprises owned or significantly influenced by the relative of KMP
Vandana Enterprise	Enterprises owned or significantly influenced by the relative of KMP
Pranit Fashions	Enterprises owned or significantly influenced by the relative of KMP
Mohey Fashions Private Limited	Enterprises owned or significantly influenced by the relative of KMP (w.e.f. August 20, 2021)

(B) Details of transactions with related parties

Particulars	For the period/year ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Rent expense					
Kavita Modi	-	-	-	-	0.24
Shilpi Modi	-	-	-	-	0.30
Total	-	-	-	-	0.54
Sale of products (including taxes)					
Shenayah Retail Stores Private Limited	96.67	6.94	158.88	210.70	195.99
Pranit Fashions	2.46	0.68	4.22	6.29	7.76
Vandana Enterprise	42.83	5.94	63.82	118.93	110.72
Total	141.96	13.56	226.92	335.92	314.47
Rent income (including taxes)					
Mohey Fashions Private Limited (w.e.f. August 20, 2021) (Refer Note 57.2)	0.01	-	-	-	-
Total	0.01	-	-	-	-
Recovery of expenses (including taxes)					
Shenayah Retail Stores Private Limited	0.10	0.02	0.20	0.20	-
Vandana Enterprise	0.33	0.02	0.55	1.11	0.45
Pranit Fashions*	0.01	0.00	0.02	0.03	0.01
Total	0.44	0.04	0.77	1.34	0.46
Reimbursement of expenses					
Shenayah Retail Stores Private Limited	0.10	0.10	0.24	0.30	0.14
Vandana Enterprise	0.22	0.10	0.22	0.34	-
Pranit Fashions *	0.00	-	0.00	0.00	-
Total	0.32	0.20	0.46	0.64	0.14
Security Deposit Received					
Shenayah Retail Stores Private Limited	0.50	-	-	-	-
Total	0.50	-	-	-	-
Corporate social responsibility expenditure					
Manas Foundation	14.95	8.20	38.12	23.10	17.75
Total	14.95	8.20	38.12	23.10	17.75
Advances received					
Usha Devi Modi	-	-	0.10	-	-
Total	-	-	0.10	-	-
Loan taken					
Ravi Modi	-	-	-	-	0.02
Total	-	-	-	-	0.02
Refund of loan taken					
Ravi Modi	-	-	-	0.02	-
Total	-	-	-	0.02	-
Dividend paid (excluding taxes)					
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	-	-	-	374.03	-
Ravi Modi HUF	-	-	-	80.34	-
Ravi Modi	-	-	-	3.49	-
Shilpi Modi	-	-	-	5.49	-
Total	-	-	-	463.35	-
Buy back of shares (excluding taxes) (Refer Note 20(iii) & 20(iv))					
Ravi Modi Family Trust acting through its trustee, Modi Fiduciary Services Private Limited	2,008.62	657.10	657.10	-	-
Ravi Modi HUF	431.42	141.14	141.14	-	-
Ravi Modi	18.73	6.13	6.13	-	-
Shilpi Modi	29.47	9.64	9.64	-	-
Total	2,488.24	814.01	814.01	-	-
Sale of Subsidiary Company (Refer Note 57.2)					
Ravi Modi	0.50	-	-	-	-
Shilpi Modi	0.50	-	-	-	-
Total	1.00	-	-	-	-
Sale of property, plant & equipment					
ModiFi Investment Services Private Limited (formerly known as Dynamic Storage & Retrieval Systems Private Limited)	-	-	-	0.12	-
Total	-	-	-	0.12	-
Commission to Independent Director (including sitting fees)					
Mr. Manish Mahendra Choksi	0.21	-	-	-	-
Mr. Tarun Puri	0.21	-	-	-	-
Mrs. Abanti Mitra	0.21	-	-	-	-
Total	0.63	-	-	-	-
IPO Expense Recovery from selling share holder^{49.1}	78.94	-	-	-	-

49.1 During the period, the Company has incurred expenses aggregating to INR 78.94 million towards various services received in connection with proposed initial public offer of its equity shares through offer for sale by existing shareholders. As per the Offer Agreement between the Company and the selling shareholders, the selling shareholders shall reimburse the aforesaid expenses in proportion to their holdings to be sold on listing of the Company's equity shares on stock exchanges in India. Pending such listing of the Company's shares, the aforesaid amount has been considered as receivable from those existing shareholders and reported under 'IPO expenses recoverable'

* Amount is below the rounding off norms adopted by the Group.

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

Particulars		As at	As at	As at	As at	As at
		September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Receivable from:						
Pranit Fashions	Trade receivables	3.70	3.16	3.34	3.04	-
Shenayah Retail Stores Private Limited	Trade receivables	98.88	73.07	86.48	85.08	80.07
Vandana Enterprise	Trade receivables	41.60	34.87	33.44	36.24	34.39
IPO Expense Recoverable from selline share holder ^{49,1}	IPO Expenses Recoverable	78.94	-	-	-	-
Total		223.12	111.10	123.26	124.36	114.46
Payable to:						
Ravi Modi	Director's Remuneration payable	24.56	26.95	7.36	10.28	-
Shilpi Modi	Director's Remuneration payable	12.28	8.44	4.65	0.10	-
Usha Devi Modi	Other payables	-	-	0.10	-	-
Ravi Modi	Loan payable	-	-	-	-	0.02
Mr. Manish Mahendra Choksi	Trade payables	0.21	-	-	-	-
Mr. Tarun Puri	Trade payables	0.21	-	-	-	-
Mrs. Abanti Mitra	Trade payables	0.21	-	-	-	-
Total		37.47	35.39	12.11	10.38	0.02

(C) Remuneration of Key Management Personnel and relative of Key Management Personnel of the Group

The remuneration of key management personnel and a relative of Key Management Personnel of the Group are set out below in aggregate for each of the categories specified in Ind AS 24 'Related party disclosures'.

Particulars	For the period/year ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Salary & Allowances*					
Ravi Modi	36.88	16.67	59.29	110.28	95.00
Shilpi Modi	30.94	8.33	29.65	50.10	47.50
Usha Devi Modi	0.05	-	5.00	4.00	4.80
Ajay Modi (upto September 06, 2021)	4.42	4.35	8.55	10.20	9.60
Total Directors' Remuneration	72.29	29.35	102.49	174.58	156.90
Dalpat Raj Jain	-	3.86	7.47	12.85	8.90
Navin Panek	1.13	0.55	1.40	1.50	1.13
Rahul Murarka (w.e.f. May 17, 2021)	2.61	-	-	-	-
Total other KMP Remuneration	3.74	4.41	8.87	14.35	10.03
Vedant Modi	0.63	-	-	-	-
Total salary to relative of KMP	0.63	-	-	-	-

* Salary & Allowances excludes Group's contribution towards retirement benefits and employee stock options scheme since those are ascertained for the Group as a whole.

The following are the details of the transactions eliminated on consolidation as per Ind AS 24 read with ICDR Regulations during the period/year ended September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019

Particulars	As at and for the period ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Transaction by the Holding Company with other Group Companies					
Investment in subsidiary's equity shares					
Manyavar Creations Private Limited	-	-	-	200.00	-
Sale of products (including taxes)					
Manyavar Creations Private Limited	93.40	42.81	123.50	538.27	159.92
Rent income (including taxes)					
Mohey Fashions Private Limited	0.02	0.04	0.07	0.07	0.07
Manyavar Creations Private Limited	0.03	0.04	0.07	0.07	0.07
Recovery of expenses (including taxes)					
Manyavar Creations Private Limited	0.71	0.67	2.41	3.00	0.83
Mohev Fashions Private Limited	-	-	-	-	0.00
Reimbursement of Expenses (Rent, etc) (including taxes)					
Manyavar Creations Private Limited	1.33	0.71	11.66	29.04	9.05
Mohey Fashions Private Limited	0.03	-	0.03	0.06	-
Loan given (repayable on demand)					
Manyavar Creations Private Limited	4.00	14.90	14.90	75.00	37.50
Refund of loan given					
Manyavar Creations Private Limited	4.00	-	14.90	112.50	-
Interest income on loan given					
Manyavar Creations Private Limited*	0.00	0.50	0.78	1.60	1.09
Gratuity liabilities transferred					
Manyavar Creations Private Limited	-	-	-	0.05	-
Sale of property, plant & equipment					
Manyavar Creations Private Limited	-	-	0.01	-	-
Receivable from:					
Manyavar Creations Private Limited	55.61	238.43	93.22	224.43	50.67
Manyavar Creations Private Limited	-	14.90	-	-	37.50
Manyavar Creations Private Limited	-	0.50	-	-	0.98
Mohey Fashions Private Limited	-	0.08	-	0.04	0.08

Particulars	As at and for the period ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Transaction by Manyavar Creations Private Limited with Holding Company					
Purchase of traded goods	93.40	42.81	123.50	538.27	159.92
Rent expense	0.03	0.04	0.07	0.07	0.07
Reimbursement of expenses	1.33	0.71	2.41	3.00	0.83
Recovery of expenses	0.71	0.67	11.66	29.04	9.05
Subscription of share capital (including securities premium)	-	-	-	200.00	-
Short term loan taken	4.00	14.90	14.90	75.00	37.50
Refund of loan taken	4.00	-	14.90	112.50	-
Interest on short term loan*	0.00	0.50	0.78	1.60	1.09
Purchase of property, plant & equipment	-	-	0.01	-	-
Gratuity liabilities transferred from	-	-	-	0.05	-
Trade payables	55.61	238.43	93.22	224.43	50.67
Short term loan payable	-	14.90	-	-	37.50
Interest accrued but not due on short term loan	-	0.50	-	-	0.98
Transaction by Mohey Fashions Private Limited with Holding Company (Refer Note 57.2)					
Rent expense	0.02	0.04	0.07	0.07	0.07
Recovery of expenses	0.03	-	0.03	0.06	-
Trade payables	-	0.08	-	0.04	0.08

*Amount is below the rounding off norms adopted by the Group.

50 Financial Instruments

Financial risk management objectives and policies

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

Financial assets and liabilities as at

Particulars	September 30, 2021		
	Fair value through profit or loss	Amortised Cost	Carrying Value
Financial Assets			
Investments	1,928.97	635.52	2,564.49
Trade receivables	-	4,011.31	4,011.31
Cash and cash equivalents	-	42.98	42.98
Other bank balances	-	4.94	4.94
Other financial assets	-	690.49	690.49
Total	1,928.97	5,385.24	7,314.21
Financial Liabilities			
Non-current deposits	-	815.96	815.96
Lease liabilities	-	2,367.45	2,367.45
Trade payables	-	613.79	613.79
Other financial liabilities	0.07	202.70	202.77
Total	0.07	3,999.90	3,999.97

Particulars	September 30, 2020		
	Fair value through profit or loss	Amortised Cost	Carrying Value
Financial Assets			
Investments	1,070.74	1,860.40	2,931.14
Trade receivables	-	3,421.15	3,421.15
Cash and cash equivalents	-	53.53	53.53
Other bank balances	-	107.88	107.88
Other financial assets	-	550.48	550.48
Total	1,070.74	5,993.44	7,064.18
Financial Liabilities			
Non-current deposits	-	740.13	740.13
Lease liabilities	-	2,288.17	2,288.17
Trade payables	-	259.19	259.19
Other financial liabilities	-	148.34	148.34
Total	-	3,435.83	3,435.83

Particulars	March 31, 2021		
	Fair value through profit or loss	Amortised Cost	Carrying Value
Financial Assets			
Investments	4,553.97	801.73	5,355.70
Trade receivables	-	3,612.42	3,612.42
Cash and cash equivalents	-	66.10	66.10
Other bank balances	-	4.96	4.96
Other financial assets *	0.00	597.23	597.23
Total	4,553.97	5,082.44	9,636.41
Financial Liabilities			
Non-current deposits	-	817.90	817.90
Lease liabilities	-	2,103.74	2,103.74
Trade payables	-	498.93	498.93
Other financial liabilities	-	107.15	107.15
Total	-	3,527.72	3,527.72

*Amount is below the rounding off norms adopted by the Group.

Particulars	March 31, 2020		
	Fair value through profit or loss	Amortised Cost	Carrying Value
Financial Assets			
Investments	2,457.32	1,552.49	4,009.81
Trade receivables	-	3,720.56	3,720.56
Cash and cash equivalents	-	88.66	88.66
Other bank balances	-	110.37	110.37
Other financial assets	-	518.09	518.09
Total	2,457.32	5,990.17	8,447.49
Financial Liabilities			
Non-current deposits	-	736.75	736.75
Lease liabilities	-	2,427.47	2,427.47
Trade payables	-	504.03	504.03
Other financial liabilities	0.77	91.70	92.47
Total	0.77	3,759.95	3,760.72

Particulars	March 31, 2019		
	Fair value through profit or loss	Amortised Cost	Carrying Value
Financial Assets			
Investments	912.97	1,031.14	1,944.11
Trade receivables	-	3,327.42	3,327.42
Cash and cash equivalents	-	21.39	21.39
Other bank balances	-	1,172.53	1,172.53
Other financial assets	0.16	360.29	360.45
Total	913.13	5,912.77	6,825.90
Financial Liabilities			
Non-current deposits	-	634.25	634.25
Borrowings	-	0.02	0.02
Lease liabilities (Refer Note 4)	-	1,836.95	1,836.95
Trade payables	-	581.09	581.09
Other financial liabilities	-	74.36	74.36
Total	-	3,126.67	3,126.67

51 Fair Value Hierarchy

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

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

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

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

Particulars	Fair Value measuring at the end of the reporting period using			As at September 30, 2021
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in mutual funds	1,605.29	-	-	1,605.29
Investments in bonds	323.68	-	-	323.68
Total	1,928.97	-	-	1,928.97
Financial Liabilities				
Derivative instrument	0.07	-	-	0.07
Total	0.07	-	-	0.07

Particulars	Fair Value measuring at the end of the reporting period using			As at September 30, 2020
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in mutual funds	1,070.74	-	-	1,070.74
Total	1,070.74	-	-	1,070.74

Particulars	Fair Value measuring at the end of the reporting year using			As at March 31, 2021
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in mutual funds	4,230.92	-	-	4,230.92
Investments in bonds	323.05	-	-	323.05
Derivative instrument*	-	0.00	-	0.00
Total	4,553.97	0.00	-	4,553.97

*Amount is below the rounding off norms adopted by the Group.

Particulars	Fair Value measuring at the end of the reporting year using			As at March 31, 2020
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in mutual funds	2,457.32	-	-	2,457.32
Total	2,457.32	-	-	2,457.32
Financial Liabilities				
Derivative instrument	-	0.77	-	0.77
Total	-	0.77	-	0.77

Particulars	Fair Value measuring at the end of the reporting year using			As at March 31, 2019
	Level 1	Level 2	Level 3	Total
Financial assets				
Investments in mutual funds	912.97	-	-	912.97
Derivative instrument	-	0.16	-	0.16
Total	912.97	0.16	-	913.13

a) Financial assets and liabilities at fair value are reported at amounts that would be received from sale of an asset and amount of resource to be utilised for settlement of a liability respectively in an orderly transaction between market participants.

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

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

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

*Amount is below the rounding off norms adopted by the Group.

52 Financial Risk Management

The Group's activities expose it to variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to forsee the unpredictability of markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is commodity price risk. The Group uses forward contracts to mitigate foreign exchange related risk exposures.

a) Market Risk

The Group operates both in domestic and international market and consequently the Group is exposed to foreign exchange risk through its sales in overseas countries. The Group holds forward contracts such as foreign exchange forwards to mitigate the risk of changes in exchange rates on foreign currency exposures.

The following table analyses foreign currency risk from financial instruments:

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Exposure Currency (USD)					
Trade receivables (INR in Million) ¹	51.24	24.95	23.79	22.03	16.67
Exposure Currency (CAD)					
Trade receivables (INR in Million) ²	-	0.04	0.23	-	-
Advance from Customer (INR in Million) ²	(2.89)	-	-	-	-

(1) For the period/year ended September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, every percentage appreciation in the exchange rate between the Indian rupee and USD, would increase the Group's profit before tax by approx. INR 0.51 Million, INR 0.25 Million, INR 0.24 Million, INR 0.22 Million and INR 0.17 Million respectively.

(2) For the period/year ended September 30, 2021, September 30, 2020 and March 31, 2021, every percentage appreciation in the exchange rate between the Indian rupee and CAD, would increase the Group's profit/(loss) before tax by approx. INR (0.03) Million, INR 0.01 Million and INR 0.01 Million respectively.

Derivative Financial Instruments

The Group uses derivative instruments as part of its management of exposure to fluctuations in foreign currency exchange rates. The Group does not acquire or issue derivative financial instruments for trading or speculative purposes. The Group does not enter into complex derivative transactions to manage the treasury risks. Treasury derivative transactions are in the form of forward contracts and these are subject to the Group's guidelines and policies.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on quotations obtained from banks. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation. The fair values of all derivatives are separately recorded in the balance sheet within current assets and liabilities.

The Group uses derivative instruments as part of its management of exposures to fluctuations in foreign currency exchange rates. The use of derivatives can give rise to credit and market risk. The Group tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining maturity period.

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Less than 1 year					
Forward contract - to cover export receivables (Amount in USD Million)	0.15	-	0.02	0.18	0.21

b) Commodity Price Risk

The Group is affected by price volatility of its key raw materials and traded goods. Its operating activities requires a continuous supply of key material for manufacturing products. The Group's procurement department continuously monitor the fluctuation in price and take necessary action to minimize its price risk exposure.

c) Price Risk

The Group's businesses are subject to certain risks and uncertainties including financial risks. Group has invested in bonds, debentures and mutual funds. To manage its price risk arising from investments, the Group diversifies its portfolio. The investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields which may impact the return and value of such investments.

d) Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR 4,011.31 Million, INR. 3,421.15 Million, INR 3,612.42 Million, INR 3,720.56 Million and INR 3,327.42 Million as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 respectively. Trade receivable includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers. Credit risk has always been managed by the Group through taking security deposits and bank guarantees from customers, credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. An impairment analysis is performed at each reporting date on an individual basis based on historical data of credit losses.

For ageing analysis of the trade receivables, refer Note 14.1.

e) Liquidity Risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations as well as investment in mutual funds, fixed deposits, bonds and debentures. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

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

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Less than 1 year					
Trade payables	613.79	259.19	498.93	504.03	581.09
Lease Liabilities	828.57	753.80	707.22	730.85	540.42
Borrowings	-	-	-	-	0.02
Other financial liabilities	202.77	148.34	107.15	92.47	74.36
	1,645.13	1,161.33	1,313.30	1,327.35	1,195.89
Between 2 to 3 year					
Lease Liabilities	1,150.92	1,143.84	1,053.55	1,111.52	906.97
Other financial liabilities	174.42	160.98	228.64	222.67	201.20
	1,325.34	1,304.82	1,282.19	1,334.19	1,108.17
More than 3 year					
Lease Liabilities	387.96	390.53	342.97	585.10	389.56
Other financial liabilities	641.54	579.15	589.26	514.08	433.05
	1,029.50	969.68	932.23	1,099.18	822.61
Total	3,999.97	3,435.83	3,527.72	3,760.72	3,126.67

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53 Capital Management

The Group's capital management is driven by its policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Group's capital. The Group monitors capital using a gearing ratio, which is net debt divided by total capital. Net debt is defined as current and non-current borrowings (including current maturities of long term debt and interest accrued) and lease liabilities less cash and cash equivalents and current investments. Excess cash and bank balance has been invested by the Group in fixed deposits, bonds, debentures and mutual funds.

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Share capital	242.44	247.87	247.87	250.46	250.46
Other equity	8,351.09	9,158.63	10,666.23	10,409.68	8,577.24
Equity (A)	8,593.53	9,406.50	10,914.10	10,660.14	8,827.70
Cash and cash equivalents	42.98	53.53	66.10	88.66	21.39
Current investments	2,004.88	2,462.56	4,555.92	3,549.42	1,692.33
Other bank balances	4.94	107.88	4.96	110.37	1,172.53
Total fund (B)	2,052.80	2,623.97	4,626.98	3,748.45	2,886.25
Current borrowings	-	-	-	-	0.02
Lease Liabilities (F)	2,367.45	2,288.16	2,103.74	2,427.47	1,836.95
Total debt (C)	2,367.45	2,288.16	2,103.74	2,427.47	1,836.97
Net debt (D=(C-B))	314.65	(335.81)	(2,523.24)	(1,320.98)	(1,049.28)
Total capital (equity + net debt)	8,908.18	9,070.69	8,390.86	9,339.16	7,778.42
Net debt to equity ratio (E=D/A)	0.04	*	*	*	*
Net debt (excluding lease liabilities) [G=(D-F)]	(2,052.80)	(2,623.97)	(4,626.98)	(3,748.45)	(2,886.23)
Net debt to equity ratio (excluding lease liabilities)	*	*	*	*	*

* Net debt is negative and hence not applicable.

53.1 The Group is having cash credit facility and the same carries interest of 8.00% p.a as on September 30, 2021 (September 30, 2020 - 8.00% p.a to 8.95% p.a) (March 31, 2021 - 8.00% p.a to 8.95% p.a) (March 31, 2020 - 8.90% p.a to 8.95% p.a) (March 31, 2019 - 9.35% p.a to 9.50% p.a). The facility is unutilised as on September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019. Cash credit facility was secured upto February 5, 2019 post which the same has become unsecured. It was secured by hypothecation charge on all movable property, plant and equipment and current assets of the Holding Company. Following immovable assets were also mortgaged for cash credit facility upto February 5, 2019:-

a) Leasehold property of Paridhan Garment Park, 19 Canal south Road, SDF-4 D201 to D204, Kolkata-700015 was mortgaged with Kotak Mahindra Bank for cash credit limit.

b) Land at EIGMEF Apparel park was mortgaged with HDFC Bank for the cash credit limit.

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54 Segment Reporting :

Based on the Group's operating structure and information provided to the Chief Operating Decision maker for his review of performance and allocation of resources, the Group has only one reporting segment i.e. Branded Fashion apparel and accessories.

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

Particulars	Revenue from Operations				
	For the period ended September 30, 2021	For the period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
India	3,438.65	680.11	5,552.10	8,988.06	7,900.57
Overseas	159.78	36.94	96.06	167.43	106.85
Total	3,598.43	717.05	5,648.16	9,155.49	8,007.42

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 September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
India	5,471.00	5,600.58	5,255.93	5,747.43	5,161.02
Overseas	-	-	-	-	-
Total	5,471.00	5,600.58	5,255.93	5,747.43	5,161.02

* Carrying amount of non current assets is excluding financial assets and deferred tax assets.

(ii) Information about major customers

Revenue from a single customer during financial year 2019-20 amounting to INR 1,125.55 Million is more than 10% of the Group's revenue.

(iii) Disaggregated revenue information

For disaggregation of revenue, refer Note 34.1.

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55 Share based payments

The Holding Company has an Employee Stock Option Scheme 2018 ("ESOP") as approved by the shareholders at their extra ordinary general meeting held on September 3, 2018. The ESOP scheme includes both tenure based and performance based stock options. The performance conditions attached to the option is measured by comparing Holding Company's performance in terms of revenue and profit before tax over the performance period with budgeted revenue and budgeted profit before tax respectively as defined in the Scheme, and individual employee performance.

Vesting Conditions	Exercise Period	Tranches	Date of Grant	Numbers of options granted	Exercise Price per share
On continued employment with the Holding Company and achievement of performance parameters over a period of 2 to 4 years from the date of grant.	10 years from the date of grant of stock options	Tranche 1	September 3, 2018	3,32,124	344
		Tranche 2	December 21, 2018	13,663	344
		Tranche 3	January 21, 2020	19,039	536
		Tranche 4	December 18, 2020	32,193	685
		Tranche 5*	August 28, 2021	4,95,140	400

* The option granted are post split. Refer Note 20(ii)

Movement of Options Granted

The movement of the options is as given below:

Particulars	Tranche 1		Tranche 2		Tranche 3		Tranche 4		Tranche 5		Total
	Stock Options (Numbers)	Weighted Average exercise price (Price per option)	Stock Options (Numbers)	Weighted Average exercise price (Price per option)	Stock Options (Numbers)	Weighted Average exercise price (Price per option)	Stock Options (Numbers)	Weighted Average exercise price (Price per option)	Stock Options (Numbers)	Weighted Average exercise price (Price per option)	Stock Options (Numbers)
Options exercisable as at March 31, 2018	-	-	-	-	-	-	-	-	-	-	-
Options granted during the year	3,32,124	344	13,663	344	-	-	-	-	-	-	3,45,787
Options lapsed during the year (Unvested)	-	-	-	-	-	-	-	-	-	-	-
Options exercisable as at March 31, 2019	3,32,124	344	13,663	344	-	-	-	-	-	-	3,45,787
Options granted during the year	-	-	-	-	19,039	536	-	-	-	-	19,039
Options lapsed during the year (Unvested)	(82,558)	344	-	-	-	-	-	-	-	-	(82,558)
Options exercisable as at March 31, 2020	2,49,566	344	13,663	344	19,039	536	-	-	-	-	2,82,268
Options granted during the year	-	-	-	-	-	-	32,193	685	-	-	32,193
Options lapsed during the year (Unvested)	(56,606)	344	(676)	344	(8,405)	536	-	-	-	-	(65,687)
Options exercisable as at March 31, 2021	1,92,960	344	12,987	344	10,634	536	32,193	685	-	-	2,48,774
Split of shares from INR 2 per share to INR 1 per share (Refer Note 20 (ii))	1,92,960	-	12,987	-	10,634	-	32,193	-	-	-	2,48,774
Options granted during the period	-	-	-	-	-	-	-	-	4,95,140	400	4,95,140
Options lapsed during the period (Unvested)	(8,796)	172	-	-	-	-	-	-	-	-	(8,796)
Options exercisable as at September 30, 2021	3,77,124	172	25,974	172	21,268	268	64,386	343	4,95,140	400	9,83,892
Options exercisable as at March 31, 2020 (Pre split)	2,49,566	344	13,663	344	19,039	536	-	-	-	-	2,82,268
Options lapsed during the period (Unvested) (Pre split)	(13,270)	344	(676)	344	-	-	-	-	-	-	(13,946)
Options exercisable as at September 30, 2020 (Pre split)	2,36,296	344	12,987	344	19,039	536	-	-	-	-	2,68,322

55.1 As on September 30, 2021, 2,62,520 (post split) number of options were vested (September 30, 2020 - 76,327 (pre split) number of options) (March 31, 2021 - 76,327 (pre split) number of options) (March 31, 2020 - Nil) (March 31, 2019 - Nil). Also no vested options lapsed at the end of each reporting date. For the computation of diluted earnings per share, options outstanding at respective reporting dates have been considered as dilutive (Refer Note 43).

55.2 There were no options exercised or forfeited in any of the reporting period.

Fair Valuation:

The fair valuation of options was carried out by an independent valuer using Black Scholes Model. The various inputs and assumptions considered in the pricing model at grant date for the stock options granted under ESOP Scheme 2018 are as under.

Particulars	Tranche 1 & 2	Tranche 3	Tranche 4	Tranche 5*
Risk Free interest rate (%)	7.95	6.41	6.18	6.18
Option Life (Years)	7	7	7	7
Expected Volatility (%)	37	42	43	43
Fair value (in INR per option)	190.00	428.00	660.00	310.50
Share price at options grant date (in INR per share)	344.97	686.35	1,008.80	504.40

* Post split. Refer Note 20(ii)

Effect of the above employee share-based payment plan on the Restated Consolidated Summary Statement of Profits and Losses and on its financial position:

Particulars	For the period ended September 30, 2021	For the period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Employee Compensation Cost pertaining to share-based payment plans (in INR Million)	10.58	7.97	8.68	13.57	12.51

56 Business Combination:

Amalgamation of Rainbow Iron & Steel Suppliers Private Limited with the Company

The National Company Law Tribunal ("NCLT") vide order dated September 25, 2018, sanctioned the Scheme of amalgamation of Rainbow Iron & Steel Suppliers Private Limited ("RISSPL") with Vedant Fashions Private Limited ("VFPL") pursuant to the provisions of Sections 230 to 232 of the Companies Act 2013 read with Companies (Compromises Arrangements and Amalgamations) Rules, 2016 ("the Scheme"). Accounting for this scheme of amalgamation has been done as per 'Pooling of Interest Method' as prescribed by Appendix C of Ind AS 103 Business Combinations for entities under common control. The appointed date of the Scheme was December 15, 2017, however the effect of amalgamation was considered in the books retrospectively as per the requirements of Ind AS 103 'Business Combinations'.

On the Scheme becoming effective, the Holding Company issued 96,42,250 number of fully paid up equity shares of the Holding Company to shareholders of RISSPL i.e. 19.28 paid up shares of INR 2 each for each shares held by the shareholders in RISSPL. Accordingly, the aggregate amount of shares issued on December 21, 2018 amounting to INR 19.28 Million (@ INR 2 per share fully paid up) is disclosed as "Shares pending issuance" under Other Equity as at March 31, 2018. These shares have been issued during financial year 2018-19 and consequently transferred to share capital.

RISSPL was having investment in 95,30,000 number of shares of the Holding Company. As per the Scheme, the shares of Holding Company held by RISSPL were cancelled. The excess amount of the cancelled share capital of the Company over the investment by RISSPL in the Holding Company, amounting to INR 7.62 Million, was treated as Capital Reserve in the Holding Company's financial statements as on March 31, 2018 and March 31, 2019.

The financial information as at and for the corresponding year ended March 31, 2018 and March 31, 2019 have been prepared considering the impact of aforesaid scheme of amalgamation with effect from April 01, 2017. The financial information of RISSPL are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 for the year ended March 31, 2018 and March 31, 2017 dated August 25, 2018 and June 10, 2017 respectively as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS. These financial statements have not been updated for any subsequent event from the date they were previously issued.

In accordance with the scheme of amalgamation, the authorised share capital of RISSPL (0.50 Million equity shares of INR 2 each) was merged and combined with the authorised share capital of the Holding Company.

Assets acquired and liabilities assumed

The carrying value of the assets and liabilities of business undertaking as on April 01, 2017 were

Particulars	Carrying Value recognised on business combination
Assets	
Cash and cash equivalents	36.78
Investments	2.35
Total (A)	39.13
Liabilities & Reserves	
Trade payable	0.02
Income tax liabilities (net of advances)	0.24
Retained Earnings	36.76
Securities Premium Reserve	1.60
Deferred Tax Liability *	0.00
Total (B)	38.62
Total (A-B)	0.51
Purchase consideration to be transferred (shown as Shares Pending Issuance)	19.28
Difference in Net Assets taken over (including reserves) and purchase consideration adjusted to retained earnings as on April 1, 2017	(18.77)

*Amount is below the rounding off norms adopted by the Group.

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57 Group Information

Particulars	Country of incorporation/ place of business	Principal activities	As at September 30, 2021 % of Holding	As at September 30, 2020 % of Holding	As at March 31, 2021 % of Holding	As at March 31, 2020 % of Holding	As at March 31, 2019 % of Holding
Subsidiaries							
i) Manyavar Creations Private Limited	India	Trading of branded fashion apparel and accessories	100%	100%	100%	100%	100%
ii) Mohey Fashions Private Limited (Refer Note 57.2)	India	Trading of branded fashion apparel and accessories	0%	100%	100%	100%	100%

57.1 As on the any of the reporting periods, there are no subsidiaries that have non-controlling interests.

57.2 The Holding Company has sold its stake in Mohey Fashions Private Limited (MFPL), a wholly owned subsidiary to Ravi Modi & Shilpi Modi (related parties) on August 20, 2021 at a total consideration of INR 1.00 Million. With effect from August 20, 2021, the Holding Company lost its control on its subsidiary Company. Consequently, net assets on the date of transfer aggregating INR 0.39 Million has been derecognised and profit of INR 0.61 Million has been recognised as profit on sale of investment in subsidiary Company. There are no operations in the subsidiary Company since incorporation.

58 Additional Information

Information as at and for the period ended September 30, 2021								
Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent:								
Vedant Fashions Ltd	100.63%	8,647.65	97.43%	958.74	100.18%	(1.91)	97.42%	956.82
Subsidiaries:								
Manyavar Creations Private Ltd*	1.80%	154.44	2.29%	22.56	(0.18%)	0.00	2.30%	22.56
Mohey Fashions Private Ltd (Refer Note 57.2)	-	-	(0.01%)	(0.06)	-	-	(0.01%)	(0.06)
	102.43%	8,802.09	99.71%	981.24	100.00%	(1.91)	99.71%	979.32
Intercompany elimination and consolidation adjustments*	(2.43%)	(208.56)	0.29%	2.83	0.00%	-	0.29%	2.84
Total	100.00%	8,593.53	100.00%	984.07	100.00%	(1.91)	100.00%	982.16

Information as at and for the period ended September 30, 2020								
Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent:								
Vedant Fashions Ltd	101.43%	9,540.77	81.22%	(143.34)	118.74%	(0.87)	81.38%	(144.21)
Subsidiaries:								
Manyavar Creations Private Ltd	1.41%	132.70	24.85%	(43.85)	(18.06%)	0.13	24.67%	(43.72)
Mohey Fashions Private Ltd (Refer Note 57.2) *	0.01%	0.49	0.02%	(0.04)	-	-	0.02%	(0.04)
	102.85%	9,673.96	106.09%	(187.23)	100.68%	(0.74)	106.07%	(187.97)
Intercompany elimination and consolidation adjustments*	(2.85%)	(267.46)	(6.09%)	10.76	(0.68%)	0.01	(6.07%)	10.77
Total	100.00%	9,406.50	100.00%	(176.47)	100.00%	(0.73)	100.00%	(177.20)

Information as at and for the year ended March 31, 2021								
Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent:								
Vedant Fashions Ltd	100.73%	10,993.56	98.37%	1,307.43	66.54%	0.44	98.36%	1,307.87
Subsidiaries:								
Manyavar Creations Private Ltd	1.21%	131.88	(3.37%)	(44.76)	33.46%	0.22	(3.35%)	(44.54)
Mohey Fashions Private Ltd (Refer Note 57.2) *	0.00%	0.44	(0.01%)	(0.09)	-	-	(0.01%)	(0.09)
	101.94%	11,125.88	94.99%	1,262.58	100.00%	0.66	95.00%	1,263.24
Intercompany elimination and consolidation adjustments	(1.94%)	(211.78)	5.01%	66.45	-	-	5.00%	66.45
Total	100.00%	10,914.10	100.00%	1,329.03	100.00%	0.66	100.00%	1,329.69

Information as at and for the year ended March 31, 2020								
Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent:								
Vedant Fashions Ltd	100.95%	10,761.42	103.59%	2,451.24	90.07%	(0.90)	103.59%	2,450.34
Subsidiaries:								
Manyavar Creations Private Ltd	1.65%	176.42	(1.16%)	(27.27)	9.93%	(0.10)	(1.16%)	(27.37)
Mohey Fashions Private Ltd (Refer Note 57.2)	0.01%	0.54	(0.00%)	(0.10)	-	-	(0.00%)	(0.10)
	102.61%	10,938.38	102.43%	2,423.87	100.00%	(1.00)	102.43%	2,422.87
Intercompany elimination and consolidation adjustments	(2.61%)	(278.24)	(2.43%)	(57.50)	-	-	(2.43%)	(57.50)
Total	100.00%	10,660.14	100.00%	2,366.37	100.00%	(1.00)	100.00%	2,365.37

Information as at and for the year ended March 31, 2019								
Name of the entity in Group	Net Assets i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent:								
Vedant Fashions Ltd	100.18%	8,844.66	100.09%	1,765.94	98.73%	1.06	100.10%	1,767.00
Subsidiaries:								
Manyavar Creations Private Ltd *	0.04%	3.15	(0.00%)	(0.01)	1.27%	0.01	0.00%	0.00
Mohey Fashions Private Ltd (Refer Note 57.2)	0.01%	0.63	(0.01%)	(0.11)	-	-	(0.01%)	(0.11)
	100.23%	8,848.44	100.08%	1,765.82	100.00%	1.07	100.09%	1,766.89
Intercompany elimination and consolidation adjustments	(0.23%)	(20.74)	(0.08%)	(1.55)	-	-	(0.09%)	(1.55)
Total	100.00%	8,827.70	100.00%	1,764.27	100.00%	1.07	100.00%	1,765.34

*Amount is below the rounding off norms adopted by the Group.

59 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 Restated Consolidated Summary Statement are as follows:

i) Revenue Recognition

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

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

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

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

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

iii) Impairment of non-financial assets (including intangible assets)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to the goodwill and brand.

iv) Estimation of Provisions and contingencies

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

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Group is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

v) Defined benefit plan

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality table. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. (Refer Note 46)

vi) Leases

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

vii) Share-based payment

The Holding 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 55.

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.

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

CIN: U51311WB2002PLC094677

Notes to Restated Consolidated Summary Statement

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

ix) Recoverability of Deferred Tax Assets

Deferred tax assets are recognised for unused tax losses including capital losses to the extent it is probable that taxable future profit/capital gains will be available against which applicable losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Deferred tax assets on Long term capital loss have not been recognised in the absence of certainty of availability of adequate future long term capital gains for set off. Further details on taxes are disclosed in Note 9 and Note 25.

x) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

60 For the year ended March 31, 2020 and for six month ended September 30, 2020

In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Consequent to this, Government of India declared a national lock down on March 24, 2020, which has impacted the business activities across the Industry. The Group has been taking various precautionary measures to protect employees and their families from COVID-19. The Group has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant and equipment, goodwill, other intangible assets, and in relation to other financial statement captions. The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare the Group's financial statements, which may differ from that considered as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes to future economic conditions. The Group has resumed its business activities on a gradual basis in line with the guidelines issued by the Government authorities.

For the year ended March 31, 2021 and for six month ended September 30, 2021

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

In terms of our report attached of the even date

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Bhaswar Sarkar

Partner

Membership No. 055596

Place: Kolkata

Date: November 8, 2021

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

For and on behalf of the Board of Directors

Ravi Modi

Chairman and Managing Director

DIN : 00361853

Rahul Murarka

Chief Financial Officer

Shilpi Modi

Wholtime Director

DIN : 00361954

Navin Pareek

Company Secretary

ICSI Membership No : F10672

OTHER FINANCIAL INFORMATION

Accounting ratios

The accounting ratios derived from Restated Consolidated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

(₹ in million, except per share data and number of equity shares, unless otherwise specified)

Particulars		As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
A	Net worth attributable to equity shareholders	8,585.91	9,398.88	10,906.48	10,652.52	8,820.08
B	Profit/(loss) for the period/year	984.07	(176.47)	1,329.03	2,366.37	1,764.27
C	Weighted average number of ordinary shares outstanding during the period /year	245,520,624	248,248,470	248,060,000	250,454,840	250,454,840
D	Weighted average number of dilutive potential equity shares outstanding during the period/year	245,689,395	248,269,862	248,135,121	250,454,840	250,454,840
E.	Number of equity shares outstanding	242,432,254	247,866,598	247,866,598	250,454,840	250,454,840
F.	Accounting Ratios					
	Basic Earnings per share (B/C) (in ₹)**	4.01*	(0.71)*	5.36	9.45	7.04
	Diluted Earnings per share (B/D) (in ₹)**	4.01*	(0.71)*	5.36	9.45	7.04
	Return on Net worth for Equity shareholders (B/A)	11.46*%	(1.88)*%	12.19%	22.21%	20.00%
	Net Asset value per share (in ₹)	35.45	37.95	44.03	42.56	35.25
G	EBITDA	1,759.53	293.48	2,817.05	3,987.65	3,379.54
	EBITDA Margin (%)	48.90%	40.93%	49.88%	43.55%	42.21%

*Not annualised.

** Pursuant to a resolution of our shareholders dated July 16, 2021, each equity share of our Company of face value of ₹ 2 was sub-divided into 2 equity shares of face value of ₹ 1 each. All per share data has been calculated after giving effect to such sub-division in accordance with principles of Ind AS 33- "Earnings per share".

Notes:

- 1) 'Net worth' is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. As capital reserve is not created out of the profits, same has not been considered for the purpose of calculation of Net worth.

Reconciliation of Net Worth

Particulars	As at period/Fiscal ended (₹ in million)				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Equity share capital (A)	242.44	247.87	247.87	250.46	250.46
Other equity					
- Securities Premium (B)	-	1,298.87	1,298.87	2,383.28	2,383.28
- General Reserve (C)	-	-	-	-	-
- Capital Redemption Reserve (D)	8.02	2.59	2.59	-	-
- Retained Earnings (E)	8,290.11	7,815.50	9,322.39	7,992.70	6,173.83
- Share based on payment reserve (ESOP) (F)	45.34	34.05	34.76	26.08	12.51
Total (G) = (B)+(C)+(D)+(E)+(F)	8,343.47	9,151.01	10,658.61	10,402.06	8,569.62
Net worth (H) = (A)+(G)	8,585.91	9,398.88	10,906.48	10,652.52	8,820.08

Reconciliation of profit for the year/period to EBITDA and EBITDA margin
(₹ in million, unless otherwise indicated)

Particulars	for the period/Fiscal ended				
	September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
Profit/(loss) for the period/year (A)	984.07	(176.47)	1,329.03	2,366.37	1,764.27
Finance costs (B)	122.35	134.15	258.22	256.06	196.30
Total tax expense for the period/year (C)	340.64	(37.70)	490.14	752.04	945.11
Depreciation and amortisation expense (D)	431.15	491.00	955.29	887.34	643.00
Other Finance income					
Interest income on					
- Fixed deposits	7.91	26.28	41.63	53.42	12.29
- Loans	0.01	0.02	0.02	0.34	0.52
- Bonds and debentures	16.53	40.64	65.06	78.75	19.07
- Others	5.91	21.83	30.26	25.55	18.03
Dividend income from mutual funds	-	-	-	38.09	39.11
Profit on sale of investments	33.31	21.57	47.24	62.87	76.35
Profit on fair valuation of investments carried at FVTPL	54.40	7.16	31.42	15.14	3.77
Profit on sale of investment in subsidiary Company	0.61	-	-	-	-
Total (E)	118.68	117.50	215.63	274.16	169.14
EBITDA (F) = (A)+(B)+(C)+(D)-(E)	1,759.53	293.48	2,817.05	3,987.65	3,379.54
Revenue from operations (G)	3,598.43	717.05	5,648.16	9,155.49	8,007.42
EBITDA Margin (F)/(G)*100	48.90%	40.93%	49.88%	43.55%	42.21%

EBITDA = Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit / (loss) for the period/year and adding back finance costs, total tax expense, depreciation and amortisation expense and reducing other finance income.

Other financial statements

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for Fiscals 2021, 2020 and 2019 (collectively, the “**Audited Financial Statements**”) are available on our website at <https://www.vedantfashions.com/company-financials>.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company, our Subsidiary or any entity in which our Shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2021, on the basis of amounts derived from the Restated Consolidated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections "Management's Discussion and Analysis of Financial Position and Results of Operations", "Restated Consolidated Financial Statements" and "Risk Factors" on pages 262, 190 and 27, respectively.

(in ₹ million, except ratios)

Particulars	Pre-Offer as at September 30, 2021	As adjusted for the proposed Offer*
Borrowings		
Current borrowings	-	[●]
Non-current borrowings (including current maturities)	-	[●]
Borrowings (A)	-	[●]
Total Equity[#]		
Equity share capital	242.44	[●]
Other Equity	8,351.09	[●]
Total Equity (B)	8,593.53	[●]
Borrowings/ Total Equity (A/B)[#]	-	[●]
Non-current Borrowings (including current maturities)/ Total Equity	-	[●]

* The corresponding post Offer capitalization data is not determinable at this stage pending the completion of the book building process and hence have not been furnished. To be updated upon finalization of the Offer Price.

[#] Debt to Equity Ratio = Borrowings/ Total Equity.

[#]Our Company has allotted 262,520 Equity Shares pursuant to a resolution of the Board dated October 16, 2021 to eligible employees of the Company pursuant to the ESOP Plan.

RELATED PARTY TRANSACTIONS

For details of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures, read with the SEBI ICDR Regulations, for the six months period ended September 30, 2021 and September 30, 2020, and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019, see “*Restated Consolidated Financial Statements – Note 49 – Restated Ind AS Consolidated Statement of related party disclosures*”, see “*Risk Factors –41. We have in the past entered into related-party transactions and may continue to do so in the future*” on page 50.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with the Restated Consolidated Financial Statements included herein as of and for the six months ended September 30, 2021 and 2020 and Financial Years ended March 31, 2021, 2020 and 2019, including the related notes, schedules and annexures. The Restated Consolidated Financial Statements derived from our audited consolidated financial statements prepared in accordance with Ind AS or Ind AS 34, as applicable and restated in accordance with the requirements of Section 26 of Part 1 of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectus (Revised 2019) (as amended) issued by the ICAI. Ind AS differs in certain material respects from IFRS and US GAAP. See "Risk Factors – External Risk Factors – Risks Related to India – Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as U.S. GAAP and IFRS, which may affect investors' assessments of our Company's financial condition." on page 55.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12-month period ended March 31 of that year. Financial information for the six months ended September 30, 2021 and 2020 is not indicative of full year results and is not comparable with the annual financial statements presented in this Red Herring Prospectus.

We have included various operational and financial performance indicators in this Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. For the purposes of this section, for certain analyses we have used historical methodologies and internal categorizations to enable a consistent representation of our business. Such information may vary from similar information publicly disclosed by us in compliance with applicable regulations in India. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of the Restated Consolidated Financial Statements and other information relating to our business and operations included in this Red Herring Prospectus.

Unless otherwise indicated, the industry-related information contained in this Red Herring Prospectus is derived from the CRISIL Report, which has been commissioned and paid for by our Company for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. Given the scope and extent of the CRISIL Report, disclosures are limited to certain excerpts and the CRISIL Report has not been reproduced in its entirety in this Red Herring Prospectus. There are no material parts, data or information (which may be relevant for the proposed issue), that have been left out or changed in any manner. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant financial year.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 15 and 27, respectively.






Overview

We are the largest company in India in the men's Indian wedding and celebration wear segment in terms of revenue, OPBDIT and profit after tax for the Financial Year 2020 (Source: *CRISIL Report*). According to CRISIL, our 'Manyavar' brand is a category leader in the branded Indian wedding and celebration wear market with a pan-India presence, as of Financial Year 2020. We have established a multi-channel network and introduced brands by identifying gaps in the under-served and high-growth Indian wedding and celebration wear category (Source: *CRISIL Report*). We focus on spreading India's vibrant culture, traditions and heritage through our aspirational yet value for money brands at a diverse range of price points. We offer a one-stop destination with a wide-spectrum of product offerings for every celebratory occasion and aim to deliver an aristocratic yet seamless purchase experience to our customers through our aesthetic franchisee-owned exclusive brand stores.

We are focused on further enhancing our leadership position in the organized Indian wedding and celebration wear market and establishing our dominance in the premium and value segments of the men's Indian wedding and celebration wear market through our brands, Twamev and Manthan, respectively, and in the women's Indian wedding and celebration wear market through our brand, Mohey, launched in 2015. Through our diverse portfolio of leading and differentiated brands, including our acquisition of Mebaz in financial year 2018, a regional legacy

brand catering to the entire family with a rich heritage and established presence in the states of Andhra Pradesh and Telangana, we are able to better cater to the needs of our customers and the aspirations of the entire family yet remain value for money and service the varying financial budgets of our Indian consumers. In Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2021, 92.20%, 91.14%, 90.14% and 88.09% of the Sales of our Customers, respectively, was generated by franchisee-owned exclusive brand outlets (our “EBOs”), with the remaining by multi-brand outlets (“MBOs”), large format stores (“LFSs”) and online platforms, including our website (www.manyavar.com) and mobile application.

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

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

* The brand ‘Manyavar’ commenced operations through a predecessor entity in 1999.

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

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

Our portfolio of products includes a diverse range of attires and accessories, each conceptualized by our designers who have experience in serving the distinct regional preferences of the Indian customer. Our products are manufactured by artisans having an abundance of expertise in the Indian wedding and celebration wear market, supplemented by our own ingrained knowledge of the demands of Indian festivals and weddings. Our wedding portfolio also includes different ranges of creations for different members of the wedding entourage, besides unique personalization for the bride and the groom. Over the years, we have built longstanding relationships with vendors and artisans, which have been critical towards us being able to command a dominant position in a market that was conventionally an unorganized market.

We are asset-light in respect of our plant, property and equipment which enables us to achieve a high return on capital employed, primarily due to the nature of our sourcing and manufacturing operations, with a substantial majority of our sales being generated through our franchisee-owned EBOs. As a result, we do not need to invest in developing manufacturing facilities or a distribution system and by using economies of scale, we are able to optimize several costs such as our production and procurement costs, distribution costs and employee costs, thereby leading to improved profitability. Our omni-channel presence, through EBOs and online platforms, is designed in a manner such that products across our brands are available under one universal platform. As a result, we are able to make our products available to our customers through their preferred mode of shopping and purchasing. The success of our franchisee-based model is proven by the fact that as of September 30, 2021, approximately 73% of our franchisees have operated our stores for three or more years, and 65% of the Sales of our Customers by our franchisee-owned EBOs is derived from franchisees having two or more stores. Through our network of over 300 franchisees as of September 30, 2021, we have a track record of commanding a high initial capital commitment from our franchisees and in return, provide all necessary support in connection with identifying and approving potential locations for new stores, managing multi-channel advertising on a national and regional basis, store development and inventory management, management of the supply chain and provide detailed training programmes for store staff and franchisees. We also incur lease costs in connection with EBOs operated by our franchisees on premises leased by us.

As of September 30, 2021, we had a retail footprint of 1.2 million square feet covering 535 EBOs (including 58 shop-in-shops) spanning across 212 cities and towns in India, and 11 EBOs overseas across the United States, Canada and the UAE, which are countries with a large Indian diaspora. In addition to our offline retail presence,

our consumers also have the option of placing orders through our website (www.manyavar.com), our mobile application and through leading lateral e-commerce platforms. As our offline and online channels are integrated, our customers can place orders for our products either offline or online, and have the flexibility of buying products at one store and returning at another or browsing our product catalogues and placing orders online with doorstep delivery. We also operate a QR-code enabled digital catalogue at many of our stores so that our customers can select a product of their choice from our entire range of offerings.

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

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

Headquartered in Kolkata, we are led by our founder, Chairman and Managing Director, Mr. Ravi Modi, a first-generation entrepreneur who has proven his flair for the art of brand building and retailing with the success of our brands. Mr. Modi is supported by an experienced management team whose achievements have been recognised by a number of industry awards including the Global Award for Retail Excellence, 2020, India’s Retail Champions (Speciality Retail), 2020, and Best Men’s Ethnic Wear Brand (East), 2019. Since 2017, we have also benefited from the support, guidance and expertise of marquee investor, Kedaara Capital, through Kedaara Capital Alternative Investment Fund – Kedaara Capital AIF 1 and Rhine Holdings Limited.

In the six months ended September 30, 2021, 44.76% of the Sales of our Customers was generated by our franchisee-owned EBOs from Tier I cities, 38.64% from Tier II cities and 13% from Tier III cities. The remaining 3.59% of our franchisee-owned EBO revenues were generated from international markets. In Financial Year 2021, 44.22% of the Sales of our Customers was generated by our franchisee-owned EBOs from Tier I cities, 42.05% from Tier 2 cities and 12.31% from Tier 3 cities. The remaining 1.42% of the Sales of our Customers by our franchisee-owned EBOs was generated from international markets. For Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, our revenue from operations was ₹ 8,007.42 million, ₹ 9,155.49 million, ₹ 5,648.16 million, ₹ 717.05 million, ₹ 3,598.43 million, respectively. Similarly, our profit / (loss) for Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021 was ₹ 1,764.27 million, ₹ 2,366.37 million and ₹ 1,329.03 million, ₹ (176.47) million and ₹ 984.07 million, respectively. Our EBITDA for Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021 was ₹ 3,379.54 million, ₹ 3,987.65 million, ₹ 2,817.05 million, ₹ 293.48 million and ₹ 1,759.53 million, respectively, and our ROCE for Financial Years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021 was 48.24%, 47.80% and 34.07%, (2.76)% and 22.16% respectively. For a reconciliation of our profit for the period to EBITDA, see “*Other Financial Information*” and “*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation*” on pages 258 and 12, respectively.

Significant Factors Affecting our Results of Operations

Our results of operations and financial condition are affected by a number of important factors including:

Growth of retail channels

A key driver of growth of our revenue from operations has historically been the growth of our retail channels. We sell our products through (i) our franchisee-owned exclusive brand outlets EBOs, (ii) MBO, (iii) LFSs and (iv) online platforms, including our website (www.manyavar.com) and mobile application. As of September 30, 2021, we had 488 EBOs (including those outside India but excluding shop-in-shops), 825 MBOs (including shop-in-shops) and 145 LFSs. As of the same date, our EBO footprint (excluding shop-in-shops) spanned across 196 cities and towns in India and 8 international cities, and we had 11 overseas EBOs across the United States, Canada and the UAE, which are countries with a large Indian diaspora.

We derive most of the Sales of our Customers from sales of products through EBOs. For the financial years 2019, 2020 and 2021 and the six months ended September 30, 2021, EBOs accounted for 92.20%, 91.14%, 90.14% and 88.09% of the Sales of our Customers, respectively. For the financial years 2019, 2020 and 2021 and the six months ended September 30, 2021, the sales of products through MBO and LFS, in aggregate, accounted for 7.07%, 7.86%, 7.63% and 8.23% of the Sales of our Customers, respectively. For the same periods, sales of products through our online platforms accounted for 0.73%, 1.00%, 2.23% and 3.68% of the Sales of our Customers, respectively. The performance of our franchisee-owned EBOs are critical to our overall performance, and will remain a key focus going forward.

We expect to focus our physical retail footprint expansion through increasing the number of our franchisee-owned EBOs. We have identified several cities and towns in both existing geographies where we have a presence and new geographies where we plan to establish our first EBOs. Between Financial Years 2016 to 2021, we have increased our retail space footprint from approximately 0.50 million square feet to over 1.1 million square feet, and aim to double our national footprint over the next few years. That said, we may not be able to open new stores in attractive and suitable locations. See *“Risk Factors – Internal Risk Factors – Risks Related to Our Business – Our inability to successfully implement our business plan and strategies for retail and franchise expansion and growth could adversely affect our business, financial condition, results of operations and cash flows.”* on page 42. Accordingly, we intend to focus our expansion efforts in markets where we determine there is an increasing demand for our products, and where we can leverage our existing presence to expand our market share. We continue to carry out in-depth market research and analysis to identify potential locations for expansion. More generally, our growth and profitability depend on the level of consumer confidence and spending in India and the other countries where we operate.

We also see and intend to capture growth opportunities through online sales of our products. E-commerce has grown significantly in India in recent years, due to higher standardization, a large market and an increase in discretionary spending (*Source: CRISIL report*). Sales of products through our online platforms have been gradually increasing over the recent years, with our revenue from online sales increasing from ₹83 million for the financial year 2019 to ₹187 million for the financial year 2021. We intend to continue to increase our sales through our website (www.manyavar.com), our mobile application and leading lateral e-commerce portals, and we expect revenue from online sales to gradually account for a higher proportion of our revenue from operations in future periods.

Operating costs and operation efficiency

Our ability to manage our operating costs while maintaining and enhancing operation efficiency, impacts our ability to maintain or increase our margins.

We are asset-light in respect of our plant, property and equipment with a substantial portion of our manufacturing operations and stores are operated by third parties, which we believe has enabled us to achieve a higher return on capital employed. Our current business model does not require us to invest heavily in developing and maintain manufacturing facilities, or incur major capital expenditure for our franchisee-owned EBO stores (which is covered by our franchisees). By benefitting from economies of scale, we are able to optimize several costs such as our production and procurement costs, distribution costs and employee costs, thereby leading to improved profitability.

A significant proportion of our operating costs is attributable to our (i) purchases of stock-in-trade, (ii) cost of materials used, which include cost of raw materials and accessories and packing materials, and (iii) job charges,

which represent the bulk of our manufacturing costs. Purchases of stock-in-trade includes purchases of finished goods from our vendors, and for the financial years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, amounted to ₹1,367.39 million, ₹1,682.39 million, ₹707.61 million, ₹70.45 million and ₹582.13 million respectively, which represented 17.08%, 18.38%, 12.53%, 9.82% and 16.18%, respectively, of our revenue from operations. Cost of materials used, which include cost of raw materials and accessories and packing materials, comprise costs related to the raw materials used to manufacture our products, as well as accessories and packing materials for our products, which for financial years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, amounted to ₹862.28 million, ₹1,075.04 million, ₹655.66 million, ₹151.31 million and ₹486.80 million, respectively, which represented 10.77%, 11.74%, 11.61%, 21.10% and 13.53%, respectively, of our revenue from operations. Job charges comprise charges in respect of services received from jobbers, who perform various stages of the garment manufacturing process. For the financial years 2019, 2020, 2021 and the six months ended September 30, 2020 and 2021, job charges amounted to ₹577.63 million, ₹662.76 million, ₹414.48 million, ₹131.78 million and ₹313.72 million, respectively, which represented 7.21%, 7.24%, 7.34%, 18.38% and 8.72%, respectively, of our revenue from operations.

A substantial majority of our sales was generated by our franchisee-owned EBOs. We incur some expenses in order to maintain and expand our presence across our retail channels. We incur rent charges primarily towards payment of rent for certain franchisee-owned EBOs, in respect of which we enter into lease agreements with landlords, as well as for warehouses and offices. Due to an increase in the number of franchisee-owned EBOs for which we pay the rent, our lease cost as a proportion of our revenue from operations has been increased in recent years. For the financial years 2019, 2020 and 2021 and the six months ended September 30, 2020 and 2021, our lease cost was ₹310.71 million, ₹342.47 million, ₹294.28 million, ₹92.38 million and ₹209.65 million, respectively, which represented 3.88%, 3.74%, 5.21%, 12.88% and 5.83%, respectively, of our revenue from operations. These lease costs are in respect of leases other than the leases in relation to right of use assets.

For the financial years 2019, 2020, 2021 and the six months ended September 30, 2020 and 2021, our selling and distribution expenses comprises of advertisement, publicity and sales promotion expenses, commission, and freight and forwarding expenses, aggregating to ₹794.30 million, ₹847.49 million, ₹359.42 million, ₹90.87 million and ₹199.66 million respectively, which represented 9.92%, 9.26%, 6.36%, 12.67% and 5.55%, respectively, of our revenue from operations.

We seek to continue to enhance our asset-light model by continuing to pursue cost efficiencies to maintain or increase our margins. Our ability to manage and decrease the aforementioned cost items as we grow our revenue from operations would allow us to improve our margins in future periods, whereas any our inability to do so would decrease our margins and, in turn, our profitability.

Technology-based supply chain and inventory replenishment systems

Our technology-based supply chain and inventory replenishment systems play a significant role in our operational efficiency, which, in turn, affects our results of operations. See “*Our Business – Manufacturing, Supply Chain and Distribution Infrastructure*” on page 151. There may also be certain risks associated with our use of technology. For further details, see “*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Our inability to adapt, adopt or successfully execute existing and new technologies in our operations may adversely affect our business and results of operations.*” on page 38.

Our algorithm-based inventory management system provides us with a real-time view of inventory levels at our franchisee-owned EBOs, allowing us to effectively monitor and manage it and minimize dead stock. As a result, we have visibility of the products as they are sold at our stores, and we synchronise inventory levels at our stores and warehouses periodically. Our centralized and system-driven supply chain is integrated with our sales network, thereby allowing us to calibrate our procurement and manufacturing processes to relevant changes in consumer preferences and trends. This generally results in lower levels of obsolete and dead stock.

Further, we maintain a large network of vendors from whom we directly procure the fabrics used to manufacture our products. As of September 30, 2021, we have over 458 vendors registered on our vendor portal and from whom we regularly source our fabrics and other material. All orders placed by us are based on internal demand projections, carried out in advance of the estimated delivery date of the final product. Supported by our technology-based supply chain and inventory replenishment systems, for the financial years 2019, 2020 and 2021 and the six months ended September 30, 2021, our inventory turnover days were 41 days, 48 days, 65 days and 63 days, respectively.

Growing established and emerging brands

Our business is also driven, to a large extent, by the strength of our ‘Manyavar’ brand, which, according to CRISIL, is known to be a category-leader in the organised Indian wedding and celebration wear market and a ‘brand of first recall’. We launched our women’s flagship brand ‘Mohey’ in 2015 and in the recent years acquired one brand, refreshed an existing brand and established a new brands to cater to different target segments: (i) we acquired the ‘Mebaz’ brand in 2017, which caters to men, women and children with a mid-premium to premium price offering and has a strong presence in the states of Andhra Pradesh and Telangana; (ii) we refreshed our ‘Manthan’ brand in 2018, which caters to men with a value price offering, primarily sold through MBOs, LFSs and online platforms, to address demand from the sizable number of mid-market weddings and other celebrations; and we established our ‘Twamev’ brand in 2019, which caters to men with a premium price, through which we intend to upscale our consumer experience and offer customers a more premium product from our ‘Manyavar’ brand. We intend to leverage the strong brand recall and established presence of our ‘Manyavar’ brand to grow our emerging brands, such as by introducing our customers to such brands.

Our growth has, in part, stemmed from our ability to identify gaps in the market and offer our customers elaborate on-trend yet ageless designs and attires. That said, many factors, some of which are beyond our control, are important in maintaining and enhancing our brand recall, including maintaining or improving customer satisfaction and the popularity of our products and increasing brand awareness through brand building initiatives, especially with respect to our emerging brands. We believe that our increased number of brands, each targeting a different consumer sub-segment, along with growth in established Manyavar brand, provides us with increased customer reach and would allow us to continue to grow our business, increase our revenue from operations and profitability in future periods. See “*Our Business – Our Strategies – Significant potential and space for growth of our emerging brands*” on page 145.

Economic environment and consumer purchasing patterns

Our revenue and growth are influenced by the general economic environment and consumer purchase patterns in our target cities.

Economic growth in India, generally and in our target cities, drives levels of disposable income and consumer sentiment, which, in turn, drives consumer spending and demand for our products. see “*Risk Factors – Internal Risks – Risks Related to Our Business – Our business is highly concentrated on Indian wedding and celebration wear and vulnerable to changes in consumer preferences which could have an adverse effect on our sales, profitability and financial condition*” on page 30. We believe that the Indian wedding and celebration wear industry is, to some extent, resilient against economic downturns. Indian wedding and celebration wear, in particular the premium and mid-premium priced products, are consumer discretionary products and we expect periods of strong domestic economic growth to drive consumption of our Indian wedding and celebration wear products generally, as well as for our premium and mid-premium priced products.

Indian wedding and celebration wear is also subject to changing customer preferences. Our results of operations are also dependent on our ability to anticipate, gauge and respond to such changes in customer preferences and design new products or modify our existing products in line with changes in fashion trends as well as customer demands and preferences. We incur significant time and effort in the design and development of our products.

Competition

The Indian wedding and celebration wear industry in India is competitive, with several regional brands and unorganised retailers present in local markets across the country, see “*Risk Factors – Internal Risks – Risks Related to Our Business - Our industry is competitive in both the offline and the rapidly-growing online channels, with the potential to adversely affect our pricing ability and disrupt our sales. Our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows*” on page 39. The Indian wedding and celebration wear industry has been a highly unorganised market (*Source: CRISIL Report*). Our products compete with local retailers, non-branded products, economy brands and products of other established brands. In the future, some of our competitors may develop alliances to compete against us, acquire greater resources, market presence and geographic reach, as well as develop products with better brand recognition than ours. Some of our competitors may be able to procure raw materials or finished products at lower costs than us, and consequently be able to sell their products at lower prices. As a result, our competitors may be able to withstand industry downturns better than us or sell their products at more competitive prices.

We also compete with online retailers. Over the last few years, India has witnessed the emergence and growth of the e-commerce industry, and the market penetration of online retail in India is likely to continue to increase, according to the CRISIL Report. We operate an omni-channel network supported by a seamless integration between our online and offline channels. While we believe that online retailers provide us with an opportunity to increase the visibility of our brands and an opportunity to improve our supply chain efficiencies, they may continue to gain market share and thus increase their relative negotiating power. Further, our competitors may be able to negotiate better or more favourable terms with such online retailers. Any inability on our part to further develop our own brand websites or enter into agreements with online retailers on terms favourable to us may have an adverse effect on our pricing and profit margins, and our business, financial condition and results of operations may be adversely affected.

Current COVID-19 pandemic

Our business and operations could be adversely affected by health epidemics, including the ongoing COVID-19 pandemic, that affect the markets and communities in which we, our franchisees and suppliers operate, and our customers are located. See *“Risk Factors – Internal Risks – Risks Related to Our Business – The COVID-19 pandemic or any future pandemic or widespread public health emergency could adversely affect our business, financial condition, cash flows and results of operations”* on page 28.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, including in India, where a significant portion of our operations are based, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing “stay-at-home” orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a “notified disaster” for the purposes of the Disaster Management Act, 2005 and imposed a nationwide lockdown from March 25, 2020. The nationwide lockdown lasted until May 31, 2020, and has since been extended periodically in varying degrees by state governments and local administrations. The lifting of the lockdowns across various regions had been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Recently, from March 2021 to date, due to a “second wave” of increases in the number of daily COVID-19 cases, several state governments in India re-imposed lockdowns, curfews and other restrictions to curb the spread of the virus. This “second wave” and its associated lockdowns have affected us in terms of reducing our sales, revenue and stores expansion, as well as disrupting our supply chains. As a result of the detection of new strains and subsequent waves of COVID-19 infections in several states in India as well as throughout various parts of the world, it is anticipated that we may be subject to further reinstatements of lockdown protocols or other restrictions, which may adversely affect our business operations.

There remains significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government of India, which makes it impossible for us to predict with certainty the impact that the COVID-19 pandemic will have on our business, financial condition, results of operations and cash flows in the future.

The COVID-19 pandemic has affected and may continue to affect our business, financial condition, results of operations and cash flows in a number of ways such as:

- government measures related to the COVID-19 pandemic include restrictions on holding large-scale weddings and celebrations (including festivals), travel and business operations, and advising or requiring individuals to limit their time outside of their homes, thereby affecting customer demand for our products, resulting in a significant decrease in the number of customers that visit our physical stores to purchase our products. This resulted in a decrease in our revenue from operations from ₹9,155.49 million for the financial year 2020 to ₹5,648.16 million for the financial year 2021. While we continue to incur costs for operating and maintaining our physical retail presence in terms of rent (where applicable), and incur other fixed expenses such as administrative expenses, office/warehouse maintenance expenses, employee costs and other fixed costs;
- a decrease in our profit for the period/year from ₹2,366.37 million in Financial Year 2020 to ₹1,329.03 million in Financial Year 2021, primarily due to a decrease in our revenue from operations;
- causing disruptions to our supply chains (such as our ability to procure materials), reducing our ability to fulfil orders in a timely manner, disrupting the efficient operation of our warehouses and jobbers’ manufacturing operations, affecting the ability of our delivery partners to make deliveries or of our sellers to initiate the delivery due to various restrictive measures imposed by governmental authorities;

- our stores, our office and our warehouse were not operating during the lockdowns, or were operating under the applicable restrictions, which included modifying our operations and adjusting our services. For example, our fulfilment and delivery operations require social distancing measures and system-wide use of personal protective equipment. Shopping malls, in which certain of the franchisee-owned EBOs or LFSs that sell our products were operating, were also closed during the lockdowns and operating under restrictions as imposed thereafter. We received rent concession on lease arrangements, for which right of use assets have been recognised in accordance with Ind AS 116, aggregating to ₹71.65 million, ₹338.97 million and ₹248.72 million for the six months ended September 30, 2021, Financial Year 2021 and the six months ended September 30, 2020, respectively; and
- disruptions to our expansion plans, including for opening new stores, due to lockdowns and restrictions, as well as the poor economic environment and consumer confidence.

Our management has made an initial assessment, based on the current situation of the likely impact of the COVID-19 pandemic on the overall economic environment and us, in particular, and based on which it does not expect further reduction in demand of our products and any challenge in our ability to continue as a going concern or meeting our financial obligations or in the recoverability and carrying value of our property, plant and equipment, goodwill, other intangible assets, and other financial statement captions. The above evaluations are based on information available till date, which is very dynamic and subject to uncertainties that the COVID-19 pandemic might pose on economic recovery.

Our Statutory Auditor has included emphasis of matter in their reports on our audited consolidated Ind AS financial statements for Financial Years 2020 and 2021 as well as the six months ended September 30, 2020 and 2021, in relation to possible consequential implications on our operations on account of COVID-19.

The full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency, impacts our business, financial condition and results of operations is uncertain. Such effects will depend on numerous evolving factors that we may not be able to accurately predict, including the scope, severity, and duration of the pandemic; actions taken by governments, businesses and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure and product development projects; disruptions or restrictions on our employees', franchisees', jobbers' and suppliers' ability to work, operate and travel as well as their business continuity plans; and any extended period of remote work arrangements. While we do not expect significant further reductions in the demand of our products, we continue to closely monitor developments relating to the COVID-19 pandemic and the effects they have on future economic conditions and on our business and operations closely. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may materially and adversely impact our business, financial condition, results of operations and cash flows.

Significant Accounting Policies

Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of our Company and our subsidiaries as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019. Control is achieved when we are exposed, or have rights, to variable returns from our involvement with the investee and has the ability to affect those returns through our power over the investee. Specifically, we control an investee if and only if we have:

- power over the investee (i.e. existing rights that give us the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from our involvement with the investee; and
- the ability to use our power over the investee to affect its returns.

We re-assess whether or not we control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when we obtain control over the subsidiary and ceases when we lose control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year/period are included in the Consolidated Financial Statements from the date the we gain control until the date we cease to control the subsidiary.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If one of our members uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with our accounting policies.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of our parent company and to the non-controlling interests (if any), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with our accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between our members are eliminated in full upon consolidation.

We had the following two wholly-owned subsidiaries as at the dates indicated below:

Particulars	Country of incorporation / place of business	Principal activities	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
% of Holding							
Subsidiaries							
Manyavar Creations Private Limited	India	Trading of branded fashion apparel and accessories	100%	100%	100%	100%	100%
Mohey Fashions Private Limited*	India	Trading of branded fashion apparel and accessories	-	100%	100%	100%	100%

* There have been no operations in this subsidiary since incorporation.

Our Company sold its investment at carrying value of ₹1.00 million in Mohey Fashions Private Limited ("MFPL"), a wholly-owned subsidiary, on August 20, 2021 at a total consideration of ₹1.00 million. Consequently, with effect from August 20, 2021, MFPL ceased to be its subsidiary.

We have no other associates, joint ventures and joint operations.

Basis of fair value measurement

We measure 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 us.

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.

We use 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 balance sheet are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Unquoted/quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- 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 recognized in the balance sheet on a recurring basis, we determine whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

We also compare 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, we have 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.

The Consolidated Financial Statements have been prepared under the historical cost convention on the accrual basis, except the following assets and liabilities which have been measured at fair value as required by the relevant Indian Accounting Standards:

- (a) certain financial assets and liabilities measured at fair value (refer accounting policies regarding financial instruments); and
- (b) defined employee benefit plan.

Revenue recognition from contracts with customers

Revenue from sale of goods is recognized when control of the products being sold is transferred to our customers and when there are no longer any unfulfilled obligations, and that reflects the consideration we expect to be entitled to in exchange for the products sold.

The performance obligations in our contracts are fulfilled at the time of delivery or upon formal customer acceptance, depending on contractual terms where we act as a principal.

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

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

Contract balances

Trade receivables

A trade receivable represents our right to an amount of consideration that is unconditional and requiring only the passage of time before payment of the consideration is due.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which we have received consideration (or an amount of consideration is due) from a customer. If a customer pays consideration before we transfer goods to or perform services, a contract liability is recognized either when payment is made or due, whichever is earlier. Contract liabilities are recognized as revenue when performance is complete under a contract.

Assets and liabilities arising from rights of return

Right of return assets

Right of return assets represent our right to recover 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 to our cost of sales. We update the measurement of the asset recorded for any revisions to the expected level of return, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer, and is measured at the amount we expect to ultimately be returned to the customer. We update our estimates of refund liabilities at the end of each reporting period.

Export benefits

Export benefits are accounted for on the recognition of export sales, where there is reasonable assurance that the benefits will be received, and all attached conditions will be complied with.

Interest Income

Interest income is recognized using the effective interest rate method. The effective interest rate is the ratio of 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, we estimate the expected cash flows by considering all the customer terms of the financial instrument (for example, prepayment, extension, call and similar options), but do not consider the expected credit losses.

Dividend Income

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

Property, Plant and Equipment

Property, plant and equipment

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

Expenditure incurred after property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit and loss in the period in which such costs are incurred. Major inspection and overhaul expenditure is capitalized 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, at net value, under other income (“**Other Income**”) or other expenses (“**Other Expenses**”) in the 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. When the asset is derecognized, 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.

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

Capital work in progress

Assets that are in the course of construction are capitalized in the 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 capitalized 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.

Depreciation

Assets in the course of development or construction and freehold land are not depreciated. These assets are tested for impairment.

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

Depreciation is provided for on the 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 for certain items of furniture as detailed in the paragraph below.

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

Asset	Estimated Useful Life
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

We, based on technical assessments and management estimates, depreciate certain items of furniture over five years. This estimated useful life is different from the useful life prescribed in Schedule II to the Companies Act, 2013. We believe that these estimated useful lives are realistic and reflect a fair approximation of the period over which the assets are likely to be used.

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

Intangible assets and intangible assets under development

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

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

Intangible assets with finite economic useful lives are amortized over their useful lives and assessed for impairment whenever there is an indication of impairment. The amortization period and the amortization method for an intangible asset are reviewed at the end of each reporting period at the minimum. 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization 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 amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

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

Asset	Estimated Useful Life
Computer software	3 years
Trademark and Copyright	5-10 years
Tenancy Right and others	5 years
Brand and goodwill (acquired by our Company)	Indefinite life, subject to impairment testing

An intangible asset is derecognized 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 derecognized.

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 based on the revised estimates.

Goodwill is initially recognized based on the accounting policy for business combinations, and is tested for impairment annually.

Intangible assets under development are stated at cost, net of accumulated impairment loss, if any.

Non-current assets 'held for sale' and discontinued operations

We classify non-current assets and disposal assets as held for sale if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn.

The criteria to classify a given asset as 'Held for Sale' is met only when: the asset is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets; its sale is highly probable; and it will genuinely be sold, not abandoned. We treat a sale of a given asset or to be highly probable when:

- our management, at the appropriate level, is committed to a plan to sell the asset;
- the asset is actively marketed for sale at a price that is reasonable in relation to its current fair value;
- the asset's sale is expected to qualify for recognition as a completed sale within one year of the date of classification;
- actions required to execute the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn; and
- once classified as held for sale, property, plant and equipment are not depreciated, and intangible assets are not amortized. Assets and liabilities classified as held for sale are presented separately from other items in the balance sheet.

Financial instruments

Initial recognition and measurement

Financial assets

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

equity instrument of another entity.

Financial assets are classified, at initial recognition, and subsequently measured at amortized cost, fair value through OCI, and fair value through profit and loss (“**FVTPL**”).

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and our business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which we have applied the practical expedient, we initially measure a financial asset at its fair value, plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which we have applied the practical expedient are measured at the transaction price determined under Ind AS 115 – “Revenue from contracts with customers”.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI (“**FVOCI**”), it must 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 FVTPL, irrespective of the business model.

Our business model for managing financial assets relates to how we manage our 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 amortized 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 FVOCI are held within a business model with the objective of both holding the assets to collect contractual cash flows and selling the assets.

There are no financial instruments which are measured through FVOCI.

Financial assets at FVTPL are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit and loss.

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

Financial liabilities

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

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

Our financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, deposits taken and derivative financial instruments.

Classification and subsequent measurement

Financial assets

We classify its financial assets in the following measurement categories:

- (i) those to be measured at FVTPL;
- (ii) those to be measured at fair value through OCI; and
- (iii) those measured at amortized cost.

The classification depends on our business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are not reclassified subsequent to their recognition, except during the period we change our business model for managing financial assets.

Realized and unrealized gains or losses arising from changes in the fair value of the “financial assets at FVTPL”

investment category are included in the statement of profit and loss in the period in which they arise.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables, their carrying amounts represent their fair value due to the short maturity of these instruments. Realized and unrealized gains or losses arising from changes in the fair value of the “financial liabilities at FVTPL” investment category are included in the statement of profit and loss in the period in which they arise.

Derecognition of financial instruments

We derecognize a financial asset when the contractual rights to the cash flows from the financial asset expire or we transfer the financial asset and the transfer qualifies for derecognition under Ind AS 109 ‘Financial Instruments’. A financial liability (or part of a financial liability) is derecognized from our balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of financial assets

We assess, on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in the credit risk. For trade receivables, we apply the simplified approach permitted by Ind AS 109 ‘Financial Instruments’, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Reclassification of financial assets

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

Derivative financial instruments

Initial recognition and subsequent measurement

We use derivative financial instruments, such as forward currency contracts, to hedge our foreign currency risks. Derivatives are carried as financial assets when their fair value is positive, and as financial liabilities when their fair value is negative. Derivatives are designated, upon initial recognition, at FVTPL only if the criteria in Ind AS 109 are satisfied.

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

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

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

We do not have any other hedge instruments.

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 cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

Borrowing costs

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

Inventories

Raw materials, accessories and packing materials are valued at the lower of cost and net realizable 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. The cost of raw materials, accessories and packing materials is determined on a first-in-first-out basis.

Work-in-progress and finished goods are valued at the lower of cost and net realizable value. Cost includes direct materials and labor and a proportion of manufacturing overheads (where applicable). The cost of finished goods is determined on a weighted average basis using the retail method.

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

Net realizable 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.

Obsolete, slow moving and defective inventories are identified and written down to their net realizable value.

Leases

We as a lessee

Our lease asset classes primarily consist of leases for commercial spaces, leasehold land and buildings. We assess whether a contract is or contains a lease, at the inception of such 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, we assess whether:

- (i) the contract involves the use of an identified asset;
- (ii) we have substantially all of the economic benefits from use of the asset through the term of the lease; and
- (iii) we have the right to direct the use of the asset.

At the date of commencement of a lease, we recognize a right of use asset and a corresponding lease liability. This applies for all lease arrangements in which we are a lessee, except for leases with a term of 12 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, we recognize the lease payments as an operating expense on a straight line basis over the term of the lease.

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

A lease liability is remeasured upon the occurrence of certain events, such as a change in the lease term or a change

in an index or rate used to determine lease payments. The remeasurement normally also results in an adjustment to the valuation of the leased assets.

Lease liabilities and right of use assets are separately presented in the Consolidated Financial Statements, and lease payments in respect of right of use assets are classified as financing cash flows.

Leasehold land which is part of a right of use asset is amortized over the period of the lease, i.e. 99 years.

The Ministry of Corporate Affairs (“MCA”), through a notification dated July 24, 2020, issued an amendment to Indian Accounting Standard (“Ind AS”) 116 ‘Leases’, by inserting a practical expedient with respect to “COVID-19-related Rent Concessions”, effective from the period or year beginning on or after April 1, 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 to be considered a lease modification. Pursuant to the notification, we have applied the practical expedient with effect from April 1, 2020, and hence rent concession received during the period or year has been accounted as Other Income.

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

We as a lessor

Leases in which we do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from such leases is accounted for on a straight-line basis over the terms of the leases. Initial direct costs incurred in negotiating and arranging for an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized 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 us to the lessee. Amounts due from lessees under finance leases are recorded as receivables at our net investment in the leases. Finance lease income is allocated across accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Taxation

Current income tax

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

Current income tax relating to items recognized outside the statement of profit and loss is recognized either in OCI or in equity. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. We periodically evaluate positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. 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 during the period or year when the asset is realized 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 the statement of profit and loss is recognized either in OCI or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

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

Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

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

Employee benefit schemes

Post-employment benefits

Defined contribution plans

We have defined contribution plans for post-employment benefits such as the Provident Fund, the National Pension Scheme, the Employee's State Insurance and the Employee's Pension Scheme, 1995. We contribute to government-administered provident funds, namely the Employee's Pension Scheme, 1995, the Employee's State Insurance Scheme and the National Pension Scheme, on behalf of our employees and have no further obligation beyond making such contributions. Our contributions to the aforementioned funds are recognized in the statement of profit and loss for the relevant period or year.

Defined benefit plans

We have defined benefit plans, namely gratuities, for all our employees. Liability for defined benefit plans is provided based on valuations carried out by an independent actuary, as at the date of the balance sheet. The actuarial valuation method used by the independent actuary for measuring the liability is the projected unit credit method. Actuarial losses and gains are recognized in OCI and are not reclassified to the statement of profit and

loss in any subsequent periods. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service costs.

Other long-term benefits

We have other long-term benefits, namely compensated absences for all our employees. Liabilities in respect of compensated absences which are expected to be encashed or utilized within 12 months of the date of the balance sheet are considered as short term. Other such liabilities are considered long term.

Share-based payments

Certain of our employees receive part of their remuneration in the form of share-based payments in consideration for their services rendered. The fair value of the options at the grant date is calculated by an independent valuer based on the Black-Scholes model.

Related costs are recognized as employee benefits expense and are correspondingly credited to share-based payment 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 our best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a given period represents the movement in cumulative expense recognized as at the beginning and at the end of that period, and is recognized under 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 such conditions being met is assessed as part of our best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the fair value at grant date. 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 on the ground that 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.

Termination benefits

Termination benefits are recognized as an expense as and when incurred.

Foreign currency transactions

In the Consolidated Financial Statements, transactions in currencies other than the functional currency are translated into the functional currency at the prevailing exchange rates at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at the prevailing exchange rates at 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 for 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 OCI.

Earnings per share

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

equity shares.

In a capitalisation or bonus issue or a share split, ordinary shares are issued to existing shareholders for no additional consideration. Therefore, the number of ordinary shares outstanding is increased without an increase in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period or year presented.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to our chief operating decision-maker.

We are solely operating in the manufacture, trading, and sale of branded apparels for men, women and kids. Based on the nature of business and internal reporting provided to our management for evaluation of the performance of the segment, we have a single reportable segment.

Business combinations and goodwill

Business combinations, if any, are accounted by using the acquisition method as per Ind AS 103 'Business Combination'. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on acquisition date and the amount of any non-controlling interests in the acquiree. Acquisition related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values, irrespective of the fact that outflow of resources embodying economic benefits is not probable.

Goodwill is initially measured at cost, being the excess of the net acquisition cost and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the net cost of acquisition, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, we recognize the gain directly in equity as capital reserve, without routing the same through OCI.

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 our cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

Provisions and contingent liabilities

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

Exceptional items

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

Key Components of our Statement of Profit and Loss

The following descriptions set forth information with respect to the key components of our profit and loss statements.

Revenue

Revenue consists of (i) revenue from operations and (ii) other income.

Revenue from operations. Revenue from operations is primarily attributable to revenue from the sale of our products through our various retail channels, including our franchisee-owned EBOs, MBOs, LFSs and various online platforms. A small proportion of our revenue from operations is attributable to other operating revenue, which comprises of revenue from scrap sales, insurance charges recovery and export incentives.

Other income. Other income primarily comprises (i) interest income on fixed deposits, loans, bonds and debentures, (ii) profit on sale and fair valuation of investments carried at FVTPL, (iii) insurance claim received, (iv) rent concessions on lease arrangements, (v) gain on termination of lease arrangements and (vi) liabilities/provisions no longer required written back.

Expenses

Expenses consist of (i) cost of materials used, which comprise cost of raw materials and accessories and packing materials, (ii) purchases of stock-in-trade, (iii) changes in inventories of finished goods, work-in-progress and stock-in-trade, (iv) employee benefits expense, (v) finance costs, (vi) depreciation and amortization expense, and (vii) other expenses.

Cost of materials used. Cost of materials used comprises the cost of raw materials used to manufacture our products, which primarily comprise of fabric that we procure from our vendors and use in the manufacture of our products, and the cost of accessories and packing materials, which primarily comprise accessories used in the manufacture of our products and packing materials used in the transportation and packing of our products.

Purchases of stock-in-trade. Purchases of stock-in-trade includes purchases of finished goods from our vendors.

Changes in inventories of finished goods, work-in-progress and stock-in-trade. Changes in inventories of finished goods, work-in-progress and stock-in-trade comprise the increase or decrease in finished good, work-in-progress and stock-in-trade for a given period.

Employee benefits expense. Employee benefits expense relate to employee remuneration and benefits, including salaries and wages, contributions to the provident fund, gratuity expenses, staff welfare expenses and share based payments to employees.

Finance costs. Finance costs primarily comprise interest expense on lease liabilities and others.

Depreciation and amortization expense. Depreciation and amortization expense comprise depreciation on plant and equipment, office equipment, furniture, fixtures and buildings, computers and vehicles, as well as amortization of computer software, tenancy rights, trademark, brand names and right of use assets, which primarily consists of leases of certain retail premises that we lease.

Other expenses. Other expenses primarily comprise (i) job charges, which relate to charges in respect of services received from jobbers, who perform various stages of the garment manufacturing process, (ii) lease cost, which relate to rental expenses for leases of retail premises that we lease, but do not include right of use assets (iii) selling and distribution expense, which comprise advertisement, publicity and sales promotion expenses, commissions, and freight and forwarding expenses, and (iv) corporate social responsibility expenditure, which relate to costs associated with our CSR initiatives, such as our contributions through the Manas Foundation to promote informal

education to tribal children, improve preventive healthcare and sanitation, and ensure environmental sustainability and animal welfare.

Tax expense

Tax expense consists of current tax and deferred tax.

Our Results of Operations

The following table sets forth select financial data for the six months ended September 30, 2021 and 2020 and the financial years 2021, 2020 and 2019, the components of which are also expressed as a percentage of total income for such periods/years:

	For the Six Months Ended September 30,				For the Financial Year Ended March 31,					
	2021		2020		2021		2020		2019	
	(₹ in millions, except percentages)									
Income:										
Revenue from operations	3,598.43	92.91%	717.05	65.85%	5,648.16	90.37%	9,155.49	96.58%	8,007.42	97.68%
Other income	274.47	7.09%	371.89	34.15%	602.03	9.63%	324.27	3.42%	190.57	2.32%
Total income	3,872.90	100.0%	1,088.94	100.0%	6,250.19	100.00%	9,479.76	100.00%	8,197.99	100.00%
Expenses:										
Cost of materials used:										
Raw materials	419.72	10.84%	122.48	11.25%	554.85	8.88%	928.61	9.80%	742.08	9.05%
Accessories and packing materials	67.08	1.73%	28.83	2.65%	100.81	1.61%	146.43	1.54%	120.20	1.47%
Purchases of stock-in-trade	582.13	15.03%	70.45	6.47%	707.61	11.32%	1,682.39	17.75%	1,367.39	16.68%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(163.88)	(4.23)%	(140.94)	(12.94)%	100.04	1.60%	(245.21)	(2.59)%	(3.81)	(0.05)%
Employee benefits expense	230.32	5.95%	171.31	15.73%	381.07	6.10%	532.96	5.62%	472.13	5.76%
Finance costs	122.35	3.16%	134.15	12.32%	258.22	4.13%	256.06	2.70%	196.30	2.39%
Depreciation and amortisation expense	431.15	11.13%	491.00	45.09%	955.29	15.28%	887.34	9.36%	643.00	7.84%
Other expenses	859.32	22.19%	425.83	39.11%	1,373.13	21.97%	2,172.77	22.92%	1,951.32	23.80%
Total expenses	2,548.19	65.80%	1,303.11	119.68%	4,431.02	70.89%	6,361.35	67.10%	5,488.61	66.94%
Profit / (loss) before tax	1,324.71	34.20%	(214.17)	(19.68)%	1,819.17	29.11%	3,118.41	32.90%	2,709.38	33.06%
Tax expense/(credit):										
Current tax (includes charge for earlier period/years)	320.28	8.27%	-	0.00%	433.30	6.93%	796.51	8.40%	865.67	10.56%
Deferred Tax charge /(credit)	20.36	0.53%	(37.70)	(3.46)%	56.84	0.91%	(44.47)	(0.47)%	79.44	0.97%
Profit / (loss) for the period/year	984.07	25.40%	(176.47)	(16.22)%	1,329.03	21.27%	2,366.37	24.97%	1,764.27	21.53%

Six months ended September 30, 2021 compared to the six months ended September 30, 2020

Total Income

Our total income increased to ₹3,872.90 million for the six months ended September 30, 2021 from ₹1,088.94 million for the six months ended September 30, 2020, primarily due to an increase in revenue from operations, which was partially offset by a decrease in our other income.

Revenue from operations. Our revenue from operations increased to ₹3,598.43 million for the six months ended September 30, 2021 from ₹717.05 million for the six months ended September 30, 2020, primarily due to disruptions caused by the COVID-19 pandemic on our business and the temporary closure of stores due to lockdowns imposed in various parts of India during the six months ended September 30, 2020, which resulted in lower sales of our products during that period.

Other income. Our other income decreased by 26.20% to ₹274.47 million for the six months ended September 30, 2021 from ₹371.89 million for the six months ended September 30, 2020, primarily due to reduction in rent concession on lease arrangements to ₹71.65 million for the six months ended September 30, 2021 from ₹248.72 million for the six months ended September 30, 2020, which was partially offset by an increase in insurance claims received to ₹52.97 million for the six months ended September 30, 2021 from ₹1.21 million for the six months ended September 30, 2020.

Expenses

Cost of materials used. Our cost of materials used, representing the aggregate of our cost of raw materials and cost of accessories and packing materials, increased by 221.72% to ₹486.80 million for the six months ended September 30, 2021 from ₹151.31 million for the six months ended September 30, 2020, primarily due to the reduced production of finished goods due to adverse impact of the COVID-19 pandemic on quantities sold during the six months ended September 30, 2020.

Purchases of stock-in-trade. Our purchases of stock-in-trade increased to ₹582.13 million for the six months ended September 30, 2021 from ₹70.45 million for the six months ended September 30, 2020, primarily due to the adverse impact of the COVID-19 pandemic during the six months ended September 30, 2020, which led to lower quantities of stock-in-trade purchased and sold.

Changes in inventories of finished goods, work-in-progress and stock-in-trade. Our changes in inventories of finished goods, work-in-progress and stock-in-trade increased by 16.28% to ₹(163.88) million for the six months ended September 30, 2021 from ₹(140.94) million for the six months ended September 30, 2020. This was primarily on account of an increase in change of closing stock of inventories in anticipation of higher sales volume.

Employee benefits expense. Our employee benefits expense increased by 34.45% to ₹230.32 million for the six months ended September 30, 2021 from ₹171.31 million for the six months ended September 30, 2020, primarily due to increase in salaries, wages and bonus (including Directors' remuneration) to ₹209.17 million for the six months ended September 30, 2021 from ₹155.61 million for the six months ended September 30, 2020.

Finance costs. Our finance costs decreased by 8.80% to ₹122.35 million for the six months ended September 30, 2021 from ₹134.15 million for the six months ended September 30, 2020. This was primarily due to a decrease in interest expenses on lease liabilities to ₹99.05 million for the six months ended September 30, 2021 from ₹106.15 million for the six months ended September 30, 2020, primarily on account of decrease in interest cost for existing stores as well as decrease on account of EBO store closure and expiry of lease term considered as per IND AS 116 which was partially off set by impact of new store additions.

Depreciation and amortisation expense. Our depreciation and amortisation expense decreased by 12.19% to ₹431.15 million for the six months ended September 30, 2021 from ₹491.00 million for the six months ended September 30, 2020. This was primarily due to a decrease in depreciation on rights of use assets to ₹383.79 million for the six months ended September 30, 2021 from ₹430.52 million for the six months ended September 30, 2020, primarily on account of completion of right of use amortization period for certain right of use assets as per IND AS 116.

Other expenses. Our other expenses increased to ₹859.32 million for the six months ended September 30, 2021 from ₹425.83 million for the six months ended September 30, 2020, primarily due to:

- (i) an increase job charges to ₹313.72 million for the six months ended September 30, 2021 from ₹131.78 million for the six months ended September 30, 2020, attributable to an increase in production of finished goods to cater to our higher sales volumes;
- (ii) an increase in lease cost to ₹209.65 million for the six months ended September 30, 2021 from ₹92.38 million for the six months ended September 30, 2020, attributable to lower rent concessions received in the six months ended September 30, 2021 in relation to the COVID-19 related lockdowns as compared to that received in the six months ended September 30, 2020 as well as an increase in the number of retail outlets under lease arrangements that are not recognized as right of use assets; and
- (iii) an increase in selling and distribution expenses for freight and forwarding expenses to ₹49.75 million for the six months ended September 30, 2021 from ₹4.93 million for the six months ended September 30, 2020, attributable to higher dispatches of our products.

Total Tax expenses for the period

Our total tax expense increased to ₹340.64 million for the six months ended September 30, 2021 from ₹(37.70) million for the six months ended September 30, 2020. Our tax expenses for the six months ended

September 30, 2021 comprised a current tax of ₹320.28 million and a deferred tax charge of ₹20.36 million. Our tax expenses for the six months ended September 30, 2020 comprised a deferred tax credit of ₹37.70 million, and did not include a current tax charge. We had a profit before tax for the six months ended September 30, 2021 as compared to a loss before tax for the six months ended September 30, 2020. Our effective tax rate was 25.71% and 17.60% for the six months ended September 30, 2021 and 2020, respectively.

Profit/ (loss) for the period

Consequently, our profit for the period increased to ₹984.07 million for the six months ended September 30, 2021 from a loss for the period of ₹176.47 million for the six months ended September 30, 2020.

Financial Year 2021 compared to the Financial Year 2020

Total Income

Our total income decreased by 34.07% to ₹6,250.19 million for the financial year 2021 from ₹9,479.76 million for the financial year 2020, due to a decrease in revenue from operations, which was partially offset by an increase in other income.

Revenue from operations. Our revenue from operations decreased by 38.31% to ₹5,648.16 million for the financial year 2021 from ₹9,155.49 million for the financial year 2020, due to the effect of the COVID-19 pandemic on our business and the temporary closure of stores due to lockdowns imposed in various parts of India, which resulted in lower sales of our products.

Other income. Our other income increased by 85.66% to ₹602.03 million for the financial year 2021 from ₹324.27 million for the financial year 2020, primarily from:

- (i) rent concessions on lease arrangements aggregating to ₹338.97 million for the financial year 2021, as compared to the financial year 2020 where we did not receive any such rent concessions;
- (ii) a gain on termination of lease arrangements aggregating to ₹13.52 million for the financial year 2021, as compared to the financial year 2020 during which there were no such termination of lease arrangements; and
- (iii) an increase in profit on fair valuation of investments carried at FVTPL, relating to investments held by us which had increased from ₹15.14 million for the financial year 2020 to ₹31.42 million in the financial year 2021,

which were partially offset by:

- (i) reduction in dividend income from mutual funds for the financial year 2021, from ₹38.09 million received during financial year 2020 to no amount received during the financial year 2021;
- (ii) reduction in profits on sale of investments for the financial year 2021, from profits of ₹62.87 million from such sale during financial year 2020 to ₹47.24 million during the financial year 2021; and
- (iii) reduction in insurance claim received to ₹3.92 million during the financial year 2021 from ₹26.81 million during the financial year 2020.

Expenses

Cost of materials used. Our cost of materials used, which represents the aggregate of cost of raw materials and cost of accessories and packing materials, decreased by 39.01% to ₹655.66 million for the financial year 2021 from ₹1,075.04 million for the financial year 2020, primarily on account of the reduced production of finished goods due to adverse impact of the COVID-19 pandemic on quantities sold during the financial year 2021.

Purchases of stock-in-trade. Our purchases of stock-in-trade decreased by 57.94% to ₹707.61 million for the financial year 2021 from ₹1,682.39 million for the financial year 2020, primarily due to the adverse impact of the COVID-19 pandemic, which led to lower quantities of stock-in-trade purchased and sold.

Changes in inventories of finished goods, work-in-progress and stock-in-trade. Our changes in inventories of finished goods, work-in-progress and stock-in-trade increased to ₹100.04 million at the end of the financial year 2021 from ₹(245.21) million at the end of the financial year 2020. This was primarily on account of a decrease in

closing stock of inventories.

Employee benefits expense. Our employee benefits expense decreased by 28.50% to ₹381.07 million for the financial year 2021 from ₹532.96 million for the financial year 2020, primarily due to a decrease in salaries, wages and bonus (including Directors' remuneration).

Depreciation and amortisation expense. Our depreciation and amortisation expense increased by 7.66% to ₹955.29 million for the financial year 2021 from ₹887.34 million for the financial year 2020, primarily due to increase in the depreciation of right of use assets to ₹836.31 million for the financial year 2021 from ₹763.21 million for the financial year 2020, primarily due to an increase in the number of retail premises under lease arrangements for use by our franchisees.

Other expenses. Our other expenses decreased by 36.80% to ₹1,373.13 million for the financial year 2021 from ₹2,172.77 million for the financial year 2020, primarily due to:

- (i) a 37.46% decrease in job charges to ₹414.48 million for the financial year 2021 from ₹662.76 million in the financial year 2020, primarily attributable to lower manufacturing levels due to adverse effects of the COVID-19 pandemic on our revenue from operations for the financial year 2021;
- (ii) a 14.07% decrease in lease cost to ₹294.28 million for the financial year 2021 from ₹342.47 million for the financial year 2020, from negotiations and concessions in respect of lease arrangements (not including those relating to right of use assets and related lease liabilities) due to temporary closures of certain stores as a result of lockdowns imposed in relation to the COVID-19 pandemic;
- (iii) a 60.76% decrease in advertisement, publicity and sales promotion expenses to ₹272.15 million for the financial year 2021 from ₹693.52 million for the financial year 2020, due to a decision to reduce our advertisement expenses; and
- (iv) a significant decrease in freight and forwarding expenses to ₹43.25 million for the financial year 2021 from ₹88.85 million for the financial year 2020, as well as decreases in travelling and conveyance expenses, commission expenses, as well as legal and professional fees, primarily due to decrease in operation levels as a result of the adverse impact of the COVID-19 pandemic.

Total tax expense

Our total tax expense decreased by 34.83% to ₹490.14 million for the financial year 2021 from ₹752.04 million for the financial year 2020, primarily on account of reduction in profit before tax due to lower revenue from operations caused by disruptions arising from the COVID-19 pandemic. Our tax expenses for the financial year 2021 comprised a current tax (including charges for earlier periods) of ₹433.30 million and deferred tax charge of ₹56.84 million. Our tax expenses for the financial year 2020 comprised a current tax (including charges for earlier periods) of ₹796.51 million and deferred tax credit of ₹44.47 million. Our effective tax rate was 26.94% and 24.12% for the financial year 2021 and 2020, respectively.

Profit for the year

Consequently, our profit for the financial year 2021 decreased by 43.84% to ₹1,329.03 million from ₹2,366.37 million for the financial year 2020.

Financial Year 2020 compared to the Financial Year 2019

Total Income

Our total income increased by 15.64% to ₹9,479.76 million for the financial year 2020 from ₹8,197.99 million for the financial year 2019, due to an increase in revenue from operations and an increase in other income.

Revenue from operations. Our revenue from operations increased by 14.34% to ₹9,155.49 million for the financial year 2020 from ₹8,007.42 million for the financial year 2019, which was attributable to the strong performance of our franchisee-owned EBOs, pursuant to which we were able to sell higher volumes of products.

Other income. Our other income increased by 70.16% to ₹324.27 million for the financial year 2020 from ₹190.57 million for the financial year 2019, primarily due to:

- (i) a significant increase in interest income to ₹158.06 million for the financial year 2020 from ₹49.91 million for the financial year 2019, which was mainly attributable to an increase in our interest income on fixed deposits to ₹53.42 million for the financial year 2020 from ₹12.29 million for the financial year 2019, and an increase in our interest income on bonds and debentures to ₹78.75 million for the financial year 2020 from ₹19.07 million for the financial year 2019;
- (ii) a significant increase in profit on fair valuation of investments carried at FVTPL to ₹15.14 million for the financial year 2020 from ₹3.77 million for the financial year 2019, due to increase in their fair valuation at the end of the year and increase in investments from net cashflows during the year;
- (iii) a significant increase in insurance claim received to ₹26.81 million for the financial year 2020 from ₹1.75 million for the financial year 2019, due to an increase in insurance claims received towards fire insurance;

which were partially offset by a decrease in the profit on sale of investments to ₹62.87 million for the financial year 2020 from ₹76.35 million for the financial year 2019.

Expenses

Cost of materials used. Our cost of materials used, comprising cost of raw materials and cost of accessories and packing materials, increased by 24.67% to ₹1,075.04 million for the financial year 2020 from ₹862.28 million for the financial year 2019, primarily on account of our increase in production for sale.

Purchases of stock-in-trade. Our cost of purchases of stock-in-trade increased by 23.04% to ₹1,682.39 million for the financial year 2020 from ₹1,367.39 million for the financial year 2019, primarily due to increase in the quantities of purchase of products for sale.

Changes in inventories of finished goods, work-in-progress and stock-in-trade. Our changes in inventories of finished goods, work-in-progress and stock-in-trade increased to ₹(245.21) million from ₹(3.81) million at the end of the financial year 2019, primarily due to an increase in closing stock of inventories in anticipation of increases in the volume of sales in the following year.

Employee benefits expense. Our employee benefits expense increased by 12.88% to ₹532.96 million for the financial year 2020 from ₹472.13 million for the financial year 2019, primarily due to an increase in salaries, wages and bonus (including Directors' remuneration) to ₹493.17 million for the financial year 2020 from ₹430.22 million for the financial year 2019.

Finance costs. Our finance costs increased by 30.44% to ₹256.06 million for the financial year 2020 from ₹196.30 million for the financial Year 2019, primarily due to an increase in interest expense on lease liabilities to ₹208.57 million for the financial Year 2020 from ₹152.80 million for the financial year 2019, which was mainly attributable to an increase in the number of new leases that we entered into, as well as an increase in assets classified as right of use assets. Our accounting policy on leases was modified due to the application of Ind AS 116, resulting in the recognition of interest costs. For further details, see “– Significant Accounting Policies – Leases” on page 277.

Depreciation and amortisation expense. Our depreciation and amortisation expense increased by 38.00% to ₹887.34 million for the financial year 2020 from ₹643.00 million for the financial year 2019, primarily due to:

- (i) a 34.52% increase in the depreciation of right of use assets to ₹763.21 million for the financial year 2020 from ₹567.35 million for the financial year 2019, which was primarily attributable to an increase in the number retail premises obtained under lease arrangements; and
- (ii) a significant increase in the amortisation of intangible assets to ₹30.24 million for the financial year 2020 from ₹2.98 million for the financial year 2019, primarily attributable to a substantial addition under the asset heads “Trade Mark, Brand & Others” and “Tenancy Rights” during the financial year 2020.

Other expenses. Our other expenses increased by 11.35% to ₹2,172.77 million for the financial year 2020 from ₹1,951.32 million for the financial year 2019, primarily due to:

- (i) a 14.74% increase in job charges to ₹662.76 million for the financial year 2020 from ₹577.63 million in the Financial Year 2019, attributable to increase in production of finished goods to cater to our higher sales volumes;

- (ii) a 39.90% increase in freight and forwarding expenses to ₹88.85 million for the financial year 2020 from ₹63.51 million in the financial year 2019, attributable to higher dispatches of our products; and
- (iii) a 10.22% increase in lease cost to ₹342.47 million for the financial year 2020 from ₹310.71 million in the financial year 2019, attributable to an increase in the number of retail outlets obtained under lease arrangements that are not recognized as right of use assets.

Total tax expenses

Our total tax expenses decreased by 20.43% to ₹752.04 million for the financial year 2020 from ₹945.11 million for the financial year 2019, as we elected to exercise the option of a lower corporate tax rate under Section 115BAA of the Income-tax Act, 1961 introduced by the Taxation Laws (Amendment) Ordinance, 2019. Our tax expense for the financial year 2020 comprised of current tax (including charges for earlier periods/years) of ₹796.51 million and deferred tax credit of ₹44.47 million, while our tax expense for the financial year 2019 comprised of current tax (including charges for earlier periods/years) of ₹865.67 million and deferred tax charge of ₹79.44 million. Our effective tax rate was 24.12% and 34.88% for the financial year 2020 and 2019, respectively.

Profit for the year.

As a result of the foregoing, our profit for the year increased by 34.13% to ₹2,366.37 million for the financial year 2020 from ₹1,764.27 million for the financial year 2019.

Liquidity and Capital Resources

Our primary sources of liquidity include cash generated from operations. As on September 30, 2021, we had cash and cash equivalents of ₹42.98 million, bank balances (other than cash and cash equivalents) of ₹4.94 million and undrawn facilities of ₹1,220 million.

Our financing requirements are primarily for working capital. We expect that cash flow from operations will continue to be our principal sources of funds in the long-term. We evaluate our funding requirements periodically in light of our net cash flow from operating activities, the requirements of our business and operations, and market conditions.

Selected Balance Sheet Items for Certain Periods / Years

Assets

Total investments: Our total investments (including both current investments and non-current investments) increased from ₹4,009.81 million in Financial Year 2020 to ₹5,355.70 million in Financial Year 2021, primarily due to:

- investments made during Financial Year 2021 out of the net cash flow from operating activities; the net cash flow generated from operating activities in the Financial Year 2021 was ₹2,526.22 million
- amount paid towards buyback of shares (including tax) of ₹1,084.41 million for the Financial Year 2021;
- cash outflow due to purchase of property, plant and equipment, capital work in progress and intangible assets (including capital advances) aggregating to ₹284.39 million incurred in Financial Year 2020 on various projects undertaken by the Company as compared to ₹124.99 million incurred in Financial Year 2021; and
- a higher amount of advance from customer aggregating to ₹321.37 million (net of GST) in Financial Year 2021 as compared to ₹99.69 million (Net of GST) received in financial year 2020.

Other assets – Current: Our other assets – current increased from ₹336.22 million as of March 31, 2021 to ₹418.53 million as of September 30, 2021, primarily due to (i) an increase in balance with statutory / government authorities from ₹29.95 million as of March 31, 2021 to ₹101.40 million, as of September 30, 2021; and (ii) an increase in prepaid expenses from ₹35.47 million as of March 31, 2021 to ₹40.84 million as of September 30, 2021, partially offset by a decrease in right of return assets from ₹263.10 million as of March 31, 2021 to ₹261.83 million as of September 30, 2021.

Bank balances other than cash and cash equivalents. Our bank balances other than cash and cash equivalents decreased from ₹4.96 million as of March 31, 2021 to ₹4.94 million as of September 30, 2021, primarily due to redemption of fixed deposits having a maturity greater than three months but less than 12 months.

Liabilities

Total lease liabilities. Our total lease liabilities (including current lease liabilities and non current lease liabilities) decreased from ₹2,427.47 million as of March 31, 2020 to ₹2,103.74 million as of March 31, 2021, primarily due to:

- cash outflow towards payment of lease liabilities for the year ended March 31, 2021 aggregating to ₹578.11 million;
- rent concession on lease arrangements aggregating ₹338.97 million as of March 31, 2021; and
- a deletion during the year on account of termination of lease agreements aggregating to ₹127.48 million, as of March 31, 2021;
- partially offset by an addition during the year aggregating to ₹516.13 million for lease arrangements entered into during Financial Year 2021, and accretion of interest for the Financial Year 2021 aggregating to ₹204.70 million.

Other current liabilities. Our other current liabilities increased from ₹940.43 million in Financial Year 2020 to ₹1,239.16 million in Financial Year 2021, primarily due to amount of advance received from customer against sale agreements of capital assets aggregating ₹221.68 million (net of GST) during the Financial Year 2021.

Selected Items of Other Financial Information Items for Certain Years

Net worth. Our net worth increased from ₹10,652.52 million in Financial Year 2020 to ₹10,906.48 million in Financial Year 2021, primarily due to profit for the year for Financial Year 2021 aggregating to ₹1,329.03 million partly offset by buyback of shares (including tax) aggregating to ₹1,084.41 million.

Earnings per Share. Our basic and diluted earnings per share (EPS) decreased from ₹9.45 in Financial Year 2020 to ₹5.36 in Financial Year 2021, primarily due to a decrease in profit for the year from ₹2,366.37 million in Financial Year 2020 to ₹1,329.03 million in Financial Year 2021.

Buy Back of Shares

During Financial Year 2021, our Company bought back 1,294,121 fully paid-up equity shares of face value of ₹2 each from our equity shareholders for a total cash outflow of ₹1,084.41 million (including tax). This contributed to an increase in net cash used in financing activities. The shares bought back had a nominal value of ₹2.59 million, which was transferred from securities premium account to capital redemption reserve. The securities premium account decreased by the amount utilized, aggregating to ₹1,084.41 million.

During the six months ended September 30, 2021, our Company bought back 2,717,172 fully paid-up equity shares of face value of ₹2 each from our equity shareholders for a total cash outflow of ₹3,313.31 million (including tax). This contributed to an increase in net cash used in financing activities. The shares bought back had a nominal value of ₹5.43 million, which was transferred from retained earnings to capital redemption reserve. The securities premium account decreased by the amount utilized, aggregating to ₹1,298.87 million, and retained earnings decreased by the amount utilized, aggregating to ₹2,014.44 million, including ₹5.43 million which was transferred from retained earnings to capital redemption reserve.

Cash Flows

The following table sets forth our cash flows data for the period and years indicated below:

	For the Six Months Ended September 30,		For the Financial Year Ended March 31,		
	2021	2020	2021	2020	2019
	(₹ in millions)				
Net cash flow from operating activities	607.01	24.71	2,526.22	2,434.47	2,348.38
Net cash flow from / (used) in investing activities	2,985.63	1,203.24	(884.15)	(957.37)	(1,628.91)

	For the Six Months Ended September 30,		For the Financial Year Ended March 31,		
	2021	2020	2021	2020	2019
	(₹ in millions)				
Net cash used in financing activities	(3,615.76)	(1,263.08)	(1,664.63)	(1,409.83)	(709.90)
Net (decrease)/increase in Cash and Cash Equivalents	(23.12)	(35.13)	(22.56)	67.27	9.57

Operating Activities

Net cash flow from operating activities was ₹607.01 million for the six months ended September 30, 2021. While our profit before tax was ₹1,324.71 million, we had an operating profit before working capital changes of ₹1,664.97 million, primarily due to depreciation and amortisation expenses of ₹431.15 million and finance cost on lease liabilities of ₹99.05 million, partially offset by rent concession on lease arrangements of ₹71.65 million, interest income of ₹30.36 million and profit on fair valuation of investments carried at FVTPL of ₹54.40 million. Our movement in working capital primarily consisted of an increase in trade receivables of ₹396.27 million, an increase in inventories of ₹224.59 million and an increase in other financial assets of ₹99.95 million, which were partially offset by an increase in trade payables of ₹121.76 million and increase in other financial and non financial liabilities of ₹48.39 million. Our income taxes paid (net of refund) was ₹419.73 million for the six months ended September 30, 2021.

Net cash flow from operating activities was ₹24.71 million for the six months ended September 30, 2020. While our loss before tax was ₹214.17 million, we had an operating profit before working capital changes of ₹52.86 million, primarily due to depreciation and amortisation expenses of ₹491.00 million and finance cost on lease liabilities of ₹106.15 million, partially offset by rent concession on lease arrangements of ₹248.72 million and interest income of ₹88.77 million. Our movement in working capital primarily consisted of a decrease in trade receivables of ₹289.26 million, which was partially offset by a decrease in trade payables of ₹244.43 million. Our income taxes paid (net of refund) was ₹68.83 million for the six months ended September 30, 2020.

Net cash flow from operating activities was ₹2,526.22 million for the financial year 2021. While our profit before tax was ₹1,819.17 million, we had an operating profit before working capital changes of ₹2,471.61 million, primarily due to depreciation and amortisation expenses of ₹955.29 million and finance cost on lease liabilities of ₹204.70 million, were partially offset by rent concession on lease arrangements of ₹338.97 million and interest income of ₹136.97 million. Our changes in working capital for the financial year 2021 primarily consisted of a decrease in trade receivables of ₹115.84 million, a decrease in inventories of ₹196.22 million, partially offset by a decrease in trade payables of ₹27.07 million. Our income taxes paid (net of refund) was ₹344.84 million for the financial year 2021.

Net cash flow from operating activities was ₹2434.47 million for the financial year 2020. While our profit before tax was ₹3,118.41 million, we had an operating profit before working capital changes of ₹3,989.08 million, primarily due to depreciation and amortisation expense of ₹887.34 million and finance cost on lease liabilities of ₹208.57 million, partially offset by interest income of ₹158.06 million. Our changes in working capital for the financial year 2020 primarily consisted of an increase in trade receivables of ₹356.26 million, an increase in inventories of ₹299.11 million and an increase in other financial assets of ₹111.70 million, partially offset by an increase in other payables of ₹146.93 million. Our income taxes paid (net of refund) was ₹750.30 million for the financial year 2020.

Net cash flow from operating activities was ₹2,348.38 million for the financial year 2019. While our profit before tax was ₹2,709.38 million, we had an operating profit before working capital changes of ₹3,369.39 million, primarily due to depreciation and amortisation expense of ₹643.00 million and finance cost on lease liabilities of ₹152.80 million, partially offset by profit on sale of investments of ₹76.35 million. Our changes in working capital for the financial year 2019 primarily consisted of an increase in trade receivables of ₹165.15 million, partially offset by an increase in trade payables of ₹153.08 million. Our incomes taxes paid (net of refund) was ₹954.43 million for the financial year 2019.

Investing Activities

Net cash flow from investing activities was ₹2,985.63 million for the six months ended September 30, 2021, primarily comprising of cash inflow from sale/redemption of investments of ₹5,996.57 million and cash outflows of ₹3,297.65 million towards purchase of investments.

Net cash flow from investing activities was ₹ 1,203.24 million for the six months ended September 30, 2020, comprising of:

- (i) cash inflow from sale/redemption of investments ₹2,493.76 million, partially offset by cash outflows from purchase of investments of ₹1,078.46 million; and
- (ii) cash inflow from deposits matured of ₹300.04 million and cash outflow from deposits placed of ₹575.04 million.

Net cash used in investing activities was ₹884.15 million for the financial year 2021, comprising of:

- (i) cash outflow for purchase of investments of ₹8,033.85 million, and cash inflow from sale or redemption of investments of ₹6,609.97 million;
- (ii) cash outflow for deposit placed of ₹727.54 million and cash inflow from deposits matured of ₹1,005.82 million; and
- (iii) cash inflow of ₹275.69 million from the proceeds from sale of property, plant and equipment and intangible assets (including advances received).

Net cash used in investing activities was ₹957.37 million for the financial year 2020, comprising of:

- (i) cash outflow on purchase of investments of ₹9,784.82 million;
- (ii) cash inflow of ₹8,339.92 million from sale or redemption of investments; and
- (iii) cash inflow of ₹1,450.50 million from deposits matured, and cash outflow of ₹886.28 million due to deposits placed.

Net cash used investing activities was ₹1,628.91 million for the financial year 2019, comprising of:

- (i) cash outflow on purchase of investments for ₹5,843.07 million, partially offset by sale or redemption of investments of ₹5,380.19 million; and
- (ii) cash inflow of ₹36.00 million from deposits matured and cash outflow of ₹1,170.00 million due to deposits placed.

Financing Activities

Net cash used in financing activities was ₹3,615.76 million for the six months ended September 30, 2021, on:

- (i) buy back of shares (including tax) thereon of ₹3,313.31 million; and
- (ii) principal payment of lease liabilities of ₹201.23 million and interest on lease liabilities of ₹99.05 million thereon.

Net cash used in financing activities was ₹1,263.08 million for the six months ended September 30, 2020, on:

- (i) buy back of shares (including tax) thereon of ₹1,084.41 million; and
- (ii) principal payment of lease liabilities of ₹73.18 million and interest on lease liabilities of ₹105.12 million thereon.

Net cash used in financing activities was ₹1,664.63 million for the financial year 2021, on:

- (i) buy back of shares (including tax) thereon of ₹1,084.41 million; and
- (ii) principal payment of lease liabilities of ₹373.41 million and interest on lease liabilities of ₹204.70 million thereon.

Net cash used in financing activities was ₹1,409.83 million for the financial year 2020, on:

- (i) dividend paid (including corporate dividend tax) of ₹603.87 million; and

- (ii) principal payment of lease liabilities of ₹594.63 million and interest on lease liabilities of ₹208.57 million thereon.

Net cash used in financing activities was ₹709.90 million for the financial year 2019, on:

- (i) principal payment of lease liabilities of ₹428.45 million and interest on lease liabilities of ₹152.80 million thereon; and
- (ii) decrease in cash credit of ₹126.00 million.

Capital and Other Commitments

As of September 30, 2021, the estimated amount of contracts remaining to be executed on capital account was ₹1.21 million.

Contingent Liabilities

The following table sets forth our contingent liabilities (to the extent not provided for) as of September 30, 2021, as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets':

Particulars	As of September 30, 2021
	(₹ in million)
Demands/claims by various government authorities and other claims not acknowledged as debts:	
Commercial sales tax of various states	0.99
Income tax demands (excluding interest)	155.42
Demand for employee state insurance	6.98

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Analysis of Market Risks

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. As of September 30, 2021, September 30, 2020 and March 31, 2021, 2020 and 2019, our trade receivables were ₹4,011.31 million, ₹3,421.15 million, ₹3,612.42 million, ₹3,720.56 million and ₹3,327.42 million, respectively. Trade receivable includes both secured and unsecured receivables and are derived from revenue earned from domestic and overseas customers.

We have managed credit risk through taking security deposits and bank guarantees from customers, credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to whom we grant 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. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Our business depends on the timely and continual purchases of and payments for our products by our franchisee and retailing vendors, both in the short and long term. Their delay or failure to do so may adversely impact our business, cash flows and results of operations.*" on page 36.

Liquidity risk

Our 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. We believe our sources of liquidity as above along with our unused sanctioned facilities are sufficient to meet our current requirements.

Our liquidity management process involves projecting cash flows and considering the level of liquid assets necessary to meet future requirements, as well as ensuring compliance with regulatory requirements. We seek to maintain funding flexibility through an adequate amount of committed credit lines which can be drawn upon as and when required. See also "*Risk Factors – Internal Risk Factors – Risks Related to Our Business – We have*

significant working capital requirements and may require additional financing. If we fail to obtain additional financing on terms acceptable to us, or otherwise experience insufficient cash flows to fund our working capital, there may be an adverse effect on our business and results of operations.” on page 47.

Foreign exchange risk

We operate both in domestic and international markets and are exposed to foreign exchange risk through our sales in overseas countries. We hold forward contracts, such as foreign exchange forwards, to mitigate the risk of changes in exchange rates on foreign currency exposures, which may arise in relation to certain high-value export transactions.

We may continue to have more EBOs or sell our products through other retail channels in international markets. As of September 30, 2021, we had 11 overseas EBOs across the United States, Canada and the UAE. We mitigate the risk arising from foreign exchange fluctuations by closely monitoring our cash inflows based on review of expected future movements. See also “*Risk Factors – Internal Risk Factors – Risks Related to Our Business – We are subject to risks arising from exchange rate fluctuations.*” on page 51.

Commodity risk

We are exposed to the price volatility of our key raw materials and traded goods, and our operating activities require a continuous supply of key material for manufacturing products.

Our procurement department continuously monitors the fluctuation in prices and takes necessary actions to minimize our price risk exposure. See also “*Risk Factors – Internal Risk Factors – Risks Related to Our Business – Any failure to procure adequate amounts of raw materials, finished goods, accessories and packing materials of the requisite quality at competitive prices in a timely manner may adversely affect our business, results of operations and cash flows.*” on page 37.

Price risk

We are subject to price risks in relation to our investments in bonds, debentures and mutual funds. The investments are susceptible to market price risk, mainly arising from changes in the interest rates or market yields, which may impact the return on and value of such investments. To manage such price risks, we diversify our investment portfolio.

Unusual or Infrequent Events or Transactions

Except as disclosed in this Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known Trends or Uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “– *Significant Factors Affecting Our Results of Operations*” and the uncertainties described in “*Risk Factors*”, on pages 265 and 27, respectively. Except as disclosed in this Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have an adverse impact on revenues or income of our Company from continuing operations.

Future Relationship between Cost and Revenue

Other than as described in “*Risk Factors*”, “*Our Business*” and above in “– *Significant Factors Affecting our Results of Operations*” on pages 27, 136 and 265, respectively, to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New Products or Business Segments

Except as disclosed in this Red Herring Prospectus, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Supplier or Customer Concentration

We do not have any material dependence on a single or few suppliers. We have a wide customer base and do not currently have any material dependence on any particular customer. In the Financial Year 2020, we had revenue from a certain customer amounting to ₹1,125.55 million, which was more than 10% of our revenue for the financial year 2020.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections “*Risk Factors*” and “*Our Business*” on pages 27 and 136 of this Red Herring Prospectus, respectively.

Seasonality

Our business is subject to seasonal variations, which include the peak wedding season in India, as well as other holidays and festivals. For further details, see “*Risk Factors – Internal Risk Factors – Our business depends on the organization of weddings, festivals and other ethnic celebrations, and may be affected by seasonal variations, which may adversely affect our business, financial condition and results of operations.*” on page 39.

Significant Developments Occurring after September 30, 2021

Except as disclosed below, there are no circumstances that have arisen since September 30, 2021, the date of the last financial statements included in this Red Herring Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

The Company has issued 262,520 Equity Shares on October 16, 2021 pursuant to its ESOP Plan.

For further details, see “*Capital Structure*” on page 78.

Recent Accounting Pronouncements

As of the date of this Red Herring Prospectus, there are no recent accounting pronouncements, which would have a material effect on our financial condition or results of operations.

FINANCIAL INDEBTEDNESS

For details regarding the borrowing powers of our Board, see “*Our Management-Borrowing Powers*” on page 170. Our Company avails credit facilities in the ordinary course of its business for the purposes of meeting business requirements. These credit facilities include *inter alia*, overdraft facilities and working capital demand loans.

The details of aggregate indebtedness of our Company as on September 30, 2021, is set forth below:

(in ₹ million unless otherwise stated)

Category of borrowing	Sanctioned amount	Outstanding amount as on September 30, 2021*
Overdraft facilities	400.00	Nil
Line of credit for short term loans	300.00	Nil
Working capital facilities	500.00	Nil
Treasury value at risk facility	20.00	Nil
Total indebtedness	1,220.00	Nil

* As certified by Singhi and Co, Chartered Accountants, pursuant to their certificate dated January 22, 2022.

In relation to the Offer, our Company has obtained the necessary consent from the lenders, required under the relevant loan documentation for undertaking activities in relation to the Offer and in connection thereto.

Principal terms of the borrowings currently availed by our Company:

Brief details of the terms of our various borrowing arrangements are provided below and there may be similar/ additional terms, conditions and requirements under the borrowing arrangements entered into by our Company with its lenders:

- Interest:** The applicable rate of interest for the various facilities availed by our Company are typically linked to the marginal cost of lending rate over a specific period of time, and a “*spread*” per annum, plus taxes as applicable and are subject to mutual discussions between the relevant lenders and our Company. The current range of interest ranges between six months/one year MCLR and a spread of 0.50% and 8.00% (including spread).
- Tenor:** The tenor of each of the facilities availed by us, not being long term facilities, is typically for a period of up to 12 months.
- Security:** The facilities availed by our Company are typically unsecured.
- Re-payment:** The facilities availed by our Company are typically repayable on demand.
- Pre-payment:** Except for one of our existing borrowing arrangements which stipulates prepayment charges, the facilities availed by our Company typically do not stipulate pre-payment penalties, subject to ordinary course of business procedures being adopted by our Company.
- Restrictive Covenants:** The borrowing arrangements entered into by us with the Lender entails certain restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the Lender before carrying out such activities.

For instance, certain corporate actions for which we require the prior written consent of the Lender include:

- effecting any change to our Company’s shareholding pattern;
 - permitting any change in the ownership or control of our Company; and
 - effecting any changes to the management of our Company.
- Events of Default:** The borrowing arrangements entered into by us with the Lender contains certain instances, occurrence of which may result into ‘event of default’, including:
 - failure to make payment of any principal amount or interest on the relevant due dates;
 - failure to observe or comply with the terms and conditions of the borrowing arrangement;

- (c) in case our Company ceases or threatens to cease to carry on its business; and
- (d) in case any step is taken against our Company for dissolution, winding up, liquidation and/or insolvency, including the appointment of a receiver.

The details above are indicative and there may be similar additional instances that may amount to an event of default under the borrowing arrangements entered into between our Company and the lenders.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding (i) criminal proceedings involving our Company, Subsidiary, Directors, or Promoters (“**Relevant Parties**”); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) litigations involving Relevant Parties (other than proceedings covered under (i) to (iii) above) which have been determined to be “material” pursuant to the Materiality Policy.*

In accordance with the Materiality Policy, all outstanding litigation (other than outstanding criminal proceedings, actions by statutory or regulatory authorities and claims relating to direct and indirect taxes involving the Relevant Parties wherein (i) the aggregate monetary claim made by or against the Relevant Parties (individually or in the aggregate), in any such outstanding litigation, is equal to or in excess of an amount equivalent to 1% of the Company’s consolidated profit after tax or consolidated total income, whichever is lower, in the most recently completed fiscal year or (ii) where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could nonetheless have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company have been considered “material” and accordingly have been disclosed in this Red Herring Prospectus.

The consolidated profit after tax of our Company for Fiscal 2021 was ₹1,329.03 million while the consolidated total income of our Company for Fiscal 2021 was ₹6,250.19 million. Accordingly, all such outstanding litigation proceedings where the aggregate monetary claim made by or against the Relevant Parties (individually or in aggregate), in any such outstanding litigation or arbitration proceeding is equal to or in excess of ₹13.29 million (being 1% of our consolidated profit after tax in Fiscal 2021), have been disclosed in this Red Herring Prospectus.

Further, there are no: (i) disciplinary actions (including penalties) imposed by SEBI or a recognized stock exchange against any of our Promoters in the last five Fiscals immediately preceding the date of this Red Herring Prospectus, including any outstanding action; and (ii) outstanding litigation involving the Group Companies, which may have a material impact on our Company.

For the purposes of the above, pre-litigation notices received by the Relevant Parties or the Group Companies from third parties (excluding notices issued by statutory or regulatory authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered “material” until such time that the Relevant Parties are impleaded as a defendant before any judicial or arbitral forum.

Further, in accordance with the Materiality Policy, our Company has considered such creditors to be ‘material’, to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as of September 30, 2021. The consolidated trade payables of our Company as on September 30, 2021 was ₹613.79 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor individually exceeds ₹30.69 million as on September 30, 2021.

Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

LITIGATION INVOLVING OUR COMPANY

(a) **Outstanding litigation proceedings against our Company**

(i) **Criminal proceedings**

As on the date of this Red Herring Prospectus, except as stated below and in “-Outstanding actions by regulatory or statutory authorities”, there are no criminal proceedings filed against our Company.

1. Subsequent to an inspection carried out at one of the stores of our Company operated by one of our franchisees, the inspector of the Legal Metrology Department, Government of N.C.T. of Delhi (“**Authority**”) seized certain garments namely “Manyavar” branded Kurtas manufactured by our Company, issued an inspection report dated June 23, 2016 and a show cause notice dated June 28, 2016, further stamped on October 5, 2016 (“**SCN**”) to our Company for allegedly

contravening the requirement of mentioning the size on the garment, under certain provisions of the Legal Metrology Act, 2009. As per the SCN, our Company was given the opportunity of hearing on July 13, 2016 and October 13, 2016 for compounding of the alleged offence. Our Company paid the compounding fees to the Weights and Measures Department, Government of N.C.T. of Delhi on May 25, 2016 and June 23, 2016 respectively, receipts for which were issued to our Company on August 17, 2016. In the letter from our Company to the Authority dated August 16, 2016, in response to the SCN, our Company assured the Authority that such an act would not be repeated and requested that the Authority settle the matter. However, subsequently, a criminal complaint was filed by the Weights and Measures Department, Government of N.C.T. Delhi against our Company before the Metropolitan Magistrate, Patiala House Court, New Delhi ("**Patiala House Court**") due to alleged non-appearance by our Company on July 13, 2016 and October 13, 2016 for the compounding of the offence. On March 14, 2017, the Patiala House Court passed an interim order acknowledging the compounding of the offence by our Company with the Authority and asked the Weights and Measures Department to verify the receipt before the next hearing on April 16, 2017. However, the Patiala House Court issued summons on January 29, 2019 for appearance on July 17, 2019 for alleged violations of certain provisions of the Legal Metrology Act, 2009 and failure to compound the offence. The matter is currently pending.

2. Pursuant to an inspection of one of the stores of our Company, operated by one of our franchisees, the Inspector of Legal Metrology, New Delhi, issued an inspection report dated June 7, 2014 and subsequently the Controller of Legal Metrology, N.C.T. Delhi ("**Authority**") issued a show cause notice for the alleged contravention of the requirement of disclosing the size of the garment on the label, under certain provisions of the Legal Metrology Act, 2009. Our Company was given the opportunity of hearing and compounding the alleged offence before the Authority on October 9, 2014. However, before the matter could be compounded before the Authority, a criminal complaint was filed against our Company by the Weights and Measures Department Government of N.C.T. Delhi before the Metropolitan Magistrate, Patiala House Court, New Delhi, ("**Patiala House Court**"). Pursuant to the criminal complaint, summons were issued to our Company on January 30, 2019 for appearance before the Patiala House Court on July 19, 2019. Our Company is under the process of compounding the matter. The matter is currently pending.
3. Pursuant to an inspection of one of the stores of our Company, operated by one of our franchisees, the inspector of the Weights and Measures Department Government of N.C.T. Delhi ("**Authority**") issued an inspection report dated July 22, 2019, and subsequently a show cause notice on September 9, 2019 further stamped on September 26, 2019 ("**SCN**"), for the alleged contravention of the requirement of mentioning the quantity in proper manner and the date of manufacture and packaging on the package under certain provisions of the Legal Metrology Act, 2009. Our Company was given the opportunity of hearing by the Authority on September 24, 2019 and October 10, 2019. In its reply to the SCN, dated September 23, 2019, our Company prayed to the Authority for compounding of the offence with a reasonable amount of penalty. Before such compounding could take place, on February 4, 2020, the Metropolitan Magistrate, Karkardooma Court, Delhi, issued summons to our Company and our franchisee for appearance on March 19, 2020 for compounding. The matter is currently pending.

(ii) ***Outstanding actions by regulatory or statutory authorities***

As on the date of this Red Herring Prospectus, except as stated below, there are no outstanding actions by regulatory or statutory authorities filed against our Company.

1. Subsequent to an inspection carried out at one of the stores of our Company, operated by one of our franchisees, the inspector of the Legal Metrology Department, Government of Maharashtra ("**Authority**") issued a *panchnama* dated April 2, 2019 and a show cause notice dated June 7, 2019 ("**SCN**") to our Company, for the seizure of certain pre-packed packages of our products including shoes ("**Products**"), for allegedly contravening certain provisions of the

Legal Metrology Act, 2009, relating to marking the month and year of manufacturing, packing or importing and the place of manufacture on the products. Our Company made a written representation responding to the SCN before the Controller of Legal Metrology on June 15, 2019 and before the Inspector of Legal Metrology on July 22, 2019, denying all allegations and requesting the Authority to withdraw the *panchnama* and SCN. On July 22, 2019, the Authority issued an intimation letter to our Company, for appearance before the Chief Additional Metropolitan Magistrate, Dadar, Mumbai, Maharashtra (“**Magistrate**”) on August 21, 2019. Our Company responded to the intimation letter of the Authority on August 2, 2019, requesting it to respond to the written representation made by our Company and to refrain from proceeding against our Company without providing the opportunity of hearing. Subsequently, on August 21, 2019, a criminal case was instituted against our Company and directors (which is yet to be admitted) before the Magistrate under certain provisions of the Legal Metrology Act, 2009. Our Company filed a writ petition on August 14, 2019, before the High Court of Judicature at Bombay (“**Bombay High Court**”) challenging the seizure of the products and the intimation letter. Subsequently, an interim order was obtained on November 18, 2019 stating that no coercive action be taken by the Authority pursuant to the impugned SCN. The matter is currently pending.

2. Subsequent to an inspection carried out at one of the stores of our Company, operated by one of our franchisees, the Legal Metrology Department Varanasi, Uttar Pradesh (“**Authority**”) issued a *panchnama* dated February 7, 2019 and a show cause notice dated March 19, 2019 (“**SCN 1**”) to our Company, alleging that certain garments manufactured by our Company contravened the minimum measurement requirement under certain provisions of the Legal Metrology Act, 2009. Subsequently, by way of its responses dated June 17, 2019 and August 13, 2019, our Company requested the Authority for an opportunity to compound the alleged offences with a prescribed minimum penalty. Thereafter, by way of a subsequent show cause notice dated August 20, 2019 (“**SCN 2**”), the Authority further alleged contravention of certain packaging and selling requirements in terms of the Legal Metrology Act, 2009. In the response dated October 15, 2019, our Company denied the allegations. A letter was issued by the Authority on October 21, 2019, reiterating that the alleged contraventions mentioned in SCN 2, were applicable. Aggrieved, on December 16, 2019, an appeal (“**Appeal**”) was filed by our Company before the Controller of Legal Metrology, Government of Uttar Pradesh, (“**Controller**”) against the contents of SCN 1, SCN 2 and the letter. Subsequently, a warning letter was issued by the Authority on December 26, 2019, stating that if our Company failed to pay the compounding fees, the Authority would initiate proceedings in the Economic Offences Court. Aggrieved by this, our Company filed a criminal miscellaneous writ petition before the Uttar Pradesh High Court (“**High Court**”) on February 25, 2020, against the Authority. The High Court passed an order on February 27, 2020, directing the Controller to decide the outcome of the Appeal and disposing off the writ petition. The certified order copy was submitted to the Controller’s office by hand on March 16, 2020. Our Company is awaiting the response from the Controller Office. The matter is currently pending.
3. Subsequent to an inspection carried out at one of the stores of our Company operated by one of our franchisees, the Legal Metrology Department, Government of Karnataka (“**Authority**”), issued a seizure receipt, dated April 27, 2019 to our franchisee, for the seizure of certain alleged pre-packed packages of the “*Manyavar*” branded jackets manufactured by our Company. The alleged offence was contravening the requirement of marking the month and year of manufacturing, packing or importing under certain provisions of the Legal Metrology Act, 2009. Thereafter, a notice for compounding the alleged offence was issued by the Authority to our franchisee on July 3, 2019, giving fifteen days to pay the compounding fees, failing which a complaint would be lodged before the Judicial Magistrate, Bengaluru, Karnataka. Our Company in its written representation to the Authority, dated July 15, 2019, denied all the allegations and submitted that its products cannot be construed as packed products within the meaning of such terms under the Legal Metrology (Packaged Commodities) Rules, 2011 (“**Legal Metrology Rules**”). Our Company made a further representation before the Authority and the Controller of the Department of Legal Metrology on July 29, 2019, given that there was no response from

the Authority subsequent to the response sent by our Company. Thereafter, the Authority issued a notice to our Company on August 17, 2019 (“**Notice**”) for the alleged violation of the Legal Metrology Rules and directing our Company to submit certain documents and to pay the compounding fees. Our Company, in its response to the Notice on August 26, 2019, furnished the documents and denied all allegations. Our Company requested that the Authority return the seized products since they were outside the purview of the Legal Metrology Rules. Aggrieved by the Notice, our Company filed a writ petition against the Authority before the High Court of Karnataka at Bengaluru (“**Karnataka High Court**”) on September 5, 2019. Subsequently, an order was passed by the Karnataka High Court on September 26, 2019 (“**Order**”), disposing off the writ petition and ordering the Authority to adjudicate the objections raised by our Company and proceed in accordance with law. Further to the Order, our Company sent a letter to the Authority on October 16, 2019, requesting it to abide by the Order and to adjudicate the objections of our Company. In response, the Authority, issued an order in the form of a letter dated November 4, 2019 providing our Company an opportunity for hearing, yet unilaterally deciding on the applicability of the provisions of the Legal Metrology Rules, stating that the seized products were in fact pre-packed packages and not loose garments (“**Impugned Order**”). Aggrieved by this, our Company filed another writ petition on November 28, 2019, challenging the Impugned Order and seeking to quash it. On December 18, 2019, the Karnataka High Court passed an interim order staying the Impugned Order temporarily. The matter is currently pending.

4. Subsequent to an inspection carried out at one of the stores of our Company, operated by one of our franchisees, the Legal Metrology Department, Varanasi, Uttar Pradesh (“**Authority**”), issued a panchnama dated September 30, 2019 to the store manager, and seized certain garments of our Company, including Dupattas and socks, due to alleged contravention of certain provisions of the Legal Metrology Act, 2009. Subsequently, by way of its response dated November 25, 2019, our Company denied the allegations and requested the Authority to withdraw the panchnama and return the seized garments. Since no response was received from the Authority, our Company sent a reminder letter to the Authority on February 5, 2020. In connection with this matter, summons have been issued against the store manager on October 21, 2021 for appearance. The matter is currently pending.
5. Subsequent to an inspection carried out at one of the stores of our Company, operated by one of our franchisees, in Hassan, Karnataka, the Inspector of the Legal Metrology Department, Karnataka (“**Authority**”), issued a *seizure receipt* dated October 27, 2021, to our franchisee and its store manager, for seizure of certain products of our Company, including socks and shoes in alleged contravention of certain provisions of the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011. Thereafter, on December 28, 2021, our franchisee was issued a notice by the Authority, for compounding the alleged offence within fifteen days from receipt of the notice. The matter is currently pending.
6. Pursuant to inspections conducted by the Employee State Insurance Corporation Kolkata, West Bengal (“**Corporation**”) under the Employee State Insurance Corporation Act (“**ESI Act**”) 1948 on August 24, 2007 and November 26, 2007, our Company was issued a demand letter by the Corporation on October, 23, 2008 for payment of contribution on labor charges, advertisement, office expenses, incentive to staff, repairs and maintenance. In response, our Company issued a letter dated January 12, 2009, disputing the demand amount and prayed for the opportunity of hearing on January 12, 2009. Subsequently, a show cause notice dated March 23, 2009, (“**SCN 1**”) to explain its alleged non-compliance with the provisions of the ESI Act and asked to pay the statutory dues. On June 12, 2009, without due consideration of all objections raised by our Company, a final order was passed for payment of contributions by our Company. Aggrieved by this order, our Company filed a petition before the Employee State Insurance Court, West Bengal (“**Court**”) on July 24, 2009. Another show cause notice (“**SCN 2**”) was issued to our Company on July 9, 2009 for payment of contribution on advertisement and job work. Our Company replied to the SCN 2, requesting for an opportunity of personal hearing on November 9, 2009. Despite providing thorough explanation during the personal

hearing on December 22, 2009, an order was passed on January 18, 2010 for payment of contributions on job charges by our Company. Aggrieved by this, our Company filed another petition on February 1, 2010 to set aside the impugned order. After hearing both petitions dated June 24, 2009 and February 1, 2010 (“**Tender Cases**”), the Employee State Insurance Court, West Bengal ordered our Company to deposit an amount towards the contribution on June 1, 2010. Subsequently, as per the advice of the Corporation, our Company agreed to settle the matter out of court and withdrew the Tender Cases on February 26, 2016. There was no response from the Corporation thereafter until June 2, 2016 when a recovery case was filed by the Corporation against our Company for recovery of the alleged contribution amount of ₹5.16 million and interest at ₹ 933.48 per day. Aggrieved by this, our Company filed a petition to set aside the impugned certificate proceedings initiated by the Corporation on June 8, 2016. The Court passed a temporary injunction order against the Corporation on June 22, 2016 and asked our Company to deposit a sum of ₹0.70 million over and above the amount of ₹0.14 million already deposited by our Company, amounting to an aggregate of ₹0.84 million, which was duly deposited by our Company. The matter is currently pending.

(iii) **Other material pending proceedings**

As on the date of this Red Herring Prospectus, except as stated below, there are no material pending proceedings filed against our Company.

Trademark Rectification Matters

1. A trademark rectification application has been filed by Gourav Suitings Pvt. Ltd, Rajasthan (“**Gourav Suitings**”) against our Company on October 1, 2016 before the Intellectual Property Appellate Board (“**Board**”) in response to another trademark rectification application filed by our Company against Gourav Suitings. Our Company filed a counter statement on December 13, 2018 and a miscellaneous petition on August 19, 2019 for filing additional documents as evidence. With the written pleadings complete, the matter was taken up for hearing by the Board on August 19, 2019 and further adjourned. As per the interim order passed by the Board on August 19, 2019, the parties were to present final arguments on February 12, 2020, however the matter was not taken up on such date. Pursuant to the enactment of The Tribunals Reforms Act, 2021, the Board stands abolished and the matter is yet to be transferred before the appropriate High Court for further proceedings. The matter is currently pending.

(iv) **Tax proceedings**

Except as mentioned below, there are no pending claims related to direct and indirect taxes against our Company as on the date of this Red Herring Prospectus:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹million)
Direct tax	6	232.56
Indirect tax	4	0.99
Total	10	233.55

** To the extent quantified.*

Note: The Income Tax department (“**IT Department**”) carried out a search and seizure operation at the premises of our Company in November 2018. Subsequent to such search and seizure operations, our Company has filed necessary returns with the IT Department as well as submitted replies to notices issued by the IT Department. Subsequently, after the completion of assessment by IT Department, our Company has received demand notices in September 2021 from the IT Department making certain disallowances with respect to certain expenses and without giving the credit of certain advance tax paid/tax deducted at source. Our Company has filed appeals in October 2021 against such notices which are currently pending. Subsequently, our Company has received rectification orders for AY 2013-14 and 2014-15 wherein the IT Department has rectified the original assessment orders and given our Company credit for the advance tax and self-assessment

tax paid in the relevant AY. A summary of the outstanding demands pursuant to the search and seizure operation is included below:

Assessment Year	Amount involved (in ₹million) [#]
2013-14	86.10
2014-15	71.70
2015-16	25.24
2016-17	40.42
2017-18	9.10
2018-19*	NA [^]

*Total tax credit/benefit of ₹2.1 million has not been given by IT Department in the aforesaid demand notices with respect to AY 2018-19.

[#] The demand raised is including interest.

[^] Per the IT Department's computation, we are eligible for a refund of INR ₹ 11.34 million for AY 2018-19.

(b) Outstanding litigation proceedings by our Company

(i) Criminal proceedings

As on the date of this Red Herring Prospectus, there are no pending criminal proceedings filed by our Company.

(ii) Other pending proceedings

As on the date of this Red Herring Prospectus, except as stated below, there are no other pending proceedings filed by our Company.

Trademark Infringement and Rectification Matters

1. Application for rectification has been filed by our Company against Gourav Suitings Pvt. Ltd, Rajasthan ("**Gourav Suitings**"), for the MANYAVAR mark, on April 17, 2015 before the Intellectual Property Appellate Board ("**Board**"). A counter statement was filed by Gourav Suitings. Additionally, our Company submitted a miscellaneous petition for filling additional documents as evidence in support of its application before the Board. With the written pleadings complete, the matter was taken up for final hearing by the Board on August 19, 2019 and adjourned without arguments taking place. As per the interim order passed by the Board on August 19, 2019, the parties were to present final arguments on February 12, 2020, however the matter was not taken up on such date. Pursuant to the enactment of The Tribunals Reforms Act, 2021, the Board stands abolished and the said matter is yet to be transferred before the appropriate High Court for further proceedings. The matter is currently pending.
2. A trademark infringement and passing off suit, has been filed jointly by our Company and Subsidiary on November 17, 2021, against Lalit Kumar Champalal Karnawat ("**Respondent**"), before the Commercial Court at Alipore, Kolkata, West Bengal ("**Court**"), for using the mark MANYAVAR in its business of manufacturing and supplying electrical devices. An ad interim order of injunction was passed by the Court on November 18, 2021, restraining the Respondent from using the mark MANYAVAR which extended up to January 27, 2022. The matter is currently pending.

LITIGATION INVOLVING OUR SUBSIDIARY

(a) Outstanding litigation proceedings against our Subsidiary

(i) Criminal proceedings

As on the date of this Red Herring Prospectus, there are no pending criminal proceedings initiated against our Subsidiary.

(ii) Actions by statutory or regulatory authorities

As on the date of this Red Herring Prospectus, except as stated below, there are no pending actions initiated by any statutory or regulatory authority against our Subsidiary.

1. Our Subsidiary, Manyavar Creations Private Limited was issued a show cause notice on December 2, 2020, by the Legal Metrology Department, Lucknow, Uttar Pradesh (“**Authority**”), for the alleged contravention of certain provisions of the Legal Metrology Act, 2009 by not specifying the size of the garment on its website. The Authority sought response and a compounding application within seven days. The matter is currently pending.
2. Our Subsidiary, Manyavar Creations Private Limited was issued a show cause notice on August 31, 2020, by the Legal Metrology Department, Bagpath, Uttar Pradesh (“**Authority**”), for the alleged contravention of certain provisions of the Legal Metrology Act, 2009 for the alleged non-observance of the dimensional standards of the garment on its website. The Authority sought response and a compounding application within seven days. Responding to the notice, our Company in its letter dated October 12, 2020, denied all allegations and requested the Authority to withdraw the show cause notice. The matter is currently pending.

(iii) Other pending proceedings

As on the date of this Red Herring Prospectus, there are no pending proceedings initiated against our Subsidiary, which have been considered material by our Company in accordance with the Materiality Policy.

(iv) Claims related to direct and indirect taxes

As on the date of this Red Herring Prospectus, there are no pending claims related to direct and indirect taxes against our Subsidiary.

(b) Outstanding litigation proceedings initiated by our Subsidiary

(i) Criminal proceedings

As on the date of this Red Herring Prospectus, except as mentioned below, there are no pending criminal proceedings initiated by our Subsidiary.

1. An application under Section 138 read with Section 141 of Negotiable Instruments Act, 1881 bearing no. CS 77920 of 2021 was filed by our Subsidiary, Manyavar Creations Private Limited against Sehgal Brothers Retail, Dinesh Sehgal, Harsh Sehgal and Pradeep Kapuron (“**Accused Persons**”) on November 25, 2021 before the Chief Metropolitan Magistrate, Calcutta (“**Court**”). The application was filed as the Accused Persons failed to make the payment. On April 1, 2021, as per the discussion between our Subsidiary and the Accused Persons, a working outstanding amount of ₹ 6.48 million was duly agreed and admitted by the Accused Persons. The Accused Persons issued five post-dated account payee cheques, out of which two cheques amounting to ₹ 2.83 million being dishonoured were returned by the banker as “funds insufficient”. In spite of the demand notice sent by our Subsidiary on October 8, 2021, the payment was not made by the Accused Persons. As per the order passed by the Court on December 16, 2021, the application was allowed, and summons were issued upon the Accused Persons for appearance on February 7, 2022. Further, an initial deposition under section 145 of the Negotiable Instruments Act, 1881 was filed by the complainant, Swapan Majumder. The matter is currently pending.

(ii) Other pending proceedings

As on the date of this Red Herring Prospectus, except as stated in (b) Outstanding litigation proceedings by our Company - (ii) Other pending proceedings, there are no pending proceedings initiated by our Subsidiary, which have been considered material by our Company in accordance with the Materiality Policy.

LITIGATION INVOLVING OUR DIRECTORS

(a) Outstanding litigation proceedings against Directors

(i) Criminal proceedings against our Directors

As on the date of this Red Herring Prospectus there are no pending criminal proceedings initiated against our Directors.

(ii) Actions by statutory or regulatory authorities

Other than as disclosed above in “Outstanding litigation involving our Company –Outstanding litigation proceedings against our Company- Actions by statutory or regulatory authorities”, there are no other outstanding actions by statutory and regulatory authorities against our Directors as on the date of this Red Herring Prospectus.

(iii) Other pending proceedings

As on the date of this Red Herring Prospectus, there are no proceedings pending against our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

(iv) Claims related to direct and indirect taxes

Except as mentioned below, there are no pending claims related to direct and indirect taxes against our Directors as on the date of this Red Herring Prospectus:

Nature of proceeding	Number of proceedings outstanding	Amount involved* (in ₹million)
Ravi Modi		
Direct tax	2	135.84
Indirect tax	Nil	Not applicable
Shilpi Modi		
Direct tax	1	47.24
Indirect tax	Nil	Not applicable
Total	3	183.08

* To the extent quantified.

Further details in relation to aforementioned claims against our Directors:

The Income Tax department (“IT Department”) carried out a search and seizure operation at the premises of our Promoters and Executive Directors, Ravi Modi and Shilpi Modi in November 2018. Consequent to such operation, the IT Department directed our individual Promoters to file income tax returns for assessment years (“AY”) commencing from AY 2013-14 to AY 2019-20. Subsequent to filing the returns, with respect to AY 2015-16, while the IT Department did not note any deficiency in the return filed by Ravi Modi, a notice of demand dated August 5, 2021, for an amount of ₹0.65 million was issued against Ravi Modi for the aforesaid AY. Ravi Modi has filed an appeal before the Commissioner of Income Tax (Appeals) against such notice. With respect to AY 2018-19, the Assessing Officer disallowed short term capital loss of an amount of ₹407.61 million in case of Ravi Modi and ₹142.45 million in case of Shilpi Modi on the ground that the said short term loss pertained to AY 2019-20 and therefore was allowable in AY 2019-20. According to the said assessment order, the Assessing Officer issued separate notices of demand, both dated July 22, 2021 (“July Notices”) under Section 156 of the IT Act against Ravi Modi and Shilpi Modi for an aggregate amount of ₹135.19 million and ₹47.24 million, respectively. Both Ravi Modi and Shilpi Modi have filed appeals before the Commissioner of Income Tax (Appeals) against the July Notices on the ground that the short-term capital loss is allowable in AY 2018-19 itself. During the assessment proceedings for AY 2019-20, while no additional demand was raised, the matters were referred to the District Valuation Officer (“DVO”), Valuation cell, Income Tax department after which the DVO has determined the value of the property as ₹345.76 million for which the individual Promoters have submitted their no-objection letters. Both Ravi Modi and Shilpi Modi have filed appeals before the Commissioner of Income Tax (Appeals) against said proceedings as well. The appeals are currently pending.

(b) Outstanding litigation proceedings by our Directors

(i) Criminal proceedings

As on the date of this Red Herring Prospectus, there are no pending criminal proceedings initiated by any of our Directors.

(ii) Other pending proceedings

As on the date of this Red Herring Prospectus, there are no pending proceedings initiated by any of our Directors, which have been considered material by our Company in accordance with the Materiality Policy.

LITIGATION INVOLVING OUR PROMOTERS

(a) Outstanding litigation proceedings against our Promoters

(i) Criminal proceedings

As on the date of this Red Herring Prospectus, there are no pending criminal proceedings against any of our Promoters.

(ii) Actions by statutory or regulatory authorities

Other than as disclosed above in “Outstanding litigation involving our Company- outstanding litigation proceedings against our Company- actions by statutory or regulatory authorities” there are no other outstanding actions by statutory and regulatory authorities against our Promoters as on the date of this Red Herring Prospectus.

(iii) Other pending proceedings

As on the date of this Red Herring Prospectus, there are no proceedings pending against our Promoters, which have been considered material by our Company in accordance with the Materiality Policy.

(iv) Claims related to direct and indirect taxes

Other than as disclosed above in “Litigation involving our Directors-Claims related to direct and indirect taxes”, there are no pending claims related to direct and indirect taxes against our Promoters as on the date of this Red Herring Prospectus:

ADDITIONAL INFORMATION IN RELATION TO THE SEARCH AND SEIZURE PROCEEDING INVOLVING MODIFI INVESTMENT SERVICES PRIVATE LIMITED (“MISPL”)

The IT Department carried out a search and seizure operation at the premises of our Group Company, ModiFi Investment Services Private Limited (“MISPL”) in November 2018. Subsequent to such search and seizure operations, MISPL has received demand notices from the IT Department for AY 2011-12 to 2014-15 and AY 2018-19 in August and May 2021 against which MISPL has filed appeals which are currently pending. Details of such demand notices is below:

Assessment Year	Amount involved (in ₹ million) [#]
2011-12	15.04
2012-13	77.91
2013-14	2.32
2014-15	45.67
2018-19	0.47

[#]The demand raised is including interest.

OUTSTANDING DUES TO CREDITORS

Further, in accordance with the Materiality Policy, our Company has considered such creditors material to whom the amount due is equal to or in excess of 5% of the consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Consolidated Financial Statements, *i.e.* ₹30.69 million, as of September 30, 2021 (“**Material Creditors**”).

The details of the total outstanding overdues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on September 30, 2021 is as set forth below:

Particulars	Number of creditors	Amount involved (₹ in million)
Dues to micro enterprises and small enterprises	140	183.10
Dues to Material Creditor(s) (as defined above)	NIL	NIL
Dues to other creditors	1,012	430.69
Total	1,152	613.79

While as on the date of this Red Herring Prospectus, our Company does not have any Material Creditors, details pertaining to outstanding overdues to material creditors, if any, along with names and amounts involved for each such material creditor shall be made available on the website of our Company at <https://www.vedantfashions.com/materials-creditors>.

Material Developments

Except as disclosed in “*Management’s Discussion and Analysis of Financial Position and Results of Operations – Significant Developments Occurring after September 30, 2021*” on page 294, no circumstances have arisen since September 30, 2021, the date of the last Restated Consolidated Financial Statements disclosed in this Red Herring Prospectus, which may materially and adversely affect, or are likely to affect our profitability, our operations, the value of our consolidated assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein, our Company has obtained all material consents, licences, registrations, permissions, and approvals from the relevant governmental, statutory, and regulatory authorities, which are necessary for undertaking our business activities and operations. In the event any of the approvals and licences that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. We have set out below a list of material approvals, consents, licences, and permissions from various governmental and regulatory authorities obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations. Unless otherwise stated, these approvals are valid as on the date of this Red Herring Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see “Key Regulations and Policies” on page 156.

For Offer related approvals, see “Other Regulatory and Statutory Disclosures” on page 309, for incorporation details of our Company, see “History and Certain Corporate Matters” on page 159.

Material approvals in relation to our Company’s business and operations-

Tax related approvals/licences/registrations

1. Permanent account number issued under the Income Tax Act, 1961.
2. Tax deduction account number issued under the Income Tax Act, 1961.
3. Goods and services tax registration issued under the Central Goods and Service Tax Act, 2017.
4. Professional tax registrations issued under the West Bengal State Tax on Professions, Trades, Callings and Employment Rules, 1979.
5. Certificate of Importer-Exporter Code issued by the Director General of Foreign Trade, Ministry of Commerce and Industry.

Material labour/employment related approvals

1. Certificate of registration issued under the West Bengal Shops and Establishments Act, 1963.
2. Certificate of registration issued by the Employees’ Provident Fund Organisation under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.
3. Certificate of registration issued by the Deputy Director of Employees State Insurance Corporation (“ESIC”) under the Employees’ State Insurance Act, 1948.
4. Certificate of registration as a principal employer issued under the Contract Labour (Regulation & Abolition) Act, 1970.
5. Certificate of registration issued under the Labour Welfare Fund Act under the West Bengal Labour Welfare Fund Act, 1974.

Material approvals in relation to our offices, manufacturing unit and warehouse

1. Factory licence issued by the Chief Inspector of Factories, West Bengal under the Factories Act, 1948.
2. Trade licences/certificate of enlistment issued by the Kolkata Municipal Corporation, Barasat Municipality and the Mohiary Gram Panchayat under the West Bengal Municipal Corporation Act, 1993.

Material approval for which application for registration has been made and is currently pending:

Sl. No.	Description	Authority	Date of Application
1.	Certificate of Registration under Plastic Waste Management Rules, 2016	Central Pollution Control Board	July 30, 2021

Intellectual Property Rights

Trademarks

Our Company has obtained and has applied for registrations in respect its intellectual property. As of September 30, 2021, our Company has 209 registered trademarks in India under various classes, including in classes 23, 24, 25 and 35 of the Trademarks Act, 1999. These include registrations in respect of certain of our key brands, including ‘*Manyavar*’, ‘*Mohey*’, ‘*Twamev*’, ‘*Mebaz*’, ‘*Manthan*’ and our ‘*M*’ logo. Further, our Company has also obtained registrations for 70 trademarks across several jurisdictions, including Australia, UK, USA, Malaysia, Bangladesh, Canada, China, Mauritius, South Africa, UAE, European Union, Nigeria, Saudi Arabia, Sri Lanka, Singapore, and Nepal, which include trademark registrations in respect of our key brands including ‘*Manyavar*’ and ‘*Mohey*’.

Further, as of September 30, 2021, our Company has made applications for an additional 35 trademarks in India and 19 trademarks in Bangladesh, Sri Lanka, South Africa, Pakistan, and New Zealand, including certain trademarks which have been objected to.

For further details, also see “*Risk Factors*” on page 27.

Copyright

As of September 30, 2021, our Company has five registered “*artistic works*” in India.

Designs

As of September 30, 2021, our Company has 12 registered designs in India and has also made applications for 20 additional designs, which are pending.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on September 6, 2021. Further, our Board has taken on record the respective approvals for the Offer for Sale by the Selling Shareholders in its meeting held on September 6, 2021.

Our Board and IPO Committee have approved this Red Herring Prospectus pursuant to their resolutions dated January 22, 2022.

The Offer for Sale has been authorised by the Selling Shareholders as follows:

Selling Shareholder	Aggregate number of Equity Shares proposed to be sold in the Offer for Sale	Date of corporate approval	Date of consent letter	Shareholding of the Selling Shareholder as a percentage of total pre-Offer paid up Equity Share capital (%)
Rhine	Up to 17,459,392 Equity Shares	September 2, 2021	September 2, 2021	7.19%
Kedaara AIF	Up to 723,014 Equity Shares	August 28, 2021	September 2, 2021	0.30%
Ravi Modi Family Trust (acting through its trustee, Modi Fiduciary Services Private Limited)	Up to 18,182,432 Equity Shares	August 28, 2021	September 2, 2021	74.59%
Total	Up to 36,364,838 Equity Shares			82.08%

Our Company received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated September 20, 2021 and September 27, 2021, respectively.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Subsidiary, our Promoters, our Directors, the members of the Promoter Group, the Selling Shareholders, the persons in control of our Company and the persons in control of Ravi Modi Family Trust (acting through its trustee Modi Fiduciary Services Private Limited), are not prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Selling Shareholders, our Promoters and the members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable.

Directors associated with the Securities Market

Except Sunish Sharma, *who* is associated with Kedaara Capital Alternative Investment Fund, Kedaara Capital Fund II LLP, Kedaara Capital Alternative Investment Fund II and Kedaara Capital Growth Fund III LLP, none of the Directors are, in any manner, associated with the securities market. Further, there are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has had net tangible assets of at least ₹30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each);

- Our Company has an average operating profit of at least ₹150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and
- Our Company was converted into a public limited company and consequently, a fresh certificate of incorporation dated August 25, 2021 was issued by the RoC, recording the change of the name of our Company to 'Vedant Fashions Limited'. No change in business activity is indicated by our present name and there has not been any change in the business activities of our Company.

Our Company's net tangible assets, operating profits and net worth, derived from the Restated Consolidated Financial Statements included in this Red Herring Prospectus as at, and for the last three Fiscals are set forth below:

(in ₹ million, unless otherwise stated)

Particulars	As at and for the Fiscal ended		
	March 31, 2021	March 31, 2020	March 31, 2019
Restated net tangible assets ¹	9,353.72	8,910.99	7,107.13
Restated pre-tax operating profit ²	1,475.36	3,050.20	2,715.11
Restated consolidated net worth ³	10,906.48	10,652.52	8,820.08

Notes:

- 1) "Net tangible assets" means the sum of all net assets of the Company and its subsidiaries (together, the "Group") excluding intangible assets, goodwill, deferred tax assets, right of use assets and intangible assets under development reduced by total liabilities (excluding lease liabilities and deferred tax liabilities) of the Group.
- 2) "Restated pre-tax operating profit" means restated profit before tax excluding other income and finance costs.
- 3) 'Net worth' is the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. As capital reserve is not created out of the profits, same has not been considered for the purpose of calculation of Net worth.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable.

The details of our compliance with Regulation 5 and Regulation 7(1) of the SEBI ICDR Regulations are as follows:

- (a) None of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI.
- (b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.
- (c) None of our Company, our Promoters or Directors is a Wilful Defaulter.
- (d) None of our Promoters or Directors has been declared a Fugitive Economic Offender.
- (e) Other than options outstanding in terms of the ESOP Plan, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Red Herring Prospectus;
- (f) Our Company along with Registrar to the Offer has entered into tripartite agreements dated October 4, 2016 and September 3, 2021 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

- (g) The Equity Shares of our Company held by the Promoters are in the dematerialised form; and
- (h) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Red Herring Prospectus.

Each of the Selling Shareholders has severally and not jointly confirmed compliance with Regulation 8 of the SEBI ICDR Regulations and approved its participation in the Offer for Sale in relation to its portion of the Offered Shares.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMs, BEING AXIS CAPITAL LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, ICICI SECURITIES LIMITED, IIFL SECURITIES LIMITED AND KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 9, 2021, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.vedantfashions.com would be doing so at his or her own risk. The Selling Shareholders, its respective directors, affiliates, associates and officers accept or undertake no responsibility for any statements other than those specifically undertaken or confirmed by the Selling Shareholder in relation to itself and its Offered Shares.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, partners, designated partners, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Kolkata, West Bengal only.

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FVCIs (under Schedule I of the FEMA NDI Rules) and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Red Herring Prospectus as “U.S. QIBs”; for the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Red Herring Prospectus as “QIBs”) pursuant to Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;
4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), or (iv) pursuant to another available exemption from the registration requirements under the U.S. Securities Act, and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
6. the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

10. the purchaser agrees that neither the purchaser, nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares or any "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares; and
11. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;
4. the purchaser is not purchasing the Equity Shares as a result of any "directed selling efforts" (as such term is defined in Rule 902 of Regulation S under the U.S. Securities Act);
5. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

6. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
7. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) pursuant to an exemption from or in a transaction not subject to, the registration requirements of the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States;
8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
9. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company is as set forth below:

BSE Limited (“the Exchange”) has given vide its letter dated September 20, 2021 permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company is as set forth below:

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.:NSE/LIST/1231 dated September 27, 2021 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Listing

The Equity Shares issued through this Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. National Stock Exchange of India Limited will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, legal counsels appointed for the Offer, the BRLMs, the Registrar to the Offer, lenders to our Company (wherever applicable), independent chartered accountant and CRISIL have been obtained; and consents in writing of the Syndicate Members, Sponsor Bank, Escrow Collection Bank(s) and Refund Bank(s) to act in their respective capacities, will be obtained and filed along with a copy of this Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of this Red Herring Prospectus with the RoC.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated January 22, 2022, from S.R. Batliboi & Co LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this RHP, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated November 8, 2021 on our Restated Consolidated Financial Statements; and (ii) their report dated September 6, 2021 on the statement of special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this RHP. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Particulars regarding public or rights issues by our Company during the last five years and performance *vis-à-vis* objects

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Red Herring Prospectus.

Performance *vis-à-vis* objects – Last issue of subsidiaries or listed promoters

Our Company does not have any listed subsidiaries or promoters.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public offering of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Red Herring Prospectus.

Capital issue during the previous three years by our Company

Other than as disclosed in “*Capital Structure-Notes to the Capital Structure*” on page 78, our Company has not undertaken a capital issue in the last three years preceding the date of this Red Herring Prospectus.

Capital issue during the previous three years by our listed group companies, subsidiaries or associates of our Company

Our Company does not have any associates. Further, none of our Group Companies or Subsidiary are listed on any Stock Exchange.

Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)

1. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Sr. No.	Issue name	Issue size (millions)	Issue price()	Listing date	Opening price on listing date (in)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	CMS Info Systems Limited ⁽¹⁾	11,000.00	216.00	31-Dec-21	218.50	-	-	-
2	Supriya Lifescience Limited ⁽¹⁾	7,000.00	274.00	28-Dec-21	425.00	-	-	-
3	Medplus Health Services Limited ⁽¹⁾	13,982.95	796.00	23-Dec-21	1,015.00	+53.22%, [+3.00%]	-	-
4	Metro Brands Limited ⁽¹⁾	13,675.05	500.00	22-Dec-21	436.00	+21.77%, [+4.45%]	-	-
5	C.E. Info Systems Limited ⁽¹⁾	10,396.06	1,033.00	21-Dec-21	1,581.00	+70.21%, [+6.71%]	-	-
6	Shriram Properties Limited ⁽²⁾	6,000.00	118.00	20-Dec-21	90.00	-12.42%, [+9.02%]	-	-
7	Tega Industries Limited ⁽²⁾	6,192.27	453.00	13-Dec-21	760.00	+30.70%, [+3.96%]	-	-
8	Star Health and Allied Insurance Company Limited ⁽²⁾	60,186.84	900.00	10-Dec-21	845.00	-14.78%, [+1.72%]	-	-
9	Latent View Analytics Limited ⁽¹⁾	6,000.00	197.00	23-Nov-21	530.00	+153.58%, [-2.96%]	-	-
10	One 97 Communications Limited ⁽¹⁾	183,000.00	2,150.00	18-Nov-21	1,955.00	-38.52%, [-4.40%]	-	-

Source: www.nseindia.com and www.bseindia.com

⁽¹⁾BSE as Designated Stock Exchange

⁽²⁾NSE as Designated Stock Exchange

* Offer Price was ` 718.00 per equity share to Eligible Employees

\$ Offer Price was ` 107.00 per equity share to Eligible Employees

^ Offer Price was ` 820.00 per equity share to Eligible Employees

@ Offer Price was ` 178.00 per equity share to Eligible Employees

Notes:

a. Issue Size derived from Prospectus/final post issue reports, as available.

b. The CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

c. Price on NSE or BSE is considered for all of the above calculations as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.

d. In case 30th/90th/180th day is not a trading day, closing price of the previous trading day has been considered.

e. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Axis Capital Limited

Financial Year	Total no. of IPOs	Total funds raised (in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%	Over 50%	Between 25%- 50%	Less than 25%
2021-2022*	24	578,022.82	-	2	6	5	5	4	-	-	-	4	1	2
2020-2021	11	93,028.90	-	-	6	2	1	2	-	1	1	4	3	2
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3

* The information is as on the date of the document

The information for each of the financial years is based on issues listed during such financial year.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

3. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Edelweiss Financial Services Limited

S. No.	Issue Name	Issue Size (₹ million)#	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	MedPlus Health Services Limited	13,982.95	796.00 @	December 23, 2021	1,015.00	53.22% [3.00%]	Not Applicable	Not Applicable
2.	Tarsons Products Limited	10,234.74	662.00\$	November 26, 2021	700.00	-4.16% [0.03%]	Not Applicable	Not Applicable
3.	S. J. S. Enterprises Limited	8,000.00	542.00	November 15, 2021	542.00	-24.99% [-4.33%]	Not Applicable	Not Applicable
4.	Vijaya Diagnostic Centre Limited	18,942.56	531.00 *	September 14, 2021	540.00	5.41% [4.50%]	8.08% [0.76%]	Not Applicable
5.	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82% [5.55%]	-0.82% [6.86%]	Not Applicable
6.	Devyani International Limited	18,380.00	90.00	August 16, 2021	140.90	32.83% [4.93%]	78.39% [9.30%]	Not Applicable
7.	Powergrid Infrastructure Investment Trust	77,349.91	100.00	May 14, 2021	104.00	14.00% [7.64%]	22.04% [10.93%]	21.83% [22.94%]
8.	Macrotech Developers Limited	25,000.00	486.00	April 19, 2021	439.00	30.19% [-4.68%]	75.62% [10.85%]	146.92% [27.86%]
9.	Stove Kraft Limited	4,126.25	385.00	February 5, 2021	467.00	30.70% [-0.64%]	28.96% [-4.05%]	114.38% [6.09%]
10.	Indigo Paints Limited^	11,691.24	1,490.00^	February 2, 2021	2,607.50	75.36% [3.31%]	55.52% [-2.04%]	74.76% [5.60%]

Source: www.nseindia.com and www.bseindia.com

^ Indigo Paints Limited - A discount of ₹ 148 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹1490 per equity share

*Vijaya Diagnostic Centre Limited - A discount of ₹ 52 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹531 per equity share

\$Tarsons Products Limited - A discount of ₹ 61 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹662 per equity share.

@MedPlus Health Services Limited - A discount of ₹ 78 per equity share was offered to eligible employees bidding in the employee reservation portion. All calculations are based on the offer price of ₹796 per equity share.

#As per Prospectus

Notes

1. Based on date of listing.
2. % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/90th / 180th calendar day from listing day.
3. Wherever 30th/90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
4. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.
5. Not Applicable. - Period not completed
6. Disclosure in Table-1 restricted to 10 issues.

4. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by Edelweiss Financial Services Limited

Fiscal Year *	Total no. of IPOs	Total amount of funds raised (₹ Mn.) [#]	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22*	8	1,99,690.68	-	-	3	1	2	2	-	-	-	1	-	1
2020-21	7	45,530.35	-	-	1	3	1	2	-	-	1	5	1	-
2019-20	3	23,208.49	-	-	-	-	1	2	-	1	-	1	-	1

The information is as on the date of the document

1. Based on date of listing.
2. Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
3. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information and benchmark index.

*For the financial year 2021-22- 8 issues have been completed of which 2 issue has completed 180 calendar days, 7 issues have completed 30 days.

[#]As per Prospectus.

5. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited

Sr. No.	Issue Name	Issue Size (Rs. Mn.)	Issue Price (Rs.)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	PB Fintech Limited ^{^^}	57,097.15	980.00	15-NOV-21	1,150.00	+14.86%,-4.33%	NA*	NA*
2	One 97 Communications Limited [^]	1,83,000.00	2,150.00	18-NOV-21	1,955.00	-38.52%,-4.40%	NA*	NA*
3	Sapphire Foods India Limited ^{^^}	20,732.53	1,180.00	18-NOV-21	1,350.00	+3.69%,-4.39%	NA*	NA*
4	Latent View Analytics Limited [^]	6,000.00	197.00 ⁽¹⁾	23-NOV-21	530.00	+153.58%,-2.96%	NA*	NA*
5	Tarsons Products Limited [^]	10,234.74	662.00 ⁽²⁾	26-NOV-21	700.00	-4.16%,+0.03%	NA*	NA*
6	Go Fashion (India) Limited ^{^^}	10,136.09	690.00	30-NOV-21	1,310.00	+59.75%,+1.36%	NA*	NA*
7	Star Health and Allied Insurance Company Limited ^{^^}	60,186.84	900.00 ⁽³⁾	10-DEC-21	845.00	-14.78%,+1.72%	NA*	NA*
8	Shriram Properties Limited ^{^^}	6,000.00	118.00 ⁽⁴⁾	20-DEC-21	90.00	-12.42%,+9.02%	NA*	NA*
9	Metro Brands Limited [^]	13,675.05	500.00	22-DEC-21	436.00	+21.77%,+4.45%	NA*	NA*
10	Supriya Lifescience Limited [^]	7,000.00	274.00	28-DEC-21	425.00	NA*	NA*	NA*

*Data not available. ^ BSE as designated stock exchange. ^^ NSE as designated stock exchange.

- (1) Discount of Rs. 19 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 197.00 per equity share.
- (2) Discount of Rs. 61 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 662.00 per equity share.
- (3) Discount of Rs. 80 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 900.00 per equity share.
- (4) Discount of Rs. 11 per equity share offered to eligible employees. All calculations are based on Issue Price of Rs. 118.00 per equity share.

6. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by ICICI Securities Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22*	23	6,69,228.24	-	2	6	5	3	6	-	-	-	2	1	1
2020-21	14	1,74,546.09	-	-	5	5	2	2	-	1	3	5	3	2
2019-20	4	49,850.66	-	-	2	-	1	1	1	-	-	2	-	1

* This data covers issues up to YTD

Notes:

1. Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective Issuer Company.
2. Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective Issuer Company.
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading day.

7. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by IIFL Securities Limited

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Designated Stock Exchange as disclosed in the Red Herring Prospectus filed	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180 th calendar days from listing
1	Chemplast Sanmar Limited	38,500.00	541.00	NSE	August 24, 2021	550.00	+2.06%, [+5.55%]	+12.94%, [+6.86%]	N.A.
2	Sansera Engineering Limited	12,825.20	744.00 ⁽¹⁾	BSE	September 24, 2021	811.35	+0.30%, [+1.29%]	+1.57%, [-5.19%]	N.A.
3	Aditya Birla Sun Life AMC Ltd	27,682.56	712.00	NSE	October 11, 2021	715.00	-11.36%, [+0.55%]	-23.85%, [-0.74%]	N.A.
4	PB Fintech Ltd.	57,097.15	980.00	NSE	November 15, 2021	1,150.00	+14.86%, [-4.33%]	N.A.	N.A.
5	SJS Enterprises Ltd.	8,000.00	542.00	NSE	November 15, 2021	542.00	-24.99%, [-4.33%]	N.A.	N.A.
6	Sapphire Foods India Limited	20,732.53	1,180.00	NSE	November 18, 2021	1,350.00	+3.69%, [-4.39%]	N.A.	N.A.
7	Star Health and Allied Insurance Company Limited	60,186.84	900.00 ⁽²⁾	NSE	December 10, 2021	845.00	-14.78%, [+1.72%]	N.A.	N.A.
8	Anand Rathi Wealth Limited	6,593.75	550.00 ⁽³⁾	BSE	December 14, 2021	602.05	+12.38%, [+5.22%]	N.A.	N.A.

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Designated Stock Exchange as disclosed in the Red Herring Prospectus filed	Listing Date	Opening Price on Listing Date	+/- % change in closing price*, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price*, [+/- % change in closing benchmark]- 180th calendar days from listing
9	Rategain Travel Technologies Limited	13,357.35	425.00 ⁽⁴⁾	NSE	December 17, 2021	360.00	+11.99%, [+7.48%]	N.A.	N.A.
10	Data Patterns (India) Limited	5,882.24	585.00	NSE	December 24, 2021	856.05	N.A.	N.A.	N.A.

Source: www.nseindia.com; www.bseindia.com, as applicable

- (1) A discount of INR 36 per equity share was offered to eligible employees bidding in the employee reservation portion
- (2) A discount of INR 80 Per Equity Share was offered to eligible employees bidding in the employee reservation portion
- (3) A discount of INR 25 Per Equity Share was offered to eligible employees bidding in the employee reservation portion
- (4) A discount of INR 40 Per Equity Share was offered to eligible employees bidding in the employee reservation portion

Note: Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th / 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

8. Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by IIFL Securities Limited

Financial Year	Total No. of IPO's	Total Funds Raised (in Rs. Mn)	No. of IPOs trading at discount – 30 th calendar days from listing			No. of IPOs trading at premium – 30 th calendar days from listing			No. of IPOs trading at discount – 180 th calendar days from listing			No. of IPOs trading at premium – 180 th calendar days from listing		
			Over 50 %	Between 25-50 %	Less than 25 %	Over 50 %	Between 25-50 %	Less than 25 %	Over 50 %	Between 25-50 %	Less than 25 %	Over 50 %	Between 25-50 %	Less than 25 %
2019-20	5	65,827.61	-	-	2	-	1	2	1	1	1	-	-	2
2020-21	8	47,017.65	-	-	4	2	1	1	-	1	-	3	3	1
2021-22	16	3,27,058.00	-	-	5	-	3	7	-	-	-	2	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable

Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

NA means Not Applicable.

9. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	C.E. Info Systems Limited	10,396.06	1,033	December 21, 2021	1,581.00	+70.21%, [+6.71%]	-	-

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, +/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, +/- % change in closing benchmark]- 180 th calendar days from listing
2.	Rategain Travel Technologies Limited	13,357.43	425 ¹	December 17, 2021	360.00	+11.99%, [+7.48%]	-	-
3.	Star Health And Allied Insurance Company Limited	64,004.39	900 ²	December 10, 2021	845.00	-14.78%, [+1.72%]	-	-
4.	PB Fintech Limited	57,097.15	980	November 15, 2021	1,150.00	+14.86%, [-4.33%]	-	-
5.	FSN E-commerce Ventures Limited	53,497.24	1,125 ₃	November 10, 2021	2,018.00	+92.31%, [-2.78%]	-	-
6.	Aditya Birla Sun Life AMC Limited	27,682.56	712	October 11, 2021	715.00	-11.36%, [+0.55%]	-23.85% [-0.74%]	-
7.	Vijaya Diagnostic Centre Limited	18,942.56	531 ⁴	September 14, 2021	540.00	+5.41%, [+4.50%]	+8.08% [+0.76%]	-
8.	Aptus Value Housing Finance India Limited	27,800.52	353	August 24, 2021	333.00	-2.82%, [+5.55%]	-0.82%, [+6.86%]	-
9.	Cartrade Tech Limited	29,985.13	1,618	August 20, 2021	1,599.80	-10.31%, [+6.90%]	-32.68%, [+8.80%]	-
10.	Devyani International Limited	18,380.00	90	August 16, 2021	140.90	+32.83%, [+4.93%]	+78.39%, [+9.30%]	-

Source: www.nseindia.com and www.bseindia.com

Notes:

1. In Rategain Travel Technologies Limited, the issue price to eligible employees was ₹ 385 after a discount of ₹ 40 per equity share
2. In Star Health And Allied Insurance Company Limited, the issue price to eligible employees was ₹ 820 after a discount of ₹ 80 per equity share
3. In FSN E-Commerce Ventures Limited, the issue price to eligible employees was ₹ 1,025 after a discount of ₹ 100 per equity share
4. In Vijaya Diagnostic Centre Limited, the issue price to eligible employees was ₹ 479 after a discount of ₹ 52 per equity share
5. In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.
6. The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.
7. Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.
8. Restricted to last 10 equity initial public issues.

10. Summary statement of price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2021-22	17	556,556.04	-	-	5	5	4	3	-	-	-	6	-	-
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1
2019-20	4	136,362.82	-	1	-	-	1	2	-	-	1	-	1	2

Notes:

1. The information is as on the date of this Red Herring Prospectus.
2. The information for each of the financial years is based on issues listed during such financial year.

Website for track record of the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

Name	Website
Axis Capital Limited	www.axiscapital.co.in
Edelweiss Financial Services Limited	www.edelweissfin.com
ICICI Securities Limited	www.icicisecurities.com
IIFL Securities Limited	www.iiflcap.com
Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com

Stock Market Data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Redressal of Investor Grievances

SEBI, by way of its circular dated March 16, 2021 (“**March 2021 Circular**”) and as amended by the circular dated June 2, 2021, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Disposal of Investor Grievances by our Company

Our Company has obtained authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. The Selling Shareholders have authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company has also appointed Navin Pareek, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, “*General Information- Company Secretary and Compliance Officer*” on page 70. The Selling Shareholders have authorised Navin Pareek, the Company Secretary and Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of their respective Offered Shares.

Our Company has not received any investor complaint during the three years preceding the date of the Draft Red Herring Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of filing of this Red Herring Prospectus. Further, as on date of this Red Herring Prospectus, we do not have any listed Group Company. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VIII – OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered, transferred and Allotted pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of this Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

The Offer

The Offer comprises of an Offer for Sale by the Selling Shareholders.

The listing fees shall be borne by our Company. Other Offer-related expenses shall be shared be borne by each Selling Shareholder in proportion to the Equity Shares to be offered by each Selling Shareholder.

Ranking of the Equity Shares

The Equity Shares being Allotted in the Offer shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see “*Main Provisions of the Articles of Association*” on page 355.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 189 and 355, respectively.

Face Value and Offer Price

The face value of the Equity Shares is ₹1. The Floor Price of Equity Shares is ₹[●] per Equity Share and the Cap Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share. The Price Band and minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in all editions of the English national daily newspaper Financial Express, all editions of the Hindi national daily newspaper Jansatta, and Kolkata edition of the Bengali daily newspaper Dainik Statesman (Bengali being the regional language of West Bengal, where our Registered and Corporate Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available at the websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" on page 355.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through this Red Herring Prospectus can be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- Tripartite agreement dated October 4, 2016, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated September 3, 2021, amongst our Company, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Kolkata, West Bengal, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "*Offer Structure – Bid/Offer Programme*" on page 332.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons,

unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Bid/Offer Programme

BID/ OFFER OPENS ON[*]	Friday, February 4, 2022
BID/ OFFER CLOSING ON^{**}	Tuesday, February 8, 2022 [^]

^{*}Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date.

^{**}Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

[^]UPI mandate end time and date shall be at 12 pm IST on Wednesday, February 9, 2022.

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about Friday, February 11, 2022
Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account ^{**}	On or about Monday, February 14, 2022
Credit of the Equity Shares to depository accounts of Allottees	On or about Tuesday, February 15, 2022
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about Wednesday, February 16, 2022

****In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.**

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs. While our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, such as extension of the

Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying nonadherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“IST”)) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

- (i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST).
- (ii) on the Bid/Offer Closing Date:
 - (a) in case of Bids by Non-Institutional Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and
 - (b) in case of Bids by Retail Individual Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids and any revision in Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid/ Offer Opening Date.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Minimum Subscription

As this is an offer for sale by the Selling Shareholders, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, if our Company does not receive the minimum subscription in the Offer as specified under the terms of Rule 19(2)(b) of the SCRR, as applicable, on the date of closure of the Offer or withdrawal of applications; or after technical rejections; or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares so offered under the Offer document, our Company and the Selling Shareholders, to the extent applicable, shall forthwith refund the entire subscription amount received. If there is a delay beyond four days, our Company and the Selling Shareholders, to the extent applicable, shall pay interest at the rate of 15% per annum or such other amount prescribed under applicable law, including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. No liability to make any payment of interest shall accrue to the Selling Shareholders unless any delay in making any of the payments hereunder or any delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is solely attributable to the relevant Selling Shareholder.

Under subscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholders and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Offer Equity Shares, the Promoter's Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 78 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" at page 355.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall

notify the SCSBs and the Sponsor Bank, in case of RIIs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

OFFER STRUCTURE

The Offer is being made through the Book Building Process. The Offer is of up to 36,364,838 Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) comprising of an Offer of Sale of up to 36,364,838 Equity Shares aggregating up to ₹[●] million by the Selling Shareholders. The Offer will constitute [●] % of the post-Offer paid-up equity share capital of our Company.

Particulars	QIBs ⁽¹⁾	Non-Institutional Investors	Retail Individual Investors
Number of Equity Shares available for Allotment/ allocation* ⁽²⁾	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Investors	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer Size available for Allotment/ allocation	Not more than 50% of the Offer size shall be allocated to QIB Bidders. However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion	Not less than 15% of the Offer, or the Offer less allocation to QIB Bidders and Retail Individual Investors.	Not less than 35% of the Offer, or the Offer less allocation to QIB Bidders and Non-Institutional Investors
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate	The allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see “Offer Procedure” on page 335.
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares thereafter that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to limits prescribed under applicable law	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		

Particulars	QIBs ⁽¹⁾	Non-Institutional Investors	Retail Individual Investors
Who can apply ⁽³⁾	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, Eligible FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices which are recategorized as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
Terms of Payment	In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ⁽⁴⁾ In case of all other Bidders: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism (for RIIs), that is specified in the ASBA Form at the time of submission of the ASBA Form.		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).	Only through the ASBA process.	Only through the ASBA process

* Assuming full subscription in the Offer

⁽¹⁾ Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion. For further details, see "Offer Procedure" on page 335.

⁽²⁾ Subject to valid Bids being received at or above the Offer Price. The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see "Terms of the Offer" on page 326.

⁽³⁾ In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

⁽⁴⁾ Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

Note: Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, undersubscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs, and the Designated Stock Exchange.

OFFER PROCEDURE

All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“UPI Phase I”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIIs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 (“UPI Phase II”). The final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. The Offer will be made under UPI Phase II of the UPI Circular, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 except as amended pursuant to SEBI circular dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Red Herring Prospectus.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholders in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a

proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange subject to applicable laws.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for Retail Individual Investors Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of UPI for Bids by RIIs as per the UPI Circulars

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

- (a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RII also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.
- (b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RII through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.
- (c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIIs using the UPI Mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Anchor Investor Application Forms will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and Retail Individual Investors Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Investors must ensure that their PAN is linked with aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

Retail Individual Investors submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Retail Individual Investors with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. RIIs using UPI Mechanism, shall submit their ASBA Forms with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIIs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked therein by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	Blue
Anchor Investors	White

* Excluding electronic Bid cum Application Forms

Notes:

(1) Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by Retail Individual Investors Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For Retail Individual Investors using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (Bidding through UPI Mechanism) in case of

failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

Participation by the Promoters, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoters, Promoter Group, BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLMs or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an “associate of the Lead Manager” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or Promoter Group of our Company.

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below.

- (i) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/Offer Opening Date, i.e., the Anchor Investor Bidding Date, and will be completed on the same day.

- (v) Our Company in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million
 - (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and
 - (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.
- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchange.
- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price shall still be the Anchor Investor Offer Price.
- (ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (x) Neither the BRLMs or any associate of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs, other than individuals, corporate bodies or family offices sponsored by the entities which are associate of the BRLMs) nor any “person related to the Promoters or Promoter Group” shall apply in the Offer under the Anchor Investor Portion.
- (xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- (xii) For more information, see the General Information Document.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders in consultation with BRLMs reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (“**NRE Account**”), or Foreign Currency Non-Resident Accounts (“**FCNR Account**”), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 353.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the karta”. Bids by HUFs will be considered at par with Bids from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI or an investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer equity share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up equity share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (blue in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the "SEBI AIF Regulations") prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities

and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding equity shares of a company prior to an initial public offering being undertaken by such company, shall be exempt from lock-in requirements, Provided that such equity shares shall be locked in for a period of at least six months from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 (“**IRDAI Investment Regulations**”), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with BRLMs, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and Selling Shareholders in consultation with the BRLMs, may deem fit.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with BRLMs reserve the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in this Red Herring Prospectus, , or as will be specified in the Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company will, after filing this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper, and Kolkata edition of Dainik Statesman, a Bengali daily newspaper (Bengali being the regional language of West Bengal, where our Registered and Corporate Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer Size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise or withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Retail Individual Investors using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;

4. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. Retail Individual Investors Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIIs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;
9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
14. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
21. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
22. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
23. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
24. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
25. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
26. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
27. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
28. Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;
29. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;
30. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices, which are re-categorised as category II FPI and registered with SEBI, for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer;

31. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs; and
32. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms;
9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
12. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
15. If you are a RII and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID
16. Do not submit the General Index Register (GIR) number instead of the PAN;
17. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

18. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid/Offer Closing Date;
20. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
21. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;
22. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
23. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
24. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Investor Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;
25. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;
26. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
27. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and
28. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Managers pursuant to the SEBI circular bearing reference number SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see “*General Information – Book Running Lead Managers*” on page 70.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

In case of any pre-Offer or post Offer related issues regarding demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see “*General Information*” on page 69.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIIs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by RIIs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form by the RIIs using third party bank accounts or using third party linked bank account UPI IDs;
7. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Bids submitted without the signature of the First Bidder or sole Bidder;
9. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIIs with Bid Amount of a value of more than ₹200,000;
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIIs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information*” on page 69.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the net offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Selling Shareholders, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: **“VEDANT FASHIONS LTD-IPO ANCHOR INVESTOR-R ACCOUNT”**
- (ii) In case of non-resident Anchor Investors: **“VEDANT FASHIONS LTD-IPO ANCHOR INVESTOR-NR ACCOUNT”**

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated October 4, 2016, among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated September 3, 2021, among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

- (i) our Company shall ensure compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;
- (ii) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (iii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- (iv) Promoters' contribution, if any, shall be brought in advance before the Bid/Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- (v) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;
- (vi) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- (vii) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- (viii) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- (ix) that if our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or any of the Selling Shareholders subsequently decides to proceed with the Offer thereafter;
- (x) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and
- (xi) No further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

Undertakings by the Selling Shareholders

Each Selling Shareholder undertakes the following in respect of itself and its respective portion of the Offered Shares:

- (i) that its portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;
- (ii) that it is the legal and beneficial owner of, and has clear and marketable title to, its portion of the Offered Shares;
- (iii) it shall not offer, lend, pledge, charge, transfer or otherwise encumber, sell, dispose of any of its portion of the Offered Shares being offered pursuant to the Offer until such time that the lock-in (if applicable) remains effective save and except as may be permitted under the SEBI ICDR Regulations.
- (iv) that it shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and completion of the necessary formalities for listing and commencement of trading of its portion of the Offered Shares on the Stock Exchanges and refund orders to the extent of its portion of the Offered Shares;
- (v) that it shall not have recourse to the proceeds of the Offer for Sale of its portion of the Offered Shares which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and
- (vi) that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to its portion of the Offered Shares.

Utilisation of Offer Proceeds

The Selling Shareholders, severally and not jointly, and together with our Company declare that all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below: *“Any person who – (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”* The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or one per cent of the turnover of the company, whichever is lower, includes

imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

As per the FDI policy, FDI in companies engaged in the wholesale trading sector, which is the sector in which our Company operates, is permitted up to 100% of the paid-up share capital of such company under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see “Offer Procedure” on page 335. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Offer Period.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Red Herring Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Red Herring Prospectus as “QIBs”.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Note: This set of Articles of Association has been adopted by the shareholders of the Company by way of passing of special resolution at their Extra-Ordinary General Meeting held on September 4, 2021 in substitution and exclusion of the previous Articles of Association of the Company.

THE COMPANIES ACT, 2013

PUBLIC COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

VEDANT FASHIONS LIMITED

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

PART I

1. CONSTITUTION OF THE COMPANY

- a) *The regulations contained in table "F" of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*
- b) *The regulations for the management of the Company and for the observance of the Shareholders thereof and their representatives shall be such as are contained in these Articles, subject however to the exercise of the statutory powers of the Company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by Special Resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date at which the Articles become binding on the Company. In these Articles, all capitalized items not defined herein below shall have the meanings assigned to them in the other parts of these Articles when defined for use.

- a. "Act" means the Companies Act, 2013 (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and all rules and clarifications issued thereunder or the Companies Act, 1956 and the rules issued thereunder (to the extent that such enactment is in force and applicable to the context in which such term is used herein), and shall include all amendments, modifications and re-enactments of the foregoing. Reference to Act shall also include the Secretarial Standards issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980.

- b. **“ADRs”** shall mean American Depositary Receipts representing ADSs.
- c. **“Annual General Meeting”** shall mean a General Meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.
- d. **“ADSs”** shall mean American Depositary Shares, each of which represents a certain number of Equity Shares.
- e. **“Articles”** shall mean these articles of association as adopted or as from time to time altered in accordance with the provisions of these Articles and the Act.
- f. **“Auditors”** shall mean and include those persons appointed as such for the time being by the Company.
- g. **“Board”** shall mean the board of directors of the Company, as constituted from time to time, in **accordance** with law and the provisions of these Articles.
- h. **“Board Meeting”** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.
- i. **“Beneficial Owner”** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.
- j. **“Business Day”** shall mean a day, not being a Saturday or a Sunday or public **holiday**, on which banks are open for business in Kolkata, India and, in the context of a payment being made to or from a scheduled commercial bank in a place other than India, in such other place.
- k. **“Capital” or “Share Capital”** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.
- l. **“Chairman”** shall mean such person as is nominated or appointed in accordance with Article 37 herein below.
- m. **“Companies Act, 1956”** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being.
- n. **“Company” or “this Company”** shall mean VEDANT FASHIONS LIMITED.
- o. **“Committees”** shall mean a committee constituted in accordance with Article 74.
- p. **“Debenture”** shall have the meaning assigned to it under the Act.
- q. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- r. **“Depository”** shall mean a depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.
- s. **“Director”** shall mean any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles.
- t. **“Dividend”** shall include interim dividends and final dividends paid to the Shareholders.
- u. **“Equity Share Capital”** shall mean the total issued and paid-up equity share capital of the Company.
- v. **“Equity Shares”** shall mean fully paid-up equity shares of the Company having a par value of INR 1/-

(Rupee **One**) per equity share, and [INR 1/- (Rupee **One**) vote per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted, or converted into equity shares.

- w. **“Executor” or “Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Securities of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- x. **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act;
- y. **“Financial Year”** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- z. **“Fully Diluted Basis”** shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.
- aa. **“GDRs”** shall mean the registered Global Depositary Receipts, representing GDSs.
- bb. **“GDSs”** shall mean the Global Depositary Shares, each of which represents a certain number of Equity Shares.
- cc. **“Independent Director”** shall mean an independent director as defined under the Act and under the SEBI Listing Regulations.
- ee. **“India”** shall mean the Republic of India.
- ff. **“Law”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, including the Securities and Exchange Board of India (Prohibition of Insider Trading Regulations), 2015, (ii) governmental approvals or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing by any governmental authority having jurisdiction over the matter in question, (iv) rules, policy, regulations or requirements of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.
- gg. **“Managing Director”** shall have the meaning assigned to it under the Act.
- hh. **“MCA”** shall mean the Ministry of Corporate Affairs, Government of India.
- ii. **“Memorandum”** shall mean the memorandum of association of the Company, as amended from time to time.
- jj. **“Office”** shall mean the registered office for the time being of the Company.
- kk. **“Officer”** shall have the meaning assigned thereto by Section 2(59) of the Act.
- ll. **“Ordinary Resolution”** shall have the meaning assigned thereto by Section 114 of the Act.

- mm. **“Paid up”** shall include the amount credited as paid up.
- nn. **“Person”** shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- oo. **“Promoters”** shall mean persons identified in accordance with the definition ascribed to such term in the Companies Act, 2013 and the regulations prescribed by SEBI.
- pp. **“Register of Members”** shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.
- qq. **“Registrar”** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- rr. **“Rules”** shall mean the rules made under the Act and notified from time to time.
- ss. **“Seal”** shall mean the common seal(s) for the time being of the Company.
- tt. **“SEBI”** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
- uu. **“SEBI Listing Regulations”** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- vv. **“Secretary”** shall mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act.
- ww. **“Securities”** shall mean any Equity Shares and/or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.
- xx. **“Share Equivalents”** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.
- yy. **“Shareholder”** shall mean any shareholder of the Company, from time to time.
- zz. **“Shareholders’ Meeting”** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.
- aaa. **“Special Resolution”** shall have the meaning assigned to it under Section 114 of the Act.
- bbb. **“Transfer”** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares,

securities (including convertible securities) or voting interests or any interest therein, and the word “**Transferred**” shall be construed accordingly.

ccc. “**Tribunal**” shall mean the National Company Law Tribunal constituted under Section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

- (i) References to a party shall, where the context permits, include such party’s respective successors, legal heirs and permitted assigns.
- (ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (iii) References to articles and sub-articles are references to Articles and sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and sub-articles herein.
- (iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- (v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- (vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any Article of these Articles, unless expressly stated otherwise.
- (vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
- (viii) A reference to a party being liable to another party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (x) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.
- (xi) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act or the Depositories Act or the SEBI Listing Regulations, shall, as the case may be, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

- i. The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.
- ii. The Company has power, from time to time, to increase its authorised or issued and Paid-up Share Capital in accordance with the Act, applicable Law and these Articles.
- iii. The Share Capital of the Company may be classified into shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- iv. Subject to Article 3(iii), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- v. The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly Paid up shares and if so issued shall be deemed as fully/partly Paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.
- vi. The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.
- vii. Nothing herein contained shall prevent the Directors from issuing fully Paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- viii. Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- ix. All of the provisions of these Articles shall apply to the Shareholders.
- x. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.
- xi. The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5. PREFERENCE SHARES

(a) Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

6. PROVISIONS IN CASE OF PREFERENCE SHARES

Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

- a) No such preference shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- b) No such preference shares shall be redeemed unless they are fully paid;
- c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the preference shares are redeemed;
- d) Where any such preference shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the preference shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;
- e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
- f) The Capital Redemption Reserve Account may, notwithstanding anything in these Articles, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and
- g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

7. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

8. ADRS/ GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights, in accordance with the directions of the Board.

9. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in Shareholders Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- a) increase its Share Capital by such amount as it thinks expedient;

- b) consolidate and divide all or any of its Share Capital into shares of larger or smaller amount than its existing shares;
- c) Provided that no consolidation and division which results in changes in the voting percentage of Shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
- d) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination;
- e) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- f) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of these Articles shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

10. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

11. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board or a Special Resolution of the Shareholders, as required under the Act, the Company may purchase its own shares or other Securities, as may be specified by the Act read with the Rules made thereunder from time to time, and as may be prescribed by the MCA or the SEBI, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with the Law.

12. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and the Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to provisions of the Act and applicable Law, all provisions hereafter contained as to Shareholders' Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

13. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places at its Board may deem fit.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

- (a) The Company shall, in terms of the provisions of Section 88 of the Act and the provisions of the Depositories Act, cause to be kept the following registers in terms of the applicable provisions of the Act
 - i. A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
 - ii. A register of Debenture holders; and

- iii. A register of any other security holders.
- (b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.
- (c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. SHARES AND SHARE CERTIFICATES

- a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- b) A duplicate certificate of shares may be issued, if such certificate:
 - i. is proved to have been lost or destroyed; or
 - ii. has been defaced, mutilated or torn and is surrendered to the Company.
- c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be prima facie evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of Depository shall be the prima facie evidence of the interest of the beneficial owner.
- e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate, within a period of 30 days from the receipt of such lodgement. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

 Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.
- f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.
- i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such

forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.

- j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (h) of this Article.
- k) All books referred to in sub-article (i) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.
- n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of such share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not such Shareholder shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

16. SHARES AT THE DISPOSAL OF THE DIRECTORS

- a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 of the Act) at such time as they may, from time to time, think fit, to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call shares shall not be given to any Person or Persons without the sanction of the Company in the Shareholders' Meeting.
- b) Subject to applicable Law, the Directors are hereby authorised to issue Equity Shares or Debentures (whether or not convertible into Equity Shares) for offer and allotment to such of the officers, employees and workers of the Company as the Directors may decide or the trustees of such trust as may be set up for the benefit of the officers, employees and workers in accordance with the terms and conditions of such scheme, plan or proposal as the Directors may formulate. Subject to the consent of the stock exchanges and SEBI, the Directors may impose the condition that the Equity Shares or Debentures of the Company so allotted shall not be transferable for a specified period.
- c) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his Executor or Administrator.

- d) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- e) In accordance with Section 56 and other applicable provisions of the Act and the Rules:
 - i. Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued in the manner prescribed under Section 46 of the Act and the Rules framed thereunder. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue.
 - ii. Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 15 (fifteen) days of the receipt of instrument of transfer, sub-division, consolidation or renewal of its shares as the case may be and for transmission requests for securities held in dematerialized mode and physical mode must be processed within seven days and twenty one days respectively, after receipt of the specified documents. Every certificate of shares shall be in the form and manner as specified in Article 15 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.
 - iii. the Board may, at their absolute discretion, refuse any applications for the sub- division of share certificates or debenture certificates, into denominations less than marketable lots except where sub-division is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.
 - iv. A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. UNDERWRITING AND BROKERAGE

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any Person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.
- (c) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

18. CALLS

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any Person except with the sanction of the Company in the Shareholders' Meeting.
- (b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.
- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
- (k) No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

i. On shares:

- (a) The Company shall have a first and paramount lien
 - (i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.
 - (b) Company's lien, if any, on such partly paid shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.
 - (c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully Paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares.
 - (d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- Provided that no sale shall be made:
- (i) unless a sum in respect of which the lien exists is presently payable; or
 - (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

- (e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

- (a) The Company shall have a first and paramount lien:
 - (i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.
- (c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.
- (d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the Person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

- (e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. FORFEITURE OF SHARES

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time

as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any Person and the remedy of any Person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the Person or persons entitled thereto.

- (k) The Board may, at any time, before any share so forfeited shall have been sold, re- allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. FURTHER ISSUE OF SHARE CAPITAL

- (a) Where at any time, the Company proposes to increase its subscribed Capital by the issue of further shares, such shares shall be offered—
- (i) to Persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-
- a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
- b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;
- c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;
- (ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or
- (iii) to any Persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of the Act and any other conditions as may be prescribed under Law.
- (b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.
- (c) Nothing in this Article shall apply to the increase of the subscribed Capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:
- Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a Shareholders' Meeting.
- (d) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

22. TRANSFER AND TRANSMISSION OF SHARES

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

- (b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
 - (c)
 - (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.
 - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
 - (d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
 - (e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
 - (f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the Person giving notice of such transmission, as the case may be, giving reasons for such refusal.
- Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever.
- (g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
 - (h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
 - (i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.
 - (j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders

recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

- (k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
- (m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.
- (p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and Debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.

- (q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- (r) The Company shall not register the transfer of its Securities in the name of the transferee(s) when the transferor(s) objects to the transfer.

Provided that the transferor serves on the Company, within sixty working days of raising the objection, a prohibitory order of a Court of competent jurisdiction.
- (s) The Board may delegate the power of transfer of Securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).

Provided that the delegated authority shall report on transfer of Securities to the Board in each meeting.
- (t) There shall be a common form of transfer in accordance with the Act and Rules.
- (u) The provision of these Articles shall be subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

- (a) Dematerialization:

Notwithstanding anything contained in these Articles, and subject to the applicable provisions of the Act, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (b) Subject to the applicable provisions of the Act, instead of issuing or receiving certificates for the Securities, as the case maybe, either the Company or the investor may exercise an option to issue, dematerialize, hold the Securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act as amended from time to time or any statutory modification thereto or re-enactment thereof.
- (c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoters to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for transfer in contravention of these Articles.
- (d) If a Person opts to hold his Securities with a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.
- (e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

(i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii) Every Person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.

(iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository on their behalf.

(g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the Person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other Person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more Persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and Debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of Securities on surrender by a Person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

- (i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
 - (ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.
- (l) Allotment of Securities dealt with in a Depository:
- Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.
- (m) Certificate Number and other details of Securities in Depository:
- Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.
- (n) Register and Index of Beneficial Owners:
- The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.
- (o) Provisions of Articles to apply to Shares held in Depository:
- Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.
- (p) Depository to furnish information:
- Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.
- (q) Option to opt out in respect of any such Security:
- If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of Securities to the Beneficial Owner or the transferee as the case may be.
- (r) Overriding effect of this Article:
- Provisions of this Article will have full effect and force notwithstanding anything to the contrary or inconsistent contained in any other Articles.

24. NOMINATION BY SECURITIES HOLDERS

- (a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the

Securities of the Company held by him shall vest in the event of his death.

- (b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- (d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- (e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any Person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO SHAREHOLDERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

- (a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
 - i. accept or renew deposits from Shareholders;
 - ii. borrow money by way of issuance of Debentures;
 - iii. borrow money otherwise than on Debentures;

- iv. accept deposits from Shareholders either in advance of calls or otherwise; and
- v. generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up Capital, free reserves and securities premium of the Company, the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a Shareholders' Meeting.

- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in Shareholders' Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.
- (c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in Shareholders' Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. SHARE WARRANTS

- (a) The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Companies Act, 1956; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the

Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.

- (b)
 - (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.
 - (ii) Not more than one person shall be recognised as depositor of the share warrant.
 - (iii) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.
- (c)
 - (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.
 - (ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.
- (d) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
- (e) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act, 1956.

30. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- (a) The Company in Shareholders' Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.
- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- (c) Where the shares are converted into stock, such of the Articles as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

31. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

32. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

33. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

- (a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

34. NOTICE OF SHAREHOLDERS' MEETINGS

- (a) Number of days' notice of Shareholders' Meeting to be given: A Shareholders' Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a Shareholders' Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- (a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
 - (b) Auditor or Auditors of the Company, and
 - (c) all Directors.
- (b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.
- (c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.
- (d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All

business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

- (e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- (f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (h) The notice of the Shareholders' Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

35. REQUISITION OF EXTRAORDINARY GENERAL MEETING

- (a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- (b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
- (c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- (d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- (e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- (f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- (g) The Extraordinary General Meeting called under this Article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

36. NO BUSINESS TO BE TRANSACTED IN SHAREHOLDERS' MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half

an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

37. CHAIRMAN OF THE SHAREHOLDERS' MEETING

The Chairman of the Board shall be entitled to take the Chair at every Shareholders' Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect, on a show of hands or on a poll if properly demanded, one of their member to be the Chairman of the meeting. No business shall be discussed at any Shareholders' Meeting except the election of a Chairman while the Chair is vacant.

38. CHAIRMAN CAN ADJOURN THE SHAREHOLDERS' MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the Shareholders' Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

39. QUESTIONS AT SHAREHOLDERS' MEETING HOW DECIDED

- (a) At any Shareholders' Meeting, a resolution put to the vote of the Shareholders' Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.
- (e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

- (g) No report of the proceedings of any Shareholders' Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- (h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

40. PASSING RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the Shareholders' Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time and applicable Law.

41. VOTES OF SHAREHOLDERS

- (a) No Shareholder shall be entitled to vote either personally or by proxy at any Shareholders' Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- (b) No shareholder shall be entitled to vote at a Shareholders' Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- (c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

- (d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- (e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.
- (f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present

whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

- (g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.
- (h) Any Person entitled to transfer any shares of the Company may vote at any Shareholders' Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.
- (j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- (k) A Shareholder present by proxy shall be entitled to vote only on a poll.
- (l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notorially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notorially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.
- (m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out under Section 105 and other provisions of the Act and in the Companies (Management and Administration) Rules, 2014.
- (n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.

- (o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
- (p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- (q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
- (i) The Company shall cause minutes of all proceedings of every Shareholders' Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
- (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.
- (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.
- (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.
- (vii) Any such Minutes shall be evidence of the proceedings recorded therein.
- (viii) The book containing the Minutes of proceedings of Shareholders' Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.
- (ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -
 - a) the names of the Directors and Alternate Directors present at each Shareholders' Meeting;
 - b) all Resolutions and proceedings of Shareholders' Meeting.
- (r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.
- (s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

- (t) All matters arising at a Shareholders' Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- (u) The Shareholders shall exercise their voting rights as Shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
- (v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).
- (w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the SEBI Listing Regulations or any other Law, if applicable to the Company.

42. DIRECTORS

- (a) Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen) provided that the Company may appoint more than 15 (fifteen) directors after passing a Special Resolution. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Independent Director, as may be prescribed by Law from time to time.
- (b) The subscribers to the Memorandum of Association are the first Directors of the Company

43. CHAIRMAN OF THE BOARD OF DIRECTORS

- (a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the Shareholders' Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- (b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman for the said Meeting.

44. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called "the Original Director") (subject to such person being acceptable to the Chairman) during the Original Director's absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

45. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall

be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

46. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board or Committees of the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, SEBI Listing Regulations or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations.

48. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, the Act and the applicable Law, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all Shareholders' Meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

51. REMUNERATION OF DIRECTORS

- (a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the SEBI Listing Regulations, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- (b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- (c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- (d) Subject to the provisions of the Act and these Articles. all fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a Shareholders' Meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding, anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

52. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

53. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

54. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

55. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a Shareholders' Meeting, but for no other purpose.

56. VACATION OF OFFICE BY DIRECTOR

- (a) Subject to relevant provisions of Sections 167, and 188 other relevant provisions of the Act, the office of a Director, shall ipso facto be vacated if:
- (i) he is found to be of unsound mind by a court of competent jurisdiction; or
 - (ii) he applies to be adjudicated an insolvent; or
 - (iii) he is adjudged an insolvent; or
 - (iv) he is convicted by a court of any offence involving moral turpitude or otherwise, and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or
 - (v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call; or
 - (vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 12 (twelve) months, whichever is longer, without obtaining leave of absence from the Board; or
 - (vii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
 - (viii) he acts in contravention of Section 184 of the Act; or
 - (ix) he becomes disqualified by an order of a court or the Tribunal; or
 - (x) he is removed in pursuance of Section 169 of the Act; or
 - (xi) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

57. RELATED PARTY TRANSACTIONS

- (a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to: :
 - (i) sale, purchase or supply of any goods or materials;
 - (ii) selling or otherwise disposing of, or buying, property of any kind;
 - (iii) leasing of property of any kind;
 - (iv) availing or rendering of any services;
 - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
 - (vi) such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - (vii) underwriting the subscription of any securities or derivatives thereof, of the company: without the consent of the Shareholders by way of a resolution in accordance with Section 188 of the Act.
- (b) no Shareholder of the Company shall vote on such resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.
- (c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis
- (d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.
- (e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.
- (f) The term 'related party' shall have the same meaning as ascribed to it under the Act.
- (g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

58. DISCLOSURE OF INTEREST

- (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up share capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board

or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

- (b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void;

- 1. in his being a shareholder holding not more than 2 (two) per cent of its Paid-up share capital.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

- (c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.
- (d) A Director may be or become a Director of any company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 188 or Section 197 of the Act as may be applicable.

59. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

In accordance with Section 152 of the Act, at the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the Director(s) appointed as nominee Director(s), or the Director(s) appointed as a Debenture Director(s), or the Director(s) appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article, shall they be included in calculating the total number of Directors of whom one thirds shall be liable to retire by rotation from office in terms of Section 152 of the Act.

60. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
 - (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - (ii) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;

- (iii) he is not qualified or is disqualified for appointment; or
- (iv) a resolution, whether special or ordinary, is required for the appointment or reappointment by virtue of any applicable provisions of the Act; or
- (v) These Articles shall be subject to Section 162 of the Act.

61. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 42 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

62. REGISTER OF DIRECTORS ETC.

The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.

The Company shall in respect of each of its Directors and key managerial personnel keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

63. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

64. MANAGING DIRECTOR(S) / WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S) / MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

65. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

- (a) to make calls on Shareholders in respect of money unpaid on their shares;
- (b) to authorise buy-back of Securities under Section 68 of the Act;
- (c) to issue Securities, including Debentures, whether in or outside India;
- (d) to borrow money(ies);
- (e) to invest the funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statements and the Board's report;
- (h) to diversify the business of the Company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) fees/ compensation payable to non-executive directors including independent directors of the Company; and
- (l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the SEBI Listing Regulations.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to

(f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

In terms of and subject to the provisions of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

- (a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;
- (b) to borrow money; and

- (c) any such other matter as may be prescribed under the Act, the SEBI Listing Regulations and other applicable provisions of Law.

68. MAKING LIABILITY OF DIRECTORS UNLIMITED

The Company may, by Special Resolution in a Shareholders' Meeting, alter its Memorandum of Association so as to render unlimited the liability of its Directors or of any Director or manager, in accordance with Section 323 of the Companies Act, 1956.

69. PROCEEDINGS OF THE BOARD OF DIRECTORS

- (a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.
- (b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- (c) The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- (d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.
- (e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.
- (f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

70. QUORUM FOR BOARD MEETING

- (a) Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength or two directors, whichever is higher, and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum. Provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested present at the meeting being not less than two, shall be the quorum during such meeting.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

71. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (b) No regulation made by the Company in Shareholders' Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

72. ELECTION OF CHAIRMAN OF BOARD

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

73. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- (a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the Memorandum and Articles of Association of the Company.
- (b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- (c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-
 - i. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;
 - ii. Remit, or give time for repayment of, any debt due by a Director;
 - iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and
 - iv. Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the Paid-up Capital, free reserves and securities premium of the Company.

74. COMMITTEES AND DELEGATION BY THE BOARD

The Board of Directors of the Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the SEBI Listing Regulations. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or

manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.

Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to Persons or purposes. Every Committee of the Board so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.

The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the SEBI Listing Regulations, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

75. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or Persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

76. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members of the Committee, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

77. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

- (a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- (b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.

- (c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -
 - (i) all appointments of Officers;
 - (ii) the names of the Directors present at each meeting of the Board;
 - (iii) all resolutions and proceedings of the meetings of the Board;
 - (iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.
- (f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -
 - (i) is or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.
- (g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.
- (h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
- (i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 1 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

78. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

79. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the Person in whose favour such charge is executed.

80. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all Persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

81. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any Person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other Persons so becoming liable as aforesaid from any loss in respect of such liability.

82. OFFICERS

- (a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.
- (b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.
- (c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.
- (d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.
- (e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

83. THE SECRETARY

- (a) Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.
- (b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

84. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from an internationally recognised insurer approved by the Board; and
- (d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

85. SEAL

- (a) The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Companies Act, 1956/2013, for use in any territory, district or place outside India.
- (b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two (2) directors and/or the secretary or such other person as the Board may appoint for the purpose; and those two (2) directors and/or secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

86. ACCOUNTS

- (a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, in accordance with the Act, Rules and as required under the applicable Law, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- (b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers in electronic mode in accordance with the provisions of the Act.
- (c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.
- (d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.
- (e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.
- (f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:
 - (i) the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;
 - (ii) number of meetings of the Board;
 - (iii) Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;
 - (iv) a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;
 - (v) in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of Section 178 of the Act;
 - (vi) explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-
 - 1. by the auditor in his report; and

2. by the company secretary in practice in his secretarial audit report;
 - (vii) particulars of loans, guarantees or investments under Section 186 of the Act;
 - (viii) particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;
 - (ix) the state of the Company's affairs;
 - (x) the amounts, if any, which it proposes to carry to any reserves;
 - (xi) the amount, if any, which it recommends should be paid by way of Dividends;
 - (xii) material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report;
 - (xiii) the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
 - (xiv) a statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company;
 - (xv) the details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken during the year;
 - (xvi) a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Directors, as may be prescribed for listed companies; and
 - (xvii) such other matters as may be prescribed under the Law, from time to time.
- (g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.
 - (h) The Company shall comply with the requirements of Section 136 of the Act.

87. AUDIT AND AUDITORS

- (a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.
- (b) Every account of the Company when audited shall be approved by a Shareholders' Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.
- (c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.
- (d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.
- (e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.

- (f) The Company shall within 7 (seven) days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.
- (g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in Shareholders' Meeting.
- (h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re- appointed.
- (i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- (j) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

88. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

89. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in Shareholders' Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

90. DOCUMENTS AND NOTICES

- (a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address or by email.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- (c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.
- (d) Every Person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the Register of Members, shall have been duly served on or given to the Person from whom he derives his title to such Share.

- (e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- (f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- (g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a shareholder has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each shareholder an opportunity to register his email address and change therein from time to time with the Company or the concerned Depository. The Company shall fulfill all conditions required by Law, in this regard.

91. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

92. SERVICE ON SHAREHOLDERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

93. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the Persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the Persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

94. PERSONS ENTITLED TO NOTICE OF SHAREHOLDERS' MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of Shareholders' Meeting shall be given:

- (i) To the Shareholders of the Company as provided by these Articles.
- (ii) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.
- (iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

95. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

96. DIVIDEND POLICY

- (a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be

divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.

- (b) Subject to the provisions of Section 123 of the Act the Company in Shareholders' Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in Shareholders' Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
- (c) (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act or out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both, provided that in computing profits any amount representing unrealised gains, notional gains or revaluation of assets and any change in carrying amount of an asset or of a liability on measurement of the asset or the liability at fair value shall be excluded. The Company shall not declare Dividend unless carried over previous losses and depreciation not provided in previous Financial Year or years are set off against profit of the Company for the Financial Year for which the Dividend is proposed to be declared. Where the Company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the free reserves, owing to inadequacy or absence of profits in the Financial Year for which the Dividends are proposed to be declared, such declaration of Dividend shall not be made except in accordance with provisions of the Act and the Rules.
- (ii) The declaration of the Board as to the amount of the net profits shall be conclusive.
- (d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies in accordance with the provisions of the Section 123 of the Act.
- (e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
- (f) (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.
- (ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the purpose of this regulation as paid on shares.
- (iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.
- (g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.
- (h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.
- (i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the

Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.

- (j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- (k) Unless otherwise directed any Dividend shall be paid through electronic mode of payment facility approved by the Reserve Bank of India. Where it is not possible to use electronic mode of payment, dividend may be paid by 'payable at par' cheques or warrants sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.
- (l) No unpaid Dividend shall bear interest as against the Company.
- (m) Any Shareholders' Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Shareholders' Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.
- (n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.
- (o) The Company may pay dividends on shares in proportion to the amount Paid-up on each Share in accordance with Section 51 of the Act.

97. UNPAID OR UNCLAIMED DIVIDEND

- (a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank or private sector bank.
- (b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".
- (c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law and such forfeiture, if effected, shall be annulled in appropriate cases.

98. CAPITALIZATION OF PROFITS

The Company in Shareholders' Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and

- (b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (c) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
 - (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
 - (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub- article (ii).
- (d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

99. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

- (a) The Board shall give effect to a Resolution passed by the Company in pursuance of this Article.
- (b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:
 - (i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and
 - (ii) generally do all acts and things required to give effect thereto.
- (c) The Board shall have full power:
 - i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or Debentures becoming distributable in fraction; and
 - ii. to authorize any Person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully Paid up, of any further shares or Debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.
- (d) Any agreement made under such authority shall be effective and binding on all such shareholders.

100. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

- (a) If the company shall be wound up , the liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders.

- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Shareholder shall be compelled to accept any shares or other Securities whereon there is any liability.

101. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, manager and other Officer or employee of the Company shall be indemnified by the Company against any liability incurred by him in the ordinary course of business and it shall be the duty of the Directors to pay out from the funds of the Company all costs, losses and expenses which any Director, manager, Officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, manager, Officer or employee in defending any proceedings, whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all the claims.

102. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, manager, Officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office shall be paid and borne by the Company.

103. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the Board and Shareholders shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines for inspection of any Shareholder without charge. In the event such Shareholder conducting inspection of the abovementioned documents requires extracts of the same, the Company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

104. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company may amend its Memorandum of Association and Articles of Association in accordance with Sections 13, 14 and 15 of the Act and such other provisions of Law, as may be applicable from time-to-time. The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the company in accordance with these Articles.

- (a) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.
- (b) The Articles of the company shall not be amended unless (i) Shareholders holding not less than 75% of the Equity shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles.

105. SECRECY

No Shareholder shall be entitled to inspect the Company's work without permission of the Managing Director/Directors or to require discovery of any information respectively any details of Company's trading or any

matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the Company and which in the opinion of the Managing Director/Directors will be inexpedient in the interest of the Shareholders of the Company to communicate to the public.

106. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, Managing Directors, manager, Secretary, Auditor, trustee, members of the committee, Officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the Company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the Company in the Shareholders' Meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the Company's affair.

107. GENERAL POWER

Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

At any point of time from the date of adoption of these Articles, if the Articles are or become contrary to the provisions of the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail over the Articles to such extent and the Company shall discharge all its obligations as prescribed under the SEBI Listing Regulations, from time to time.

PART II

Part II of the Articles of Association of the Company provides for the rights and obligations of the parties to the Investment Agreement.

In case of inconsistency or contradiction, conflict or overlap between Part I and Part II, the provisions of Part II shall, subject to applicable law, prevail and be applicable. However, Part II shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to the Offer and the provisions of Part I shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.

SECTION X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company), which are or may be deemed material will be attached to the copy of this Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Red Herring Prospectus until the Bid/Offer Closing Date. Copies of such documents and contracts shall also be available at <https://www.vedantfashions.com/material-contracts> for the period set out above.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Registrar agreement dated September 6, 2021, entered into between our Company, the Selling Shareholders and the Registrar to the Offer.
2. Offer agreement dated September 9, 2021 entered into between our Company, the Selling Shareholders and the BRLMs.
3. Cash escrow and sponsor bank agreement dated January 20, 2022 entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, Syndicate Members and the Banker(s) to the Offer.
4. Share escrow agreement dated January 19, 2022 entered into between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate agreement dated January 21, 2022 entered into between our Company, the Selling Shareholders, the BRLMs, Registrar to the Offer and the Syndicate Members.
6. Underwriting agreement dated [●] entered into between our Company, the Selling Shareholders, and the Underwriters.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association as amended from time to time.
2. Certified copy of Takeover Agreement entered into between M/s. Vedant Creation and the Company.
3. Certificate of incorporation dated May 24, 2002.
4. Fresh certificate of incorporation consequent upon conversion to public limited company dated August 25, 2021.
5. Resolution of the Board of Directors dated September 6, 2021, in relation to the Offer and other related matters.
6. Copy of the ESOP Plan.
7. Scheme of arrangement between Rainbow Iron & Steel Suppliers Private Limited and our Company.
8. Resolution of the Board of Directors dated September 6, 2021 and resolution of our IPO Committee dated September 9, 2021, approving the Draft Red Herring Prospectus.

9. Resolutions of our Board of Directors and IPO Committee dated January 22, 2022 approving this Red Herring Prospectus.
10. Consent letters each dated September 2, 2021 from the Selling Shareholders in relation to the Offer for Sale.
11. Consents dated September 4, 2021 and January 15, 2022 from CRISIL to rely on and reproduce part or whole of the CRISIL Report and include their name in this Red Herring Prospectus.
12. Copy of the Investment Agreement as amended by the agreement dated August 10, 2018 and the Waiver and Amendment Agreement.
13. Written consent dated January 22, 2022 from S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this RHP, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their (i) examination report dated November 8, 2021 on our Restated Consolidated Financial Statements; and (ii) their report dated September 6, 2021 on the statement of special tax benefits in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this RHP. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.
14. The examination report dated November 8, 2021 of the Statutory Auditors on our Restated Consolidated Financial Statements.
15. The report on the statement of possible special tax benefits dated September 6, 2021, from the Statutory Auditors.
16. Report titled “*Assessment of the apparel industry with a special focus on Indian wedding and celebration wear market in India*” dated September 2021 as updated by the addendum dated December 2021 prepared by CRISIL.
17. Copies of annual reports of our Company for the Fiscals 2021, 2020 and 2019.
18. Consent of the Directors, BRLMs, Syndicate Members, the legal counsels appointed for the Offer, Registrar to the Offer, Banker(s) to the Offer, Bankers to our Company, Company Secretary and Compliance Officer, as referred to in their specific capacities.
19. Tripartite agreement dated October 4, 2016, among our Company, NSDL and the Registrar to the Offer.
20. Tripartite agreement dated September 3, 2021, among our Company, CDSL and the Registrar to the Offer.
21. Due diligence certificate dated September 9, 2021, addressed to SEBI from the BRLMs.
22. In-principle listing approvals dated September 20, 2021 and September 27, 2021 issued by BSE and NSE, respectively.
23. SEBI final observation letter bearing reference number SEBI/HO/OW/P//2022/2226 and dated January 18, 2022.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Ravi Modi
Chairman and Managing Director

Place: Kolkata

Date: January 22, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Shilpi Modi
Whole-time Director

Place: Kolkata
Date: January 22, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Sunish Sharma
Nominee Director

Place: Mumbai
Date: January 22, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Manish Mahendra Choksi
Independent Director

Place: Mumbai
Date: January 22, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Tarun Puri

Independent Director

Place: Bangalore

Date: January 22, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Director of our Company

Abanti Mitra

Independent Director

Place: Mumbai

Date: January 22, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement, disclosures and undertakings made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Red Herring Prospectus are true and correct.

Signed by the Chief Financial Officer of our Company

Rahul Murarka

Chief Financial Officer

Place: Kolkata

Date: January 22, 2022

DECLARATION

We, Rhine Holdings Limited, acting as a Selling Shareholder, hereby certify and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility, as a Selling Shareholder, for any other statements, disclosures and undertakings including, statements made or confirmed by or relating to the Company or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Rhine Holdings Limited

Authorised Signatory

Name: Santosh Kumar Gujadhur

Designation: Director

Place: Mauritius

Date: January 22, 2022

DECLARATION

We, Kedaara Capital Alternative Investment Fund-Kedaara Capital AIF 1, acting as a Selling Shareholder, hereby certify and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility, as a Selling Shareholder, for any other statements, disclosures and undertakings including, statements made or confirmed by or relating to the Company or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Kedaara Capital Alternative Investment Fund-Kedaara Capital AIF 1

Authorised Signatory

Name: Sunish Sharma

Designation: Authorised Signatory

Place: Mumbai

Date: January 22, 2022

DECLARATION

We, Ravi Modi Family Trust (acting through Modi Fiduciary Services Private Limited) acting as a Selling Shareholder, hereby certify and declare that all statements, disclosures and undertakings made or confirmed by us in this Red Herring Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility, as a Selling Shareholder, for any other statements, disclosures and undertakings including, statements made or confirmed by or relating to the Company or any other person(s) in this Red Herring Prospectus.

Signed for and on behalf of Ravi Modi Family Trust (acting through Modi Fiduciary Services Private Limited)

Authorised Signatory

Name: Ravi Modi

Designation: Director of Modi Fiduciary Services Private Limited

Place: Kolkata

Date: January 22, 2022