MRVL
MANDHANA RETAIL VENTURES LTD.
CIN : L52390MH2011PLC213349
Registered Office : Plot No. E-132, M.I.D.C., Tarapur Industrial Area, Boisar, Dist: Palghar- 401 506

6th November, 2020

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

To,
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C-1,
G Block, Bandra Kurla Complex,
Bandra (E), Mumbai - 400051

Dear Sir/Madam,

Sub: Submission of Annual Report 2019-20 pursuant to Regulation 37 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Ref: BSE- 540210; NSE - TMRVL

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find attached herewith copy of the Annual Report 2019-20 alongwith Notice of the 9th Annual General Meeting of the Company to be held on 28th November, 2020.

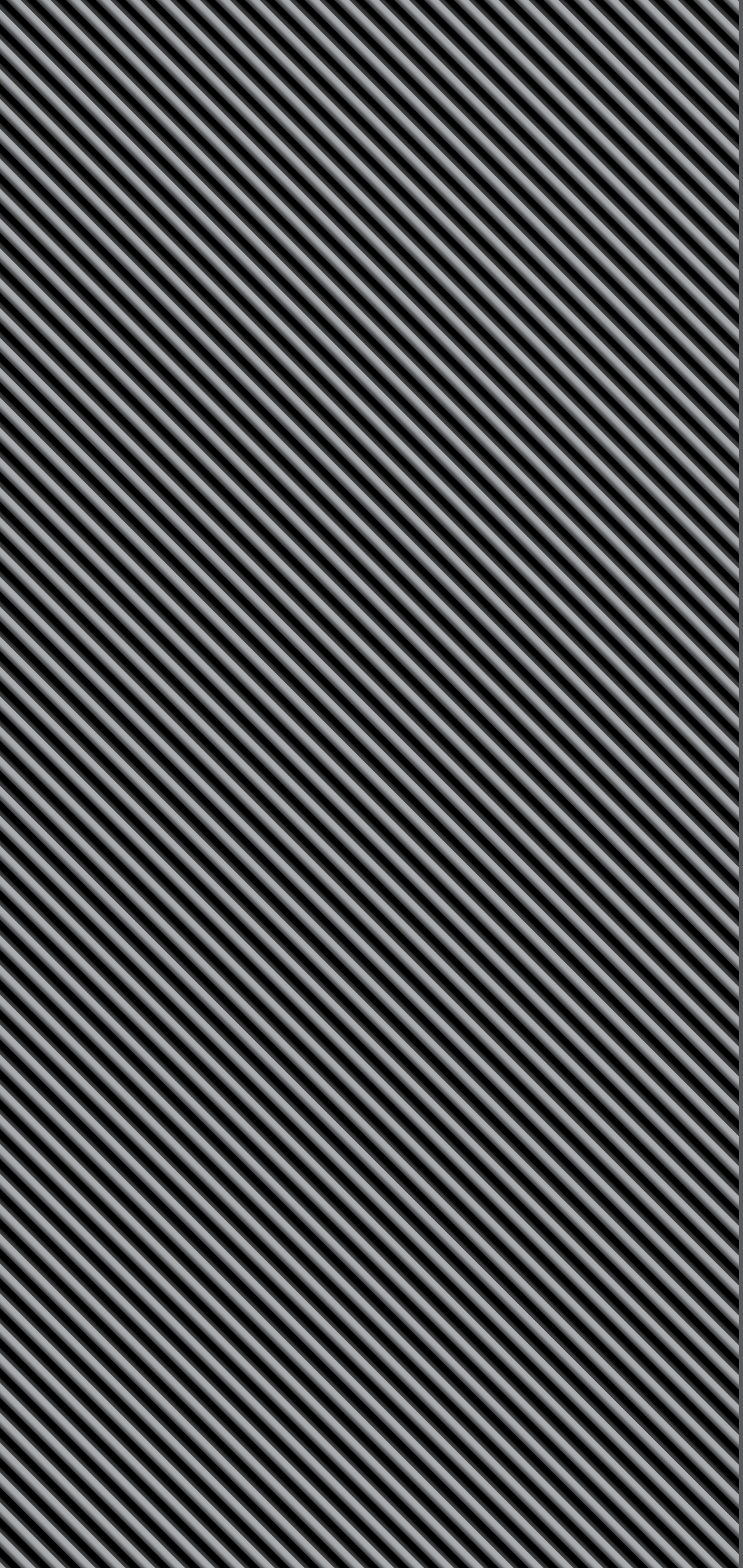
Kindly take the above on your records and oblige.

Yours faithfully,
for **THE MANDHANA RETAIL VENTURES LIMITED**

The Mandhana Retail Ventures Limited * Mumbai *

MANISH MANDHANA
(Chief Executive Officer)

Encl.: As above.



MRVL

MANDHANA RETAIL VENTURES LTD.

Annual Report 2019-2020

CONTENTS

	Page Nos.
CORPORATE OVERVIEW	
Corporate Information	01
Chairman's Message	02
STATUTORY REPORTS	
Directors' Report	03
Management Discussion and Analysis	22
Corporate Governance Report	25
FINANCIAL STATEMENTS	
Independent Auditors' Report	41
Balance Sheet	46
Statement of Profit and Loss	47
Statement of Cash Flows	48
Statement of Changes in Equity	50
Notes to the Financial Statements	51

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pradip Dubhashi
Non-executive and Independent Chairman

Mr. Ramnath Pradeep
Non-executive and Independent Director

Mr. Kiran Vaidya
Non-executive and Independent Director (ceased to be a director w.e.f. 18th May, 2020)

Mrs. Sangeeta Mandhana
Managing Director

Mr. Priyavrat Mandhana
Executive Director

Mr. Mitesh Shah
Non-executive and Independent Director (appointed as Additional Director w.e.f. 20th October, 2020)

Mr. M.V.P.H. Rao
Non-executive and Independent Director (appointed as Additional Director w.e.f. 20th October, 2020)

BOARD COMMITTEES

Audit Committee

Mr. Ramnath Pradeep
(Appointed as Chairman w.e.f. 14th September, 2020)

Mr. Kiran Vaidya
Chairman (ceased to be Chairman w.e.f. 18th May, 2020)

Mr. Pradip Dubhashi
Member

Mr. Mitesh Shah
Member (appointed as member w.e.f. 20th October, 2020)

Mr. Priyavrat Mandhana
Member

Nomination & Remuneration Committee

Mr. Ramnath Pradeep
Chairman

Mr. Pradip Dubhashi
Member

Mr. Kiran Vaidya
Member (ceased to be member w.e.f. 18th May, 2020)

Mr. M.V.P.H. Rao
Member (appointed as member w.e.f. 20th October, 2020)

Stakeholders Relationship Committee

Mr. Ramnath Pradeep
Chairman

Mrs. Sangeeta Mandhana
Member

Mr. Priyavrat Mandhana
Member

Corporate Social Responsibility Committee

Mr. Pradip Dubhashi
Chairman

Mr. Ramnath Pradeep
Member

Mrs. Sangeeta Mandhana
Member

Risk Management Committee

Mr. Pradip Dubhashi
Chairman

Mr. Ramnath Pradeep
Member

Mr. Kiran Vaidya
Member (ceased to be a member w.e.f. 18th May, 2020)

Management Committee

Mr. Priyavrat Mandhana
Chairman

Mrs. Sangeeta Mandhana
Member

KEY MANAGERIAL PERSONNEL

Mrs. Sangeeta Mandhana
Managing Director

Mr. Manish Mandhana
Chief Executive Officer

Mr. Pankaj Gharat
Chief Financial Officer (Appointed w.e.f. 5th July, 2019)

Mr. Virendra Varma
Company Secretary

STATUTORY AUDITORS

M/s. BSR & Co. LLP
Chartered Accountants

SOLICITORS

M/s Crawford Bayley & Co.
Advocates & Solicitors

INTERNAL AUDITOR

M/s Aneja Assurance Private Limited
Chartered Accountants
(ceased w.e.f. 31st March, 2020)

M/s. Ram Agarwal & Associates
Chartered Accountants
(appointed w.e.f. 1st April, 2020)

SECRETARIAL AUDITOR

Mr. Nitin R. Joshi
Practicing Company Secretary

BANKERS

HDFC Bank Limited
Axis Bank Limited
Corporation Bank
State Bank of India
ICICI Bank Limited

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
(Unit: The Mandhana Retail Ventures Limited)
C-101, 247 Park, LBS Marg,
Vikhroli (W), Mumbai 400 083
Tel: 91-22-49186000
Fax: 91-22-49186060
E-mail: mumbai@linkintime.co.in

Registered Office

Plot No. E-132, M.I.D.C,
Tarapur Industrial Area,
Boisar, Dist. Palghar - 401 506
Tel: 91- 2525- 605706/272426

Corporate Office

014, Peninsula Centre,
Dr. S. S. Rao Road,
Parel, Mumbai - 400 012
Tel: 91-22-4353 9790
E-mail: cs@tmrvl.com
Website: www.mrvlindia.com

CHAIRMAN'S LETTER TO SHAREHOLDERS

Dear Shareholders,

In my decades in business and industry, I and, I am sure, most of you haven't seen as turbulent times as the months since March this year. For your company, the pandemic has in a way aggravated the difficult times that it was facing in the year under review. Your Company's sales in FY 20 declined to INR 151.89 Crs, a decline of nearly 31% from the year earlier. It turned in a loss at the EBITDA level of 0.51% as opposed to a modest 2.91% a year earlier. Your Company suffered major discontinuity in business when the Being Human Foundation decided not to renew the license agreement that had enabled company to build the apparel business over last four years. The dislocation that this separation and associated process caused in the last four months of FY 20 is apparent in the financials as above.

Black Swan moment for global apparel

The apparel industry and its subset the fashion industry was facing slowdown globally in year 2019 but the pandemic has wreaked havoc. McKinsey, a reputed consultancy firm, estimates that the apparel industry would contract by about 30% globally with a marginal growth, if at all, of 1-2% in year 2021. The market capitalisation of global companies in this sector has reportedly fallen by 40% in the first 3 months of this calendar year and 80% of the companies are in financial distress. The 'quarantine of consumption' by the consuming class has led to fall in demand and has disrupted the industry supply chains.

License Agreement: A major disruption

I must admit that your Company was not prepared for the loss of its core asset namely the license agreement for Being Human brand. You may recall that in my letter to you last year I had apprised you about 'strategic asymmetry' between the Company management and the Foundation on operational matters. But the management didn't foresee the possibility of a rupture on this account given the personal bonhomie it enjoyed with the trustees of the Foundation.

The terms of separation provided for transfer of designs, inventories and stores to the entity specified by the Trust (the Licensor). The terms also provided for transfer of personnel. The Company had to let go of its employees who had worked hard to build the business. It was a sad separation but no one lost a job; the Company retained a select team that is working on alternative strategies that would build on industry and consumer knowledge that has been built and now embedded. As you may be aware, the Company inherited the license agreement as it was signed and operational before the Company came into existence. In retrospect, it is obvious that it was perhaps drafted in a hurry and didn't have the benefit of sound commercial and legal advice. The Board realising this repeatedly advised the management to take risk mitigation steps that it has done only lately.

Your Management is responding to the situation

The loss of license and the disruption has changed the business environment of the Company irrevocably. The cathartic experience of sudden discontinuity in the working life caused by the pandemic has changed the consumer everywhere including India. It is now a preference for savings and cautious consumption for the Indian consumer. As one behaviour expert opined that the consumer will look for 'investment' clothing that is minimalist and would 'last forever.' When economy resurfaces, expect shakeouts; many markets would be vacated. Your management is thinking of white spaces of opportunities emerging out of this economic churn. It has viable ideas in keeping with the strengths that the team possesses and network of relationships that it has built. There will be a step change towards digital including virtual sampling, video signoffs, and virtual showrooms for digital sell-ins and social marketing. All of this in an asset light model. It's a great window of opportunity to reinvent and that is serious work in progress for Manish Mandhana, the CEO and his team.

Auditors' concerns

The Auditors have expressed concern regarding the going concern status of the Company given that the license agreement stands terminated as of March 5, 2020. The management did try to address those concerns but in absence of any other clothing brand in the folio, the Auditors continued to hold their view. As mentioned above, the management and the board is fundamentally reimagining the future and that it will be rolled out when the consumption environment turns conducive. Given that proceeds from the transaction are available and the Company has pared expenses scrupulously and that there is a viable plan for reinventing the business in place, the Board believes the 'going concern' status can be expected to be reasonably assured.

Matters of the Board

In last eighteen months or so your Board has weathered difficult times. My colleagues, especially the Independent Directors, have very often gone beyond the call of normal duty. Mr Kiran Vaidya, Independent Director and Chair Audit Committee, resigned for personal reasons in May this year; his resignation came at an awkward time. The board sincerely thanks him for his services. During these difficult times Mr. Ramnath Pradeep, Independent director and Chair of the Nomination and Remuneration Committee, Audit Committee and Stakeholders Relationship Committee, provided rock like support to me and the Management through his wise and timely counsel. I can't thank him enough. I take this opportunity to welcome Mr. MVPH Rao and Mr. Mitesh Shah on the Board. I also like to record appreciation of Manish Mandhana, the CEO, for the grit shown and composure maintained during trying times.

Our people who stood by the company in turbulent times and worked on new strategy deserve heartfelt thanks. I must particularly mention tireless work done by Mr Pankaj Gharat, the CFO and a very meticulous Company Secretary Mr Virendra Varma during these eighteen months under very difficult personal circumstances.

Best regards,

Pradip Dubhashi
Chairman

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 9th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2020.

1. FINANCIAL HIGHLIGHTS

(Rupees in Lakh)

Particulars		2019-2020	2018-2019
Total Turnover		15,189.54	21,987.25
Other Income		883.63	216.87
Profit/(Loss) Before Interest, Depreciation and Taxation		**(77.30)**	**641.85**
Less:	1. Interest	715.41	(245.70)
	2. Depreciation	1,401.20	(385.70)
Profit/(Loss) Before Taxation		**(2,193.91)**	**10.45**
Less:	Provision for Taxation		
	Current Tax	-	-
	Deferred Tax	(911.11)	(44.35)
Net Profit/(Loss)for the Year		(3,105.02)	(33.9)
Less:	Income Tax paid for earlier year	-	(25.01)
Profit/(Loss) after Taxation		(3,105.02)	**(58.91)**
Add:	Other Comprehensive Income for the Year	22.52	0.73
Total Comprehensive Income/ (Loss) for the year		**(3,082.50)**	**(58.18)**
Less:	Transfer to General Reserve	0.00	0.00
Balance carried forward		**(3,082.50)**	**(58.18)**

Note: Figures in brackets represent negative number.

2. COMPANY PERFORMANCE AND BUSINESS OVERVIEW

A detailed discussion of operations for the year ended 31st March, 2020 is provided in the Management Discussion and Analysis Report, which is presented in a separate section forming part of this Annual Report.

3. DIVIDEND

In view of losses, the Board of Directors of your company does not recommend dividend for the year under review.

4. TRANSFER TO RESERVE

The Company does not propose to transfer amounts to the general reserve for the financial year 2019-2020.

5. 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

Towards the end of the financial year 2019-20, the world has been facing a dreadful enemy in the form of Coronavirus viz., the global Covid-19 pandemic. The outbreak of Covid-19 pandemic has resulted into many restrictions, including free movement of people, thereby hampering businesses and day to day functioning of companies. Further, post selling and transferring of select inventories and store assets pertaining to the Trademark License Agreement executed between the Company and Being Human - The Salman Khan Foundation to Four Aces Fashion House Private Limited in the month of March 2020, the Company has ceased to carry the operations and business in relation to the said Trademark. Your Company has been continuously exploring various business prospects and in this regard various meetings/visits were planned in the 1st quarter of financial year 2020-21. However, with the statutory lockdown and various restrictions imposed by the Central and the State Government from March, 2020 the scheduled meetings/visits have been postponed and consequently the progress on the same has been on standstill.

Considering the fact that the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the impact it may have on its future business proposals. However, the Company is confident about adapting to the changing business environment and is quite confident that the situation will pick up progressively.

6. CORPORATE GOVERNANCE

Reports on Corporate Governance and Management Discussion and Analysis, in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), along with a certificate from Auditors regarding compliance of the Corporate Governance are given separately in this Annual Report.

All Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the financial year 2019-2020. A declaration to this effect signed by the Chief Executive Officer of the Company is contained in this annual report.

7. PUBLIC DEPOSIT

Your Company has not accepted any Public Deposits under Chapter V of the Companies Act, 2013.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Priyavrat Mandhana retires by rotation and being eligible, he would offers himself for re-appointment.

DIRECTORS' REPORT (CONTD.)

Brief details of Mr. Priyavrat Mandhana as required under Regulation 36(3) of the Listing Regulations shall form part of the notice of the ensuing Annual General Meeting.

During the year under review, Mr. Sachin Jaju, Non-Executive Director of the Company passed away on 2nd June, 2019. Mr. Jaju was an active Board Member and chose his point of participation very judiciously. The Board places on record its deep sense of gratitude and appreciation for Mr. Jaju's contribution provided to the Company during his tenure.

Mr. Kiran Vaidya, Non-Executive and Independent Director of the Company stepped down from the Board w.e.f. 18th May, 2020 as to pursue some of his personal interests. The Board places on record the contributions made by Mr. Vaidya during his tenure with the Company.

Brief details of the Director proposed to be appointed/ re-appointed as required under Regulation 36(3) of the Listing Regulations shall form part of the notice of the ensuing Annual General Meeting. Necessary details shall also be annexed to the notice of the meeting in terms of Section 102(1) of the said Act.

The Company has received declarations from all the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board, the Independent Directors, fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations.

Mr. Pankaj Gharat has been appointed as the Chief Financial Officer ('CFO') of the Company w.e.f. 5th July, 2019. Subsequent to his appointment, the additional duty/charge pertaining to the office of the CFO which was delegated to Mrs. Sangeeta Mandhana, Managing Director of the Company has been ceased. During the year under review, none of the KMP of the Company resigned from their respective positions.

9. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and individual directors pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

The Company's Independent Directors met on 12th February, 2020 without the presence of Executive Directors or Members of the Management. All the Independent Directors attended the Meeting. The Independent Directors opined that the Executive Directors shall contribute more to the deliberations in the Board and Committee Meetings of the Company.

10. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the year, 7 (Seven) Board Meetings were convened and held. Details of meetings of the Board and its Committees alongwith the attendance of the Directors therein, have been disclosed in the Corporate Governance Report (annexed herewith).

11. VIGIL MECHANISM / WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct & Ethics.

No Director/employee has been denied access to the Audit Committee of the Board of Directors. The Policy as approved by the Board may be accessed on the Company's website and the web-link to the same is https://www.mrvlindia.com/codes-of-conduct-policies

12. AUDIT COMMITTEE

As on 31st March, 2020, the Audit Committee comprised of four members viz. 3 Independent Directors and 1 Executive Director, given as under:

1.	*Mr. Kiran Vaidya – Chairman
2.	Mr. Pradip Dubhashi
3.	Mr. Ramnath Pradeep
4.	Mr. Priyavrat Mandhana

**Mr. Kiran Vaidya resigned w.e.f. 18th May, 2020*

Further details on the Audit Committee are provided in the Corporate Governance Report (annexed herewith).

13. NOMINATION AND REMUNERATION POLICIY

The Board of Directors has formulated a Policy which lays down a framework for selection and appointment of Directors and Senior Management and for determining qualifications, positive attributes and independence of Directors.

The Policy also provides for remuneration of Directors, Members of Senior Management and Key Managerial Personnel.

The salient features of Nomination and Remuneration Policy are given under Annexure - 'A' to this Report and the detailed policy is available on the website of the Company at https://www.mrvlindia.com/codes-of-conduct-policies

14. RISK MANAGEMENT POLICY

The Company has an elaborate risk policy defining risk management governance model, risk assessment and prioritisation process. The risk management framework provides an integrated approach for identifying, assessing, mitigating, monitoring and reporting of all risks associated with the business of the Company. Although the Company is not mandatorily required

DIRECTORS' REPORT (CONTD.)

to constitute the Risk Management Committee, but to ensure effective risk management, the Board of Directors constituted the Risk Management Committee to monitor and review the key risks and adopt and implement measures to mitigate it.

The Audit Committee has additional oversight in the area of financial risks and controls.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No loans, guarantees or Investments covered under section 186 of the Companies Act, 2013, have been given or provided during the year.

16. RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material under Regulation 23 of Listing Regulations. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form No. AOC - 2 is not applicable. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed through the following link: https://www.mrvlindia.com/codes-of-conduct-policies. Your Directors draw attention of the members to Note No. 40 to the financial statements which sets out related party disclosures including Transaction, if any, with person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company.

Prior omnibus approval is obtained on an annual basis for transactions with related parties which are of a foreseeable and repetitive nature. The transactions entered into pursuant to the omnibus such approval so granted and a statement giving details of all transactions with related parties are placed before the Audit Committee and Board of Directors for their review on periodical basis.

17. MANAGERIAL REMUNERATION

REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

i. The percentage increase in remuneration of each Director, Chief Executive Officer and Company Secretary during FY 2019-2020 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2019-2020 are as under:

Sr. No.	Name of Director /KMP and Designation	Remuneration of Director/ KMP for FY 2019-2020 (₹ in Lakh)	% increase in remuneration in FY 2019-2020	Ratio of remuneration of each Whole-Time Director to Median Remuneration of Employees
1	Mrs. Sangeeta Mandhana-Managing Director @	100.15	Nil	18.21
2	Mr. Priyavrat Mandhana - Executive Director	100.15	Nil	18.21
3	Mr. Sachin Jaju - Non-Executive Director ^	NIL	N.A.	N.A.
4	Mr. Pradip Dubhashi - Non-Executive Chairman and Independent Director	5.75**	N.A.	N.A.
5	Mr. Ramnath Pradeep- Non-Executive and Independent Director	8.75**	N.A.	N.A.
6	Mr. Kiran Vaidya - Non-Executive and Independent Director ^	8.25**	N.A.	N.A.
7	Mr. Manish Mandhana - Chief Executive Officer	100.15	Nil	N.A.
8	Mr. Virendra Varma - Company Secretary	15.00	27.54%	N.A.
9	Mr. Pankaj Gharat- Chief Financial Officer #	17.52	N.A.	N.A.

@Subsequent to the appointment of Mr. Pankaj Gharat w.e.f 5th July, 2019, the additional duty/charge pertaining to the office of the CFO that was delegated to Mrs. Sangeeta Mandhana, Managing Director of the Company has been ceased.

^Mr. Sachin Jaju ceased to be Non-Executive Director of the Company w.e.f. 2nd June, 2019 & Mr. Kiran Vaidya resigned from the position of Non-Executive and Independent Director of the Company w.e.f. 18th May, 2020.

#Mr. Pankaj Gharat has been appointed as the Chief Financial Officer of the Company w.e.f. 5th July, 2019.

*** Exclusive of taxes.*

Notes:

1) Remuneration paid to each Whole-Time Director and KMP includes Salary, allowances, company's contribution to provident fund and monetary value of perquisites, if any. The remuneration paid to Non-Executive and/or Independent Directors comprises of sitting fees only.

2) On account of transitioning of the business under the Being Human trademark to Four Aces Fashion House Pvt. Ltd.('FAFH'), a sizable portion of our employees were also transitioned to FAFH, excluding the employees who are the core strength of the Company. Therefore, there has been a drastic change in remuneration details mentioned hereunder. With regard to the employees for which the transitioning to FAFH could not be completed until 31st March, 2020, the FAFH is reimbursing the salary paid by the Company to them on behalf of FAFH. Out of total 387 employees (excluding Executive Directors), there are in total 347 such employees for which the salary paid by the Company is reimbursed from FAFH.

DIRECTORS' REPORT (CONTD.)

ii. As per calculation sheet, the median remuneration of employees of the Company during FY 2019-2020 was ₹ 5,50,002/- per annum;

iii. In the financial year under review, there was an increase of 142.29% in the median remuneration of employees. The increase in median remuneration is not comparable with the last Financial Year given the fact that the number of employees for which the median remuneration is calculated as on 31st March, 2020 was 40 employees as compared to 537 employees as on 31st March, 2019.

iv. There were 40 permanent employees on the rolls of the Company as on 31st March, 2020 (excluding the Executive Directors, refer note no. 2 to the table above);

v. Average percentage decrease in the salaries of employees other than the managerial personnel in the last financial year i.e. FY 2019-2020 was 165.56% as compared to FY 2018-2019. As regards comparison of Managerial Remuneration of FY 2019-2020 over FY 2018-2019, details of the same are given in the above table at sr. no. (i) read with note no. 2 thereunder. Such percentage decrease in the salaries of employees is not comparable with the last financial year, given the fact that the number of employees stood as on 31st March, 2020 was 40 employees as compared to 537 employees as on 31st March, 2019;

vi. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate statement and forms part of the Annual Report. Further, this report is being sent to the Members excluding the said statement. The said statement is available for inspection of members upto the date of the Annual General Meeting and shall be made available to any shareholder on request made to Company Secretary at cs@tmrvl.com. The said statement is also available on the website of the Company, the weblink to which is https://www.mrvlindia.com/services.

18. STATUTORY AUDITORS AND AUDITORS' REPORT

In accordance with Section 139 of the Companies Act, 2013, M/s. BSR & Co., LLP, Chartered Accountants (Firm Registration Number: 101248W/W-100022) were appointed by the shareholders of the Company at the 6th Annual General Meeting held on 20th September, 2017, as the Statutory Auditors for a period of 5 years to hold office until the conclusion of the 11th Annual General Meeting of the Company.

Earlier, proviso to Section 139(1) of the Companies Act, 2013 provided that the appointment of the Statutory Auditors is required to be ratified by the Members at every Annual General Meeting held during their tenure. However, the said proviso was omitted w.e.f. 7th May, 2018 by the Companies Amendment Act, 2017 and thereby the notice for this 9th Annual General Meeting does not include the proposal seeking ratification of the appointment of the Statutory Auditors.

The Statutory Auditor has given a disclaimer opinion on the financial statements of the Company for the financial year 2019-2020 for the going concern status of the Company on account of loss of 'Being Human' Trademark and lack of sufficient appropriate evidences about the future business plans and operations of the Company and the materialisation of alternatives that are being considered by the Management.

With regard to the aforesaid opinion of the Statutory Auditor, the Management hereby states that the Management has responded with speed to rework its business strategy to meet the uncertainty arising out of the aforesaid event. The Management believes its business plan is amply supported by the core team that it has nurtured over the years and liquidity, inter alia, arising out of the transaction with the Foundation and its new licensee. The Management has held back the roll out of the plan given the disruption caused in the economy and its target markets by the pandemic. Given the current indication, it would be reasonable to expect helpful conditions for roll out by the last quarter of FY 2020-21. The Management, therefore, is of the opinion that there are reasonable grounds to believe that there is no material impact due to the aforesaid disclaimer on 'going concern' status by the Auditors.

The Board of Directors has given serious weightage to the views of the Statutory Auditors. It has also received the views of the Management on its strategy to meet the extenuating developments in its business model and the uncertainty in the economy caused by the pandemic. On balance, the Board is of the view, given the uncertainty and disruption caused by the pandemic, it is advisable to tread with caution and feels reasonably confident that the Management will be able to operationalise the business plan as presented to the Board and the Company' status as a 'going concern' can reasonably be assured thereby.

The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report is enclosed with the financial statements in this Annual Report.

During the FY 2019-2020, an embezzlement of cash of ₹ 8,46,498/- was identified at the Store of the Company located at Silver Arc Mall, Ludhiana, for which an FIR has been filed by the Company and the same is under investigation by the concerned Police Station There is no incident of fraud requiring reporting by the auditors under Section 143(12) of the Companies Act, 2013.

19. SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Rules made thereunder,

DIRECTORS' REPORT (CONTD.)

the Company has appointed Mr. Nitin R. Joshi, Practicing Company Secretary (Certificate of Practice No. 1884 and Membership No. FCS- 3137) as the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed as Annexure - 'B' and forms an integral part of this Report. The Company has complied with all the applicable secretarial standards.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. The statements referred in the Secretarial Audit Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013.

20. CORPORATE SOCIAL RESPONSIBILITY

The Company is not falling under any of the applicability criteria's of CSR as mentioned under the provisions of Section 135 of the Companies Act, 2013 as amended. Although not mandatorily required, the Company has during the FY 2019-2020, contributed ₹ 1,22,42,000/- towards its CSR activities which represents the opening balance of cumulative unspent CSR amount. A brief outline/salient features of the Company's Corporate Social Responsibility ('CSR') Policy and the Annual Report on CSR activities undertaken by the Company as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in Annexure – 'C' forming part of this Report.

21. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has no subsidiary, Joint Venture and Associate Company as on 31st March, 2020.

22. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

23. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial controls in place with reference to financial statements. These are continually reviewed by the Company to strengthen the same wherever required. The internal control systems are supplemented by internal audit carried out by an independent firm of Chartered Accountants and periodical review by the Management. The Audit Committee of the Board addresses issues raised by both, the Internal Auditors and the Statutory Auditors.

24. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under sub section (3) (c) and (5) of Section 134 of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

i) in the preparation of the annual accounts for the financial year ended 31st March, 2020, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for the year under review;

iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the Directors have prepared the annual financial statements on a going concern basis;

v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively; and

vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

25. PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as per section 134(3)(2) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2020 are provided under Annexure - 'D' to this report.

26. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(1) and Section 134(3)(a) of the Companies Act, 2013 ('Act') as amended, the extract of Annual Return in Form MGT-9 is uploaded on the website of the Company and the web link of which is: https://www.mrvlindia.com/services

27. COST RECORDS AND COST AUDIT

Maintenance of cost records and requirements of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

28. OTHERS

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. The details relating to deposits, covered under Chapter V of the Act, since neither the Company

DIRECTORS' REPORT (CONTD.)

has accepted deposits during the year under review nor there were any deposits outstanding during the year.

2. Details relating to issue of sweat equity shares, stock options, and shares with differential rights as to dividend, voting or otherwise, since there was no such issue of shares.
3. None of the Whole-Time Directors of the Company received any remuneration or commission from any of its subsidiaries.

Your Directors further state that the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and during the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

29. ACKNOWLEDGEMENT

The Directors take this opportunity to thank the Shareholders, Financial Institutions, Banks, Customers, Suppliers, Regulators, Government Authorities - Central and State Government & Local.

The Directors also place on record their appreciation to the employees at all levels for their hard work, dedication and commitment.

For and on behalf of the Board of Directors
The Mandhana Retail Ventures Limited

Sangeeta Mandhana	**Priyavrat Mandhana**
Managing Director	Executive Director
DIN: 06934972	DIN: 02446722

Place: Mumbai
Date : 18th September, 2020

ANNEXURE – 'A' TO DIRECTORS' REPORT

SALIENT FEATURES OF NOMINATION AND REMUNERATION POLICY ALONG WITH THE CHANGES MADE THEREIN

The Nomination and Remuneration Policy ('NR Policy') of the Company has been formulated with a view to:

1. devise a transparent system of determining the appropriate level of remuneration throughout all levels of employees and teams in the Company;
2. encourage personnel to perform to their highest level;
3. provide consistency in remuneration throughout the Company;
4. offer incentives on the premise of aligning the performance of the business with the performance of key employees and teams within the Company; and
5. set out the approach to diversity on the Board.

The NR Policy elucidates the types of remuneration to be offered by the Company and factors to be considered by the Board of Directors of the Company, Nomination and Remuneration Committee and management of the Company in determining the appropriate remuneration policy for the Company.

The NR Policy applies to the Company's senior management employees, including its Key managerial personnel and Board of Directors.

The NR Policy also acts as a guide in evaluating the performance of the officers of the Company which are two level below the Board and states that such evaluation shall be carried out by the Managing Director in consultation with CEO and Head-HR and a summary of the evaluation carried out shall also be placed annually before the Nomination and Remuneration Committee for its approval.

During the year under review, the Board of Directors of the Company has, in its meeting held on 30th May, 2019, modified the NR policy of the Company by amending the disclosure section appearing therein as it has become redundant on account of amendments made by the Companies Amendment Act, 2017.

The policy represents the overreaching approach of the Company to the remuneration of Directors, KMPs and other employees. The detailed policy is available on the Company's website at https://www.mrvlindia.com/codes-of-conduct-policies

For and on behalf of the Board of Directors
The Mandhana Retail Ventures Limited

Sangeeta Mandhana	**Priyavrat Mandhana**
Managing Director	Executive Director
DIN: 06934972	DIN: 02446722

ANNEXURE – 'B' TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
The Mandhana Retail Ventures Limited
006-008, Peninsula Centre,
Dr. S.S. Rao Marg, Parel,
Mumbai 400 012.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Mandhana Retail Ventures Limited (hereinafter called 'the company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, and in the manner reported hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March, 31, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made under that Act;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;

(iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable to Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India ('SEBI) Act, 1992:

  (a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The SEBI (Prohibition of Insider Trading) Regulations, 2015;

  (c) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

  (d) The SEBI (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**

  (e) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**

  (f) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The SEBI (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and

  (h) The SEBI (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

(vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:

  I. The Legal Metrology Act, 2009

  II. The Trade Mark Act, 1999

I further report that for the compliance of Labour Laws and other General Laws, my examination and reporting is based on the documents, records as produced and shown to me and the information and explanation as provided to me, by the officers and management of the Company and to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure compliance with applicable General Laws and Labour Laws.

I further report that the Company has complied with the applicable clauses/regulations of the following:

(i) Applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Equity Listing Agreement, to the extent applicable, entered in to by the Company with National Stock Exchange of India Limited and BSE Limited; and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review and as per the explanations and clarifications given to me and the representations made by the Management, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the

ANNEXURE – 'B' TO DIRECTORS' REPORT (CONTD.)

composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period;

i. Mr. Pankaj Gharat has been appointed as the Chief Financial Officer ('CFO') of the Company w.e.f. 5th July, 2019. Subsequent to his appointment, the additional duty/charge pertaining to the office of the CFO which was delegated to Mrs. Sangeeta Mandhana, Managing Director of the Company has been ceased.

ii. The License Agreement executed with 'Being Human (Trademark)-The Salman Khan Foundation' has been terminated and upon its termination, the Company ceases to have any rights to use the 'Being Human' trademark.

(NITIN R. JOSHI)

FCS No. 3137 C.P. No 1884

Note: This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

ANNEXURE -1 TO SECRETARIAL AUDIT REPORT

To
The Members,
The Mandhana Retail Ventures Limited.
006-008, Peninsula Centre,
Dr. S.S. Rao Marg, Parel,
Mumbai 400 012.

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

(NITIN R. JOSHI)

FCS No. 3137 C.P. No 1884

ANNEXURE – 'C' TO DIRECTORS' REPORT

Annual Report on Corporate Social Responsibility activities for the financial year 2019-2020

1. A BRIEF OUTLINE OF THE COMPANY'S CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS

Over the years, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover business but also the communities around us. The Company is dedicated towards its social responsibility and aims to contribute to society by supporting and enabling the social and economic development of local communities in India.

Our CSR philosophy, amongst other, aims at promoting following crucial activities:

1) Education;

2) Health care (including preventative health care);

3) Employment enhancing vocational skills;

4) Livelihood enhancement; and

5) Environment sustainability projects.

The CSR policy is placed on the website of the Company and link for the same is https://www.mrvlindia.com/codes-of-conduct-policies

2. COMPOSITION OF THE CSR COMMITTEE

Name of the Members	Category
Mr. Pradip Dubhashi (Chairman)	Non - Executive and Independent Director
Mr. Ramnath Pradeep	Non - Executive and Independent Director
Mrs. Sangeeta Mandhana	Executive Director

The composition of the Committee is in compliance with Section 135 of the Companies Act, 2013.

3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS

₹ 1,330.54 Lakh.

4. PRESCRIBED CSR EXPENDITURE

Not applicable in view of section 135(5) as amended, of the Companies Act, 2013.

5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR

(a) Total amount spent for the financial year - ₹ 122.42 Lakh

(b) Amount unspent, if any - NIL

(c) Manner in which the amount spent during the financial year –

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	**CSR Project / Activity identified**	**Sector in which the Project is covered**	**Locations**	**Amount outlay (budget) project or program wise**	**Amount spent on the projects or programs**	**Cumulative expenditure up to the reporting period**	**Amount spent directly or through Implementing Agency**
1.	Promoting Employment enhancing vocational skills, Livelihood enhancement and Environment sustainability projects	Promoting Employment enhancing vocational skills, Livelihood enhancement and Environment sustainability projects	Mumbai	₹ 122.42 Lakh	₹ 122.42 Lakh	₹ 122.42 Lakh	Implementing Agency - Garbage Concern Welfare Society

6. IN CASE THE COMPANY HAS FAILED TO SPEND THE TWO PER CENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF, THE COMPANY SHALL PROVIDE THE REASONS FOR NOT SPENDING THE AMOUNT IN ITS BOARD REPORT

Not Applicable.

ANNEXURE – 'C' TO DIRECTORS' REPORT (CONTD.)

7. RESPONSIBILITY STATEMENT OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors
The Mandhana Retail Ventures Limited

Sangeeta Mandhana
Managing Director
DIN: 06934972

Priyavrat Mandhana
Executive Director
DIN: 02446722

ANNEXURE – 'D' TO DIRECTORS' REPORT

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

(A) CONSERVATION OF ENERGY :

The Company is engaged in the continuous process of energy conservation through improved operational and maintenance practices.

The operations of your Company are not energy intensive. However, wherever possible your company strives to curtail the consumption of energy on a continued basis by using energy-efficient equipment. As energy costs comprise a very small part of your Company's total expenses, the financial implications of these measures are not material.

The Company consciously makes all efforts to conserve energy across all its operations.

(B) TECHNOLOGY ABSORPTION :

The Company continues to use the latest technologies for improving productivity and quality of its products. There has been no import of technology during the year under review.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO :

The Foreign Exchange outgo and foreign exchange earned by the Company during the year are:

Earnings : ₹ 40,87,226/-

Outgo : ₹ 6,17,196/-

For and on behalf of the Board of Directors
The Mandhana Retail Ventures Limited

Sangeeta Mandhana
Managing Director
DIN: 06934972

Priyavrat Mandhana
Executive Director
DIN: 02446722

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended 31st March, 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Company Management & Administration) Rules, 2014.

I. REGISTATION & OTHER DETAILS :

i.	CIN	L52390MH2011PLC213349
	Registration Date	12th February, 2011
	Name of the Company	The Mandhana Retail Ventures Limited
	Category / Sub-category of the Company	Company Limited by Shares / Indian/ Non-Government Company.
	Address of the Registered Office & Contact Details	Plot No. E-132, MIDC, Tarapur Industrial Area Boisar, Dist : Palghar – 401 506 Tel : 91-2525-605706/272426
ii.	Address of the Corporate Office & Contact Details	Unit No. 14, Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai – 400 012 Tel.: 91-22-43539790 email : cs@tmrvl.com Web : www.mrvlindia.com
iii.	Whether Listed Company	Yes (BSE Limited & National Stock Exchange of India Limited)
iv.	Name, Address & Contact Details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited (Unit: The Mandhana Retail Ventures Ltd.) C-101, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai – 400 083 Tel : 91-22-49186000 Fax : 91-22-49186060 email : rnt.helpdesk@linkintime.co.in

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company are given below:-

Sr. No.	Name & Description of main product / services	NIC Code of the Product / Service*	% to total turnover of the Company #
1	Retail Sale of Clothing	477	100

*As per National Industrial Classification - Ministry of Statistics and Programme Implementation

On the basis of Gross Turnover

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES:

The Company does not have any Holding/ Subsidiary / Associate Company.

IV SHAREHOLDING PATTERN (Equity Share Capital, Break up as % to total Equity)

(i) Category-wise Shareholding

Category of shareholders		No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change During the year@
		Demat	Physical	Total	% of Total Shares@	Demat	Physical	Total	% of Total Shares@	
A.	**Promoters**									
(1)	**Indian :**									
a)	Individual/HUF	45,93,765	-	45,93,765	20.80	42,06,262	-	42,06,262	19.05	(1.75)
b)	Central Government/ State Government	-	-	-	-	-	-	-	-	-
c)	FI / Banks	-	-	-	-	-	-	-	-	-
d)	Bodies Corporate	7,98,522	-	7,98,522	3.62	7,98,522	-	7,98,522	3.62	-
e)	Any other – Relative of Promoters	21,30,590	-	21,30,590	9.65	18,47,534	-	18,47,534	8.37	(1.28)
Sub-Total (A)(1)		**75,22,877**	**-**	**75,22,877**	**34.07**	**68,52,318**	**-**	**68,52,318**	**31.03**	**(3.04)**

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN (CONTD.)

Category of shareholders		No. of Shares held at the beginning of the year (01.04.2019)				No. of Shares held at the end of the year (31.03.2020)				% Change During the year@
		Demat	Physical	Total	% of Total Shares@	Demat	Physical	Total	% of Total Shares@	
(2)	**Foreign :**									
a)	Individual (NRI/ Foreign Individual)	-	-	-	-	-	-	-	-	-
b)	Government	-	-	-	-	-	-	-	-	-
c)	Institutions	-	-	-	-	-	-	-	-	-
d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Gr.(A)=(A)(1)+(A)(2)		**75,22,877**	**-**	**75,22,877**	**34.07**	**68,52,318**	**-**	**68,52,318**	**31.03**	**(3.04)**
B.	**Public Shareholding**									
(1)	**Institutions :**									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e)	Foreign Portfolio Investor	6,67,775	-	6,67,775	3.02	6,67,775	-	6,67,775	3.02	-
f)	Financial Institutions/ Bank	4,40,272	-	4,40,272	1.99	4,39,285	-	4,39,285	1.99	(0.00)
g)	Insurance Companies	-	-	-	-	-	-	-	-	-
h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i)	Any other	-	-	-	-					-
Sub-Total (B)(1)		**11,08,047**	**-**	**11,08,047**	**5.02**	**11,07,060**	**-**	**11,07,060**	**5.02**	**-**
(2)	**Central Government / State Government(s)/ President of India**	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)		-	-	-	-	-	-	-	-	-
(3)	**Non Institutions:**									
a)	Individual									
	Individual Shareholders holding Nominal share Capital up to ₹ 1 lakh	33,57,642	1,514	33,59,156	15.21	41,09,292	1,514	41,10,806	18.62	3.41
	Individual Shareholders holding Nominal share Capital in Excess of ₹ 1 lakh	54,61,646	-	54,61,646	24.73	55,66,703	-	55,66,703	25.21	0.48
b)	NBFCs registered with RBI	10	-	10	0.00	0	-	0	0.00	-
c)	Employees Trusts	-	-	-	-	-	-	-	-	-
d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
e)	Any Other (Specify):	46,30,873	-	46,30,873	20.97	46,30,873	-	46,30,873	20.97	-
	H.U.F.	5,46,304	-	5,46,304	2.47	5,70,382	-	5,70,382	2.58	0.11
	NRI-Non-Repat	31,927	-	31,927	0.14	41,721	-	41,721	0.19	0.05
	Other Directors	35,333	-	35,333	0.16	0	-	0	0.00	(0.16)
	NRI-Repat	2,45,102	-	2,45,102	1.11	2,83,131	-	2,83,131	1.28	0.17
	Clearing Member	2,39,062	-	2,39,062	1.08	89,160	-	89,160	0.40	(0.68)
	Bodies Corporate	35,33,145	-	35,33,145	16.00	34,61,328	-	34,61,328	15.67	(0.33)
	Sub-Total (B)(3)	**1,34,50,171**	**1,514**	**1,34,51,685**	**60.92**	**1,41,21,717**	**1,514**	**1,41,23,231**	**63.96**	**3.04**
Total Public shareholding (B)=(B)(1)+(B)(2)+(B)(3)		**1,45,58,218**	**1,514**	**1,45,59,732**	**65.93**	**1,52,28,777**	**1,514**	**1,52,30,291**	**68.97**	**3.04**
C.	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
Grand Total = (A + B + C)		**2,20,81,095**	**1,514**	**2,20,82,609**	**100.00**	**2,20,81,095**	**1,514**	**2,20,82,609**	**100.00**	**-**

@The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis-a-vis the paid up capital of the Company, on such particular day.

Note: Shareholding of Promoter and Promoter Group excludes 7,66,666 equity shares representing 3.47% of the total paid-up share capital of the Company transferred as a collateral by Mr. Biharilal C. Mandhana (2,66,666 equity shares representing 1.21%), Biharilal C. Mandhana HUF (3,00,000 equity shares representing 1.36%) & Mahan Synthetic Textiles Private Limited (2,00,000 equity shares representing 0.91%) to Vayoonandan Finance Company Private Limited pursuant to the credit facility availed.

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN (CONTD.)

(ii) Shareholding of Promoters:

Sr. No.	Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the Year (31.03.2020)			% Change in Shareholding during the year@
		No. of Shares	% of Total Shares of the Company@	% of Shares Pledged/ Encumbered to Total shares held	No. of Shares	% of Total Shares of the Company@	% of Shares Pledged/ Encumbered to Total shares held	
1	Mr. Purushottam C. Mandhana	10,09,333	4.57	86.79	7,14,962	3.24	81.35	(1.33)
2	Mr. Priyavrat P. Mandhana	11,19,894	5.07	62.78	11,19,894	5.07	62.78	-
3	Mr. Biharilal C. Mandhana	6,33,000	2.87	100.00	6,33,000	2.87	100.00	-
4	Mr. Manish B. Mandhana	11,48,206	5.20	82.58	10,55,074	4.78	81.04	(0.42)
5	Mr. Purushottam C. Mandhana (HUF)	6,83,332	3.09	75.61	6,83,332	3.09	75.61	-

@The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis a vis the paid up capital of the Company, on such particular day.

Note: Shareholding of Promoter and Promoter Group excludes 7,66,666 equity shares representing 3.47% of the total paid-up share capital of the Company transferred as a collateral by Mr. Biharilal C. Mandhana (2,66,666 equity shares representing 1.21%), Biharilal C. Mandhana HUF (3,00,000 equity shares representing 1.36%) & Mahan Synthetic Textiles Private Limited (2,00,000 equity shares representing 0.91%) to Vayoonandan Finance Company Private Limited pursuant to the credit facility availed.

(iii) Change in Promoters shareholding:

Sr. No.	Name	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company@	No. of Shares	% of total shares of the Company@
1	Mr. Purushottam C. Mandhana				
	At the beginning of the year	**10,09,333**	**4.57**	**10,09,333**	**4.57**
	26.04.2019- Invocation by Pledgee	(40,429)	(0.18)	9,68,904	4.39
	20.05.2019- Invocation by Pledgee	(41,942)	(0.19)	9,26,962	4.20
	21.05.2019- Invocation by Pledgee	(43,000)	(0.19)	8,83,962	4.00
	22.05.2019- Invocation by Pledgee	(94,000)	(0.43)	7,89,962	3.58
	28.05.2019- Invocation by Pledgee	(25,000)	(0.11)	7,64,962	3.46
	29.05.2019- Invocation by Pledgee	(50,000)	(0.23)	7,14,962	3.24
	At the end of the year	-	**-**	**7,14,962**	**3.24**
2	Mr. Priyavrat Mandhana				
	At the beginning of the year	**11,19,894**	**5.07**	**11,19,894**	**5.07**
	Changes during the year	-	-	-	-
	At the end of the year	-	**-**	**11,19,894**	**5.07**
3	Mr. Biharilal C. Mandhana				
	At the beginning of the year	**6,33,000**	**2.87**	**6,33,000**	**2.87**
	Changes during the year	-	-	-	-
	At the end of the year	-	**-**	**6,33,000**	**2.87**
4	Mr. Manish Mandhana				
	At the beginning of the year	**11,48,206**	**5.20**	**11,48,206**	**5.20**
	12.07.2019- Invocation by Pledgee	(43,132)	(0.20)	11,05,074	5.00
	15.07.2019- Invocation by Pledgee	(40,000)	(0.18)	10,65,074	4.82
	05.09.2019- Invocation by Pledgee	(10,000)	(0.05)	10,55,074	4.78
	At the end of the year	-	**-**	**10,55,074**	**4.78**
5	Mr. Purushottam C. Mandhana (HUF)				
	At the beginning of the year	**6,83,332**	**3.09**	**6,83,332**	**3.09**
	Changes during the year	-	-	-	-
	At the end of the year	-	**-**	**6,83,332**	**3.09**

@The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis a vis the paid up capital of the Company, on such particular day.

Note: Shareholding of Promoter and Promoter Group excludes 7,66,666 equity shares representing 3.47% of the total paid-up share capital of the Company transferred as a collateral by Mr. Biharilal C. Mandhana (2,66,666 equity shares representing 1.21%), Biharilal C. Mandhana HUF (3,00,000 equity shares representing 1.36%) & Mahan Synthetic Textiles Private Limited (2,00,000 equity shares representing 0.91%) to Vayoonandan Finance Company Private Limited pursuant to the credit facility availed.

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN (CONTD.)

(iv) Shareholding Pattern of Top 10 Shareholders as on 31.03.2020 (other than Directors, Promoters & Holders of GDRs & ADRs):

(as at the respective date of weekly beneficiary position)

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company@	No. of Shares	% of total Shares of the Company@
1.	Mr. Rakesh Jhunjhunwala				
	At the beginning of the year	**28,13,274**	**12.74**	**28,13,274**	**12.74**
	At the end of the year	**-**	-	**28,13,274**	**12.74**
2.	Authum Investment and Infrastructure Limited				
	At the beginning of the year	**-**	**-**	**-**	**-**
	*10.01.2020 Market Purchase	9,06,793	4.11	9,06,793	4.11
	At the end of the year	-	-	**9,06,793**	**4.11**
3.	Vayoo Nandan Finance Co. Pvt. Ltd.				
	At the beginning of the year	**7,66,666**	**3.47**	**7,66,666**	**3.47**
	At the end of the year	-	-	**7,66,666**	**3.47**
4.	Auburn Limited				
	At the beginning of the year	**5,74,649**	**2.60**	**5,74,649**	**2.60**
	At the end of the year	-	-	**5,74,649**	**2.60**
5.	Life Insurance Corporation of India				
	At the beginning of the year	**4,38,887**	**1.99**	**4,38,887**	**1.99**
	At the end of the year	-	-	**4,38,887**	**1.99**
6.	Mr. Ketankumar Ratilal Patel				
	At the beginning of the year	**3,05,000**	**1.38**	**3,05,000**	**1.38**
	At the end of the year	-	-	**3,05,000**	**1.38**
7.	Jamish Investment Pvt. Ltd.				
	At the beginning of the year	**2,31,960**	**1.05**	**2,31,960**	**1.05**
	*06.03.2020 Market Sale	(20,000)	(0.09)	2,11,960	0.96
	At the end of the year	-	-	**2,11,960**	**0.96**
8.	Mr. Ramesh Damani				
	At the beginning of the year	**2,06,952**	**0.94**	**2,06,952**	**0.94**
	At the end of the year	-	-	**2,06,952**	**0.94**
9.	Ariston Capital Services Pvt. Ltd.				
	At the beginning of the year	**62,518**	**0.28**	**62,518**	**0.28**
	*09.08.2019 Market Purchase	3,704	0.02	65,862	0.30
	*16.08.2019 Market Purchase	6,308	0.03	72,170	0.33
	*23.08.2019 Market Purchase	53,233	0.24	1,25,403	0.57
	*30.08.2019 Market Purchase	408	0.00	1,25,811	0.57
	*06.09.2019 Market Purchase	18,756	0.08	1,44,567	0.65
	*13.09.2019 Market Purchase	6,667	0.03	1,51,234	0.68
	*27.09.2019 Market Purchase	1,371	0.01	1,52,605	0.69
	*04.10.2019 Market Purchase	25,815	0.12	1,78,420	0.81
	*11.10.2019 Market Purchase	8,417	0.04	1,86,837	0.85
	*18.10.2019 Market Purchase	3.461	0.01	1,90,298	0.86
	*25.10.2019 Market Sale	(3.461)	(0.01)	1,86,837	0.85
	At the end of the year	-	-	**1,86,837**	**0.85**
10.	Mr. Nimish Chandulal Shah				
	At the beginning of the year	**1,62,167**	**0.73**	**1,62,167**	**0.73**
	*31.10.2019 Market Sale	(5,000)	(0.02)	1,57,167	0.71
	*03.01.2020 Market Sale	(7,500)	(0.03)	1,49,667	0.68
	*10.01.2020 Market Sale	(30,000)	(0.14)	1,19,667	0.54
	*17.01.2020 Market Sale	(20,000)	(0.09)	99,667	0.45
	*21.02.2020 Market Purchase	85,000	0.38	1,84,667	0.84
	*13.03.2020 Market Sale	(19,263)	(0.09)	1,65,404	0.75
	At the end of the year			**1,65,404**	**0.75**

@The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis a vis the paid up capital of the Company, on such particular day.

**Date of purchase/sale has been considered as the date on which the beneficiary position was provided by the RTA to the Company.*

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN (CONTD.)

(v) Shareholding of Directors & Key Managerial Personnel (KMP):

Sr. No.	For each of the Directors & KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company@	No. of Shares	% of total shares of the Company@
1.	Mr. Priyavrat Mandhana				
	At the beginning of the year	**11,19,894**	**5.07**	**11,19,894**	**5.07**
	At the end of the year			**11,19,894**	**5.07**
2.	Mrs. Sangeeta Mandhana				
	At the beginning of the year	**79,820**	**0.36**	**79,820**	**0.36**
	16.07.2019- Invocation by Pledgee	(78,056)	(0.35)	1764	0.01
	At the end of the year			**1764**	**0.01**
3.	*Mr. Sachin Jaju				
	At the beginning of the year	**35,333**	**0.16**	**35,333**	**0.16**
	At the end of the year			**-**	**-**
4.	Mr. Pradip Dubhashi				
	At the beginning of the year	**-**	**-**	**-**	**-**
	At the end of the year			**-**	**-**
5.	Mr. Ramnath Pradeep				
	At the beginning of the year	**-**	**-**	**-**	**-**
	At the end of the year			**-**	**-**
6.	^Mr. Kiran Vaidya				
	At the beginning of the year	**-**	**-**	**-**	**-**
	At the end of the year			**-**	**-**
7.	Mr. Manish Mandhana				
	At the beginning of the year	**11,48,206**	**5.20**	**11,48,206**	**5.20**
	12.07.2019- Invocation by Pledgee	(43,132)	(0.20)	11,05,074	5.00
	15.07.2019- Invocation by Pledgee	(40,000)	(0.18)	10,65,074	4.82
	05.09.2019- Invocation by Pledgee	(10,000)	(0.05)	10,55,074	4.78
	At the end of the year	-	**-**	**10,55,074**	**4.78**
8.	Mr. Virendra Varma - Company Secretary				
	At the beginning of the year	**-**	**-**	**-**	**-**
	At the end of the year			**-**	**-**
9.	%Mr. Pankaj Gharat*				
	At the beginning of the year	**-**	**-**	**-**	**-**
	At the end of the year			**-**	**-**

@ The figures have been rounded off to two decimal places and the same represent percentage (%) shareholding vis-a-vis the paid up capital of the Company, on such particular day.

**Mr. Sachin Jaju ceased to be the Director of the Company w.e.f. 2nd June, 2019*

^Mr. Kiran Vaiya resigned from the position of Non-Executive and Independent Director of the Company w.e.f. 18th May, 2020.

%Mr. Pankaj Gharat has been appointed as the Chief Financial Officer of the Company w.e.f. 5th July, 2019.

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN (CONTD.)

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakh)

	Secured Loans excluding deposits		Unsecured Loans	Deposits	Total Indebtedness
	Term loan	Working Capital			
Indebtedness at the beginning of the financial year					
i) Principal amount	-	645.89	200	-	845.89
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total = (i+ii+iii)	-	645.89	200	-	845.89
Change in Indebtedness during the financial year					
Additions	-	-	-	-	-
Reduction	-	417.05	200	-	617.05
Net Change	-	417.05	200	-	617.05
Indebtedness at the end of the financial year					
i) Principal amount	-	228.84	-		228.84
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total = (i+ii+iii)	-	228.84	-	-	228.84

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. **Remuneration to Managing Director, Whole time Director and/ or Manager :**

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Sangeeta Mandhana	Priyavrat Mandhana	
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961	96.00	96.00	192.00
	b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of the Income Tax, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- Others (Specify)	-	-	-
5	Others – Specify	-	-	-
	Total (A)	96.00	96.00	192.00
	Ceiling as per the Act	The remuneration paid to executive directors during the year is within the limits approved by the Nomination and Remuneration Committee, the Board of Directors and Special Resolution passed by the shareholders of the Company.		

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN (CONTD.)

B. Remuneration to other Directors:

(₹ in Lakh)

Particulars of Remuneration	Name of the Directors				Total Amount
	Pradip Dubhashi	Ramnath Pradeep	Kiran Vaidya	*Sachin Jaju	
a) Fees for Attending Board / Committee Meetings	5.75	8.75	8.25	0.00	22.75
b) Commission	-	-	-	-	-
c) Others-Specify	-	-	-	-	-
Total (B)	5.75	8.75	8.25	0.00	22.75
Total Managerial remuneration (A+B)@					192.00
Overall Ceiling as per the Act	The remuneration paid to executive directors during the year is within the limits approved by the Nomination and Remuneration Committee, the Board of Directors and Special Resolution passed by the shareholders of the Company.				

@Sitting fees paid is within the limit of ₹ 1,00,000/- per meeting as prescribed under the Act. Sitting fees has not been considered under 'Total Managerial Remuneration (A+B)' in view of Section 197(2) of the Act.

*Mr. Sachin Jaju ceased to be the Director of the Company w.e.f. 2nd June, 2019

C. **Remuneration to Key Managerial Personnel (other than Managing Director/Joint Managing Director/ Whole Time Director/Manager):**

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Manish Mandhana Chief Executive Officer	Mr. Virendra Varma, Company Secretary	*Mr. Pankaj Gharat Chief Financial Officer
1	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961	96.00	14.78	17.52
	b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) of the Income Tax, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- Others (Specify)	-	-	-
5	Others – Specify	-	-	-
	Total	**96.00**	**14.78**	**17.52**

**Mr. Pankaj Gharat has been appointed as the Chief Financial Officer of the Company w.e.f. 5th July, 2019.*

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties/ punishment/compounding of offences for breach of any section of the Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board of Directors
The Mandhana Retail Ventures Limited

Sangeeta Mandhana
Managing Director
DIN: 06934972

Priyavrat Mandhana
Executive Director
DIN: 02446722

Place: Mumbai
Date : 18th September, 2020

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply by –3 percent in 2020, much worse than during the 2008–09 financial crisis. In a baseline scenario which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound the global economy is projected to grow by 5.8 percent in 2021 as economic activity normalizes, helped by policy support. The risks for even more severe outcomes, however, are substantial. (Source: The International Monetary Fund (IMF))

Global Growth Rates (in %)

2017	2018	2019	2020 (P)	2021(P)
3.8	3.6	2.9	-3.0	5.8

P: Projections | Source: The International Monetary Fund (IMF)

*The global economy figures based on calendar year

Indian Economy

In view of the global COVID-19 pandemic and consequent nationwide lockdown measures implemented since March, 2020, the economic entities have been impacted. The growth in GDP of India during FY 2019-2020 is estimated at 4.2 percent as compared to 6.1 percent in 2018-19. Industrial activity remained healthy in the beginning of the year, but saw some weakness later. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. Despite marginal growth this fiscal year, India became world's fifth largest economy in 2019 in terms of nominal GDP, leapfrogging France and the UK, according to data from the IMF's October World Economic Outlook.

Indian Retail

India is the fourth-largest global retail destination (after the US, China and Japan). India ranked second in Global Retail Development Index (GRDI) in 2019. The Indian retail industry accounts for about 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment. The retail sector was estimated at US$ 0.7 trillion in 2019, driven by socio- demographic and economic factors such as urbanisation, aspirations cum income growth and a rise in nuclear families. However, the sector's performance was sluggish in 2019-20 on account of consumption slowdown, a reflection of weaker consumer sentiment. With the COVID-19 pandemic affecting consumer spending, retail sales for 2020 could decline. Retail categories like grocery and essential consumables could perform creditably, while miscellaneous discretionary categories (fashion, beauty and cosmetics) could be affected. (Source: Economic Times, Live Mint, IBEF)

REVIEW OF COMPANY'S BUSINESS OPERATIONS

The Company has been carrying the business of selling apparels and accessories under the brand 'Being Human' (Trademark), pursuant to the exclusive worldwide license granted to it under the Trademark License Agreement dated ('License Agreement') executed with Being Human - The Salman Khan Foundation ('Foundation'). For the renewal of the said License Agreement, the Management had series of deliberations and negotiations with the Foundation, however, the deliberations could not successfully result in a revised agreement and the Foundation intimated its intention of not renewing the License Agreement.

Accordingly, based on the discussions held with the Foundation, the Company has entered into an agreement for selling select inventories and store assets pertaining to trademark license agreement executed with Being Human - The Salman Khan Foundation to Four Aces Fashion House Pvt. Ltd. ('FAFH'). Members approval vide Postal Ballot was obtained for the aforesaid sale transaction. It was also agreed between the Foundation, FAFH and the Company that in lieu of Company assisting FAFH in transition of the business arising from Trademark, FAFH will pay certain transition fees. Accordingly, as agreed with Foundation, the said License Agreement stood modified to make the same as non-exclusive w.e.f. 31st January, 2020 and consequently all the rights and obligations arising out of the License Agreement also stood modified with effect from 31st January, 2020, including, no amounts shall be payable by Company for the period of the non-exclusive license till the expiry date.

Opportunities and Threats/Risks and Its Mitigation

The Company has been constantly exploring various business alternatives and has been scrutinizing various business avenues. On account of the outbreak of Covid-19 pandemic and consequent lockdown imposed globally and in India, the speed of exploring the alternative business has been drastically impacted. However, upon gradual relaxation in the Lock down and restoration of normalcy, the Management has initiated the process of exploring the business avenues and necessary intimations will be submitted to the Stock Exchanges upon finalization of any business proposal. As the Company is exploring new business alternative, an inherent risk of new business operations becoming futile is the ultimate risk which the Company is facing. However, with the core talent team having extensive experiences in handling the challenges associated while starting new business operations, the Management is assertive that the Company would be able to achieve the same success level which it has previously achieved while staring the operations under the Being Human trademark.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Segment-wise Revenue Statement, upto 31st January, 2020

(₹ in lakh)

Point of Sale	EBOs	Franchisees	SIS	E-Commerce	Others	Domestic	Export	Total
Net Sales	4,651.09	2,184.09	5180.80	860.28	82.98	382.46	1,847.83	15,189.54
Gross Profit (GP)	2,651.12	1,184.74	2,797.63	473.16	40.66	183.56	637.10	7,967.97
GP (%)	57%	54%	54%	55%	49%	48%	34%	52%
Profit Before Tax								**(2,193.91)**
Income Tax								**(911.11)**
Profit After Tax (PAT)								**(3,105.02)**

Performance Review

During the year, we achieved sales of ₹ 15,189.54 lakh, reflecting a decline of 30.92% over ₹ 21,987.25 lakh in FY19. Our EBIDTA margin decreased to (0.51%) in FY20 from 2.91% in FY19. Net loss after tax stood at ₹ (3,105.02) Lakh, as compared to net loss of ₹ (58.91) Lakh in FY19.

(₹ in lakh, except earnings per share)

Particulars	Year ended		
	31.03.2020	**31.03.2019**	**31.03.2018**
Total Income	16,073.17	22,204.12	26,073.71
Net Profit/(Loss) for the Period before tax	(2,193.91)	10.45	1,551.14
Net Profit / (Loss) for the Period after tax	(3,105.02)	(58.91)	902.72
Total Comprehensive Income for the Period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after Tax)	(3,082.50)	(58.18)	913.10
Equity Share Capital	2,208.26	2,208.26	2,208.26

Human Assets

Our people are at the heart of everything we do and we implement a variety of initiatives to augment their operational capabilities. On account of transitioning of the business under the Being Human trademark to FAFH, a sizable portion of our employees were also transitioned to FAFH, excluding the employees who are the core strength of the Company. As on 31st March, 2020, our workforce strength is recorded at 40 (excluding the Executive Directors of the Company).

INTERNAL CONTROLS AND THEIR ADEQUACY

We have set up a comprehensive system of internal controls, along with a structured internal audit process, vested with the task of safeguarding the assets of the organisation, and ensuring reliability and accuracy of the accounting and other operational data. Internal audit is conducted for all the processes to identify risks and verify whether all systems and processes are commensurate with the business size and structure. These internal controls are verified by the Audit Committee to monitor existing systems and take corrective measures, wherever required.

Key Financial Ratios

Details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof, including:

Ratio	31st March 2020	31st March 2019	Change (difference between the ratio as on 31st March, 2020 and 31st March, 2019)	Reasons for change in Ratios
Debtors Turnover	7.42	7.64%	3.15%	Debtors' turnover representing credit sales divided by average debtors, have reduced on account of delay caused in realising the amount from the debtors

MANAGEMENT DISCUSSION AND ANALYSIS (CONTD.)

Ratio	31st March 2020	31st March 2019	Change (difference between the ratio as on 31st March, 2020 and 31st March, 2019)	Reasons for change in Ratios
Interest Coverage Ratio	(2.07)	1.04	(298%)	(i) Interest coverage represents earnings before interest expenses divided by interest expenses; (ii) Net profit margin represents profit after tax divided by revenue from operations; and (iii) Return on net worth represents profit after tax divided by Networth. Reason for changes in ratio: Profitability ratios have depleted on account of write offs charge to P/L on account of loss on sale of property plant and equipment.
Net Profit Margin	(20.44%)	(0.27%)	(75.30%)	
Return on Net Worth	(86.22%)	(0.88%)	(96.82%)	

Note: Figures in brackets represent negative number.

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on code of Corporate Governance:

The Company's corporate governance is a reflection of the value system encompassing our culture, policies, and relationship with our stakeholders. Integrity and transparency are key to our corporate governance practices to gain and retain the trust of our stakeholders at all times. Our corporate governance philosophy encompasses regulatory and legal requirements, which aims at a high level of business ethics, effective supervision and enhancement of value for all stakeholders. The Management strives to adhere to all the Corporate Governance practices which form part of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Company's philosophy of Corporate Governance is not only compliant with the statutory requirements but also underlines our commitment to operate in the best interest of the stakeholders.

Corporate Governance Structure:

The Company follows a dynamic governance structure with an appropriate flow of authority, which is aligned with the responsibility and obligations of each employee. Tenet of the Corporate Governance structure is the three tier governance philosophy adopted by the Company, outlined below:

(i) Tactical Supervision – The Board of Directors (Board) comprising of the Executive and Non-Executive Directors, sites the overall strategy for the Company. The focus is on the fiduciary and trusteeship role exercised by the Board to align and direct the actions of the organization towards creating wealth and stakeholder value.

(ii) Executive Management – The Corporate Management comprising of the Executive Directors, Chief Executive Officer and Chief Financial Officer of the Company, shares the responsibility of driving the organization towards achieving the goals anchored by the Board of Directors.

(iii) Operational Management – The Head of each Operations are responsible for managing the day to day affairs of the Company.

This three-tier Corporate Governance Structure not only ensures greater management accountability and credibility but also facilitates increased business autonomy, performance, discipline and development of business leaders.

2. Board of Directors:

There were five Directors on the Board of the Company as on 31st March, 2020. The Board of Directors comprises of Executive Directors and Non-Executive Directors including Independent Directors and a Woman Director. The Board is headed by Mr. Pradip Dubhashi, Chairman, Non-Executive and Independent Director. Mrs. Sangeeta Mandhana is the Managing Director and Mr. Priyavrat Mandhana is an Executive Director.

The Board also comprises of Mr. Ramnath Pradeep and Mr. Kiran Vaidya, who are Non-Executive and Independent Directors. The Non-Executive Directors are accomplished professionals in their respective fields of expertise. Mr. Kiran Vaidya resigned with effect from 18th May, 2020.

a. Details relating to the composition and category of the Board of Directors, number of Directorships, Memberships and Chairmanships of the Directors of the Company in other companies (as on 31st March, 2020) are as follows:

Name of the Director	Category of Director	Number of other Directorship held (including Private Limited Companies)	Number of Committee positions held in other public Companies		Directorship in other listed entity (including Category of Directorship held)
			As Chairman	As Member	
Mr. Pradip Dubhashi	Non - Executive and Independent Chairman	6	1	1	Prime Securities Limited (Non-Executive and Independent)
Mr. Ramnath Pradeep	Non - Executive and Independent	8	1	2	Rolta India Limited (Non-Executive and Independent)
Mr. Kiran Vaidya@	Non - Executive and Independent	3	0	0	Upsurge Investment and Finance Limited (Non-Executive and Independent)
Mrs. Sangeeta Mandhana	Executive	0	0	0	0

CORPORATE GOVERNANCE REPORT (CONTD.)

Name of the Director	Category of Director	Number of other Directorship held (including Private Limited Companies)	Number of Committee positions held in other public Companies		Directorship in other listed entity (including Category of Directorship held)
			As Chairman	As Member	
Mr. Priyavrat Mandhana	Promoter and Executive Director	2	0	0	0
Mr. Sachin Jaju *	Non - Executive	0	0	0	0

** Ceased to be a director w.e.f. 2nd June, 2019.*

@Resigned w.e.f. 18th May, 2020.

Notes:

1. The Directorship relates to the Directorships of the Directors in other public/ private limited companies (excluding The Mandhana Retail Ventures Limited).
2. Membership/Chairmanship relates to membership of Committees referred to in Regulation 26(1) of the Listing Regulations, viz. Audit Committee and Stakeholders Relationship Committee of all other public limited companies (excluding The Mandhana Retail Ventures Limited), whether listed or not and excludes private limited companies, foreign companies and companies licensed under Section 8 of the Companies Act, 2013.

b. Details relating to the Board Meetings held during the Financial Year 2019-20 along with the attendance of each of the Directors are as follows:

The Board met seven times during the financial year under review on the following dates:

1.	30th May, 2019	2.	13th August, 2019
3.	10th October, 2019	4.	12th November, 2019
5.	12th February, 2020	6.	27th February, 2020
7.	4th March, 2020		

Attendance:

Sr. No.	Name of the Director	Number of meetings entitled to attend	Number of Meetings attended	Whether attended the last AGM (29.08.2019)
1.	Mr. Pradip Dubhashi	7	5	Yes
2.	Mr. Ramnath Pradeep	7	7	Yes
3.	Mr. Kiran Vaidya@	7	7	Yes
4.	Ms. Sangeeta Mandhana	7	6	No
5.	Mr. Priyavrat Mandhana	7	7	No
6.	Mr. Sachin Jaju*	1	0	N.A.

* Ceased to be a director w.e.f. 2nd June, 2019.
@ Resigned w.e.f. 18th May, 2020.

c. Disclosure of Relationships between Directors inter-se:

1.	Mrs. Sangeeta Mandhana	Cousin Sister in Law of Mr. Priyavrat Mandhana
2.	Mr. Priyavrat Mandhana	Cousin Brother in Law of Mrs. Sangeeta Mandhana

Except the above, none of the other Directors is related with each other.

d. Number of Shares and Convertible Instruments held by Non- Executive Directors:

None of the Non- Executive Directors hold any equity shares of the Company. The Company has not issued any convertible instruments.

e. The Company had imparted familiarization programme for the Independent Directors of the Company for them to get acquainted with the nature of business of the company. The details of which are provided on the website of the Company at www.mrvlindia.com under the tab 'Familiarization Programme for Independent Directors'. The web link for the same is as follows: https//www.mrvlindia.com

f. The Board has identified the following core skills/ expertise/ competencies fundamental for the effective functioning of the Company which are currently possessed by all the Director on the Board:

Sr. No.	Particulars
	Skills
1	Written communication in English
2	Speaking skills in English and Hindi
3	Conversational skills in business matters
4	Ability to communicate one's point of view on business issues to members of the board and management who may have experience and educational qualifications superior to one's own; and doing that without fear
5	Skill to handle gender diversity at the board and management level
6	Ability to read financial statements and comfort with financial business terms
7	Basic skills in numerate disciplines like mathematics and statistics
8	Costing
9	Pricing
10	Interpersonal Skills

CORPORATE GOVERNANCE REPORT (CONTD.)

Sr. No.	Particulars
	Expertise
1	SWOT analysis
2	Financial analysis including cash flow. Ratio Analysis and their interpretations
3	Marketing with specific expertise in: ▪ Consumer Behaviour w.r.t. fashion garments and apparels ▪ Product Marketing of consumer products ▪ Merchandising and Display ▪ Retailing ▪ Forecasting ▪ Franchising ▪ Brand building ▪ Advertising ▪ Market Research ▪ Fashion Trends
4	Product Costing and Pricing
5	Envisioning value chain and analysis
6	Supply Chain analysis
7	Textile markets operations and impact on sourcing
8	Licensing of brands
9	Managing creativity; managing and motivating young and creative workforce
10	People Management, Performance Systems, Incentive planning
11	Statutory matters regarding stock markets, exchanges and financial markets in general
12	Sources of Finance and capital structuring
13	Contracts Law and other laws pertaining to taxation, labour.
14	Stock planning, logistics and control
15	Accounting Standards, Ind AS provisions
16	Companies Act and SEBI regulations and direct and Indirect Taxation and transfer pricing
	Competencies
1	Strategy including Competitive Strategy
2	Business Strategy in the Apparel Market
3	Visualise and integrate cost-competition-consumer for a profitable value proposition
4	Ability to take on board interests of diverse stake holders such as shareholders, licensors, suppliers, channel partners in making board level decisions
5	Ability to read consumer trends, market trends, economic trends in real time to help management
6	Competence to signal and communicate culture, ethos to diverse set of stake holders for achieving collective good
7	Competence to integrate societal good to firm's wellbeing by influencing managerial actions and behavior
8	Ability to read and discern long term trends
9	Competence to help management combat chaos and inevitable periodic disruptions in a fickle consumer market for fashion apparels

g. Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management.

h. No Independent Director resigned during the financial year 2019-2020. Mr. Kiran Vaidya resigned w.e.f. 18th May, 2020 to pursue some of his personal interests. Mr. Vaidya has also confirmed that there exist no other material reasons other than the above reason for his resignation.

3. Audit Committee:

The Board of Directors has constituted Audit Committee in conformity with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The terms of reference and scope of activities of the Audit Committee are in conformity with the Companies Act, 2013 and the Listing Regulations.

The Audit Committee comprises of the following Directors as on 31st March, 2020:

1.	Mr. Kiran Vaidya@	Chairman (Non-Executive Independent Director)
2.	Mr. Pradip Dubhashi	Member (Non-Executive Independent Director)
3.	Mr. Ramnath Pradeep	Member (Non-Executive Independent Director)
4.	Mr. Priyavrat Mandhana	Member (Executive Director)

@Resigned w.e.f. 18th May, 2020.

The Company Secretary of the Company acts as the Secretary of the Audit Committee.

The Audit Committee is responsible for overseeing the processes related to financial reporting and information dissemination. The primary objective of the Audit Committee of the Company is to monitor and effectively supervise the financial reporting process of the Company with a view to ensure accurate, timely and proper disclosures and transparency and integrity of financial reporting.

A. **Brief description of the terms of reference of the Audit Committee *inter alia* includes:**

I. *The role of the Audit Committee includes the following:*

1) *oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;*

2) *recommendation for appointment, remuneration and terms of appointment of auditors of the Company;*

CORPORATE GOVERNANCE REPORT (CONTD.)

3) *approval of payment to statutory auditors for any other services rendered by the statutory auditors;*

4) *reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:*

   (a) *matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;*

   (b) *changes, if any, in accounting policies and practices and reasons for the same;*

   (c) *major accounting entries involving estimates based on the exercise of judgment by management;*

   (d) *significant adjustments made in the financial statements arising out of audit findings;*

   (e) *compliance with listing and other legal requirements relating to financial statements;*

   (f) *disclosure of any related party transactions;*

   (g) *modified opinion(s) in the draft audit report;*

5) *reviewing, with the management, the quarterly financial statements before submission to the board for approval;*

6) *reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;*

7) *reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;*

8) *approval or any subsequent modification of transactions of the Company with related parties;*

9) *scrutiny of inter-corporate loans and investments;*

10) *valuation of undertakings or assets of the listed entity, wherever it is necessary;*

11) *evaluation of internal financial controls and risk management systems;*

12) *reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;*

13) *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;*

14) *discussion with internal auditors of any significant findings and follow up there on;*

15) *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;*

16) *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;*

17) *to look 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;*

18) *to review the functioning of the whistle blower mechanism;*

19) *approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;*

20) *carrying out any other function as is mentioned in the terms of reference of the audit committee; and*

21) *to ensure prior approval to all related party transaction pursuant to applicable section of the Companies Act, 2013 and the Listing Regulations.*

22) *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.*

II. *The audit committee mandatorily reviews the following information:*

1) *management discussion and analysis of financial condition and results of operations;*

2) *statement of significant related party transactions (as defined by the audit committee), submitted by management;*

3) *management letters / letters of internal control weaknesses issued by the statutory auditors;*

4) *internal audit reports relating to internal control weaknesses;*

5) *the appointment, removal and terms of remuneration of the chief internal auditor are subject to review by the audit committee; and*

6) *statement of deviations:*

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

   (b) *annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).*

CORPORATE GOVERNANCE REPORT (CONTD.)

B. **Meetings and Attendance:**

Five Audit Committee Meetings were held during the year under review. The dates on which the meetings held are as follows:

1. 30th May,2019
2. 13th August, 2019
3. 12th November, 2019
4. 12th February, 2020
5. 4th March, 2020

Sr. No.	Name of the Member	Category	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Kiran Vaidya (Chairman)@	Non – Executive Independent	5	5
2.	Mr. Pradip Dubhashi	Non – Executive Independent	5	3
3.	Mr. Ramnath Pradeep	Non – Executive Independent	5	5
4.	Mr. Priyavrat Mandhana	Executive	5	5

@ Resigned w.e.f. 18th May, 2020.

4. Nomination & Remuneration Committee:

The Board of Directors has constituted the Nomination and Remuneration Committee of the Board of Directors of the Company in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The terms of reference and scope of activities of the Nomination and Remuneration Committee is in conformity with the Companies Act, 2013 and the Listing Regulations.

The Nomination and Remuneration Committee comprises of the following Directors as on 31st March, 2020:

i. Mr. Ramnath Pradeep - Chairman (Non-Executive Independent Director)

ii. Mr. Pradip Dubhashi -Member (Non-Executive Independent Director)

iii. Mr. Kiran Vaidya@ -Member (Non-Executive Independent Director)

@Resigned w.e.f. 18th May, 2020.

The Company Secretary of the Company acts as the Secretary of the Nomination and Remuneration Committee.

A. Brief description of the terms of reference of the Nomination and Remuneration Committee *inter alia* includes:

1) *formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;*

2) *formulation of criteria for evaluation of performance of independent directors and the board of directors and Key Managerial Personnel of the Company;*

3) *devising a policy on diversity of board of directors;*

4) *identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.*

5) *whether to extend, terminate or continue the term of appointment of the independent director, Key Managerial Personnel of the Company, on the basis of the report of performance evaluation of independent directors.*

6) *Recommend to the Board, all remuneration, in whatever form, payable to senior management.*

B. Meetings and Attendance:

During the year under review, one Meeting of the Committee was held on 30th May, 2019.

Sr. No.	Name of the Member	Category	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Ramnath Pradeep (Chairman)	Non – Executive Independent	1	1
2.	Mr. Pradip Dubhashi	Non – Executive Independent	1	0
3.	Mr. Kiran Vaidya@	Non – Executive, Independent	1	1

@Resigned w.e.f. 18th May, 2020.

C. Performance evaluation criteria for Independent Directors:

The relevant information on performance evaluation for Independent Directors is covered under sub-heading 'Independent Directors' in this report.

5. Remuneration of Directors:

A. Pecuniary relationship or transactions of the non-executive directors *vis-à-vis* the Company:

Except for the sitting fees paid to the Non-Executive Directors for attending the Board and Committee Meetings, there were no other pecuniary relationships or transactions of Non-Executive Directors *vis- à-vis* the Company.

CORPORATE GOVERNANCE REPORT (CONTD.)

B. Criteria of making payments to non-executive directors:

The Non-Executive and Independent Directors are paid ₹ 75,000/- per meeting for attending the Meetings of the Board and ₹ 50,000/- per meeting for attending the Meetings of the Audit Committee and ₹ 25,000/- per meeting for attending the Meetings of the Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee, Risk Management Committee, which is within the limits prescribed under the provisions of the Act.

C. Disclosures with respect to remuneration in addition to disclosures required under the Companies Act, 2013:

Details of sitting fees paid to the Non-executive Directors for the financial year 2019-2020:

Sr. No.	Name of the Non-Executive Director	Sitting fees paid (₹ in Lakh)
1.	Mr. Pradip Dubhashi	5.75
2.	Mr. Ramnath Pradeep	8.75
3.	Mr. Kiran Vaidya@	8.25
4.	Mr. Sachin Jaju*	NIL

* Ceased to be a director w.e.f. 2nd June, 2019.

@ Resigned w.e.f. 18th May, 2020.

During the year, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company.

Details of the remuneration paid to the Managing Director and the Executive Director of the Company for the financial year 2019-2020:

Sr. No.	Name of the Director	Remuneration paid/payable (₹ in Lakh)	Perquisites (₹ in Lakh)	Total (₹ in Lakh)
1.	Mrs. Sangeeta Mandhana	96.00	4.15	100.15
2.	Mr. Priyavrat Mandhana	96.00	4.15	100.15

Notes:

a. *Salaries and Perquisites include Salary, allowances, company's contribution to provident fund and monetary value of perquisites, if any. The terms of appointment of Executive Directors as approved by shareholders, are contained in their respective Agreements entered into with the Company. The tenure of office of the Executive Directors is three years from their respective dates of appointments and their tenure is due to expire on 31st August, 2022. The notice period for termination of appointment is determinable as per company's policy. While there is no specific provision for payment of performance linked incentives and severance fees for any of the Executive Directors, the Board is empowered to consider the same at its discretion, taking into account attendant facts and circumstances.*

b. *The Company has not provided any Stock Options to its Directors or employees.*

c. *In light of the COVID-19 outbreak in India, which has exacted a huge toll on the societal, economic and industrial health of the nation, Mrs. Sangeeta Mandhana and Mr. Priyavrat Mandhana, has decided to forego 30% of their salary from April 2020 onwards.*

6. Stakeholders Relationship Committee:

Due to untimely and sad demise of Mr. Sachin Jaju, the erstwhile Chairman of the Committee, on 2nd June, 2019, the Board of Directors has reconstituted the Stakeholders Relationship Committee of the Board of Directors of the Company on 13th August, 2019 by inducting Mrs. Sangeeta Mandhana as a member of the Committee and designated Mr. Ramnath Pradeep as the Chairman of the Committee in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

A. **Brief description of the terms of reference of the Stakeholders Relationship Committee *inter alia* includes:**

i) *Considering and resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report and non-receipt of declared dividends, general meetings, etc.;*

ii) *Issue of duplicate/ split/ consolidated share certificates;*

iii) *Review of measures taken for effective exercise of voting rights by shareholders;*

iv) *Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.*

v) *Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.*

vi) *Allotment and listing of shares; and*

vii) *Reference to statutory and regulatory authorities regarding investor grievances.*

The Stakeholders Relationship Committee comprises of the following Directors as on 31st March, 2020:

i. Mr. Ramnath Pradeep - Chairman (Non-Executive Independent Director)

ii. Mrs. Sangeeta Mandhana -Member (Executive Director)

iii. Mr. Priyavrat Mandhana -Member (Executive Director)

Mr. Virendra Varma, Company Secretary, acts as secretary to the Stakeholders Relationship Committee and is designated as the Compliance Officer of the Company.

CORPORATE GOVERNANCE REPORT (CONTD.)

B. Meetings and Attendance:

During the year under review, one Meeting of the Committee was held on 12th February, 2020.

Sr. No.	Name of the Member	Category	Number of meetings entitled to attend	Number of Meetings attended
1.	Mr. Ramnath Pradeep	Chairman-Non-Executive Independent	1	1
2.	Mrs. Sangeeta Mandhana	Executive	1	1
3.	Mr. Priyavrat Mandhana	Executive	1	1
4.	Mr. Sachin Jaju *	Non-Executive	-	-

* ceased to be a member w.e.f. 2nd June, 2019.

C. **Shareholders' Complaints during the Year:**

Number of complaints received during the year	Nil
Number of complaints resolved during the year	Nil
Number of complaints remaining unresolved at the end of the year	Nil

The SCORES website of SEBI for redressing grievances of the investors is being visited at regular intervals by the Company and there are no pending complaints registered with SCORES as on 31st March, 2020.

There are no pending cases of share transfer as on 31st March, 2020.

As per Regulation 46(2)(j) of Listing Regulations, the e-mail ID of the grievance redressal and other relevant details of the Company is cs@tmrvl.com.

As per Regulation 46(2)(k) of the Listing Regulations, the contact information of designated official of the Company viz. Mr. Virendra Varma, Company Secretary of the Company is cs@tmrvl.com; Tel. No. 022-43539790.

7. Independent Directors:

Meeting of Independent Directors:

The Company's Independent Directors met on 24th April, 2019 and 12th February, 2020 without the presence of Executive Directors or members of the Management. All the Independent Directors attended the Meeting.

At the meeting held on 12th February, 2020, the Independent Directors reviewed the following:

1. Performance of the Non-Independent Directors;
2. Performance of the Chairman and Independent Directors and noting the performance assessments received from Non-Independent Directors;
3. Assess the quality, quantity and timelines of flow of information between the Company Management and the Board and performance of the Board as a whole and its Committee.

Pursuant to the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A consolidated summary of the ratings given by each Director was then prepared, evaluated and discussed.

The Independent Directors opined that the Executive Directors shall contribute more to the deliberations in the Board and Committee Meetings of the Company.

8. General body Meetings:

A. Particulars of the last 3 Annual General Meetings (AGM):

Particulars	Date and Time	Venue	Details of Special Resolutions passed
8th AGM (FY 2019-20)	29th August, 2019 at 12 noon	Sarovar Residency, P-180, Tarapur M.I.D.C. Area, Near Hotel Sarovar, Chitralaya, Boisar (W), Dist. Palghar – 401 506	1. Re-appointment of Mrs. Sangeeta Mandhana as Managing Director of the Company and remuneration payable to her. 2. Re-appointment of Mr. Priyavrat Mandhana as Executive Director of the Company and remuneration payable to him.
7th AGM (FY 2018-19)	25th August, 2018 at 12 noon	Plot No. C-2, M.I.D.C., Tarapur Industrial Area, Boisar, Dist. Palghar – 401506	1. Alteration of Clause 3 of Articles of Association of the Company. 2. Issue of Securities for an aggregate amount not exceeding ₹ 50 crore. 3. Revision in terms and conditions of remuneration payable to Mrs. Sangeeta Mandhana in alignment with the amended provisions of Schedule V to the Companies Act, 2013. 4. Revision in terms and conditions of remuneration payable to Mr. Priyavrat Mandhana in alignment with the amended provisions of Schedule V to the Companies Act, 2013

CORPORATE GOVERNANCE REPORT (CONTD.)

Particulars	Date and Time	Venue	Details of Special Resolutions passed
6th AGM (FY 2016-17)	20th September, 2017 at 12 noon	Plot No. C-2, M.I.D.C., Tarapur Industrial Area, Boisar, Dist. Palghar – 401506	NIL

B. Special Resolutions passed through Postal Ballot during the year under review:

A Special Resolution was proposed by the Company through Postal Ballot during the year under review for sale of the select inventories and store assets pertaining to the Trademark License Agreement executed between the Company and Being Human – The Salman Khan Foundation to Four Aces Fashion House Private Limited. However, due to Covid-19 pandemic and nationwide lockdown imposed by the Central and the State Government, to contain spread of Covid-19, there was an unpredictable delay in obtaining the voting report from the Registrar and Share Transfer Agent ('RTA') and the Scrutinizer and consequent submission of Postal Ballot results, as per the requirements under the Listing Regulations. With effect from 8th June, 2020, the Government of Maharashtra has, albeit with limited capacity, ordered for reopening of private offices and establishments. Pursuant to which, the RTA was able to access the physical postal ballot forms and subsequently on 13th June, 2020, the Scrutinizer has submitted its report on the voting for the Postal Ballot. The consolidated voting results in terms of Regulation 44 of Listing Regulations were submitted by the Company on 14th June, 2020.

C. Person who conducted the Postal Ballot exercise:

Mr. Nitin R. Joshi, Practicing Company Secretary, acted as Scrutinizer for conducting Postal Ballot process.

D. Whether any special resolution is proposed to be conducted through postal ballot:

Till the date of this report, the Company does not intend or propose to pass any Special Resolution through Postal ballot in the current year.

E. Procedure for Postal Ballot:

Pursuant to Section 110 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification, amendments or re-enactment thereof for the time being in force), Listing Regulations and other applicable laws and regulations, the Company had provided to its members the facility to cast their votes by way of postal ballot process (including e-voting) on the resolution as stated above. The Company appointed Central Depository Services Limited (CDSL) for facilitating e-voting. The resolution was passed with requisite majority. Postal Ballot Notice, Postal Ballot Form and results of the Postal Ballot Voting are available on the Company's website: www.mrvlindia.com.

9. Means of Communications:

A. Quarterly Results:

The financial results are regularly submitted to the Stock Exchanges where the securities of the Company are listed pursuant to the Listing Regulations requirements and are published in the newspapers. The financial results are also displayed on the Company's website i.e. www.mrvlindia.com.

B. Newspapers wherein results normally published:

The results of the Company are normally published in Financial Express (in English language) and Mahasagar (in Marathi language).

C. Website where the results are displayed:

www.mrvlindia.com

D. Whether the website also displays official news releases:

The Company has maintained a functional website i.e. www.mrvlindia.com containing basic information about the Company like the details of its business, financial information, shareholding pattern, codes and policies etc. The disclosures made by the Company to the Stock Exchanges where the securities of the Company are listed are also hosted on the website of the Company.

E. Presentations made to institutional investors or to the analysts:

The presentations made by the Company to institutional investors/ analysts, if any, are available on the website of the Company i.e. https://https://www.mrvlindia.com.

10. General Shareholder information:

The Company was incorporated on 12th February, 2011, as Mandhana Retail Ventures Limited. The name of the Company was changed from 'Mandhana Retail Ventures Limited' to 'The Mandhana Retail Ventures Limited' w.e.f. 26th September, 2016, pursuant to the change of name certificate received from the Registrar of Companies, Mumbai.

Corporate Identification Number (CIN) of the Company is L52390MH2011PLC213349.

CORPORATE GOVERNANCE REPORT (CONTD.)

The Equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited (NSE) on 14th December, 2016.

A.	**Annual General Meeting**	
	- Date and Time	: 28th November, 2020 at 11.30 a.m.
	- Venue	: Through Video Conferencing/Other Audio Visual Means
B.	**Financial Year**	: 1st April, 2019 to 31st March, 2020
C.	**Dividend payment date**	: N.A.
D.	**The name and address of Stock Exchange(s) at which the Company's equity shares are listed and a confirmation about payment of annual listing fee to each of the stock exchanges**	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 The Company has paid the listing fees to the Stock Exchanges within the prescribed time frame.
E.	**Security/Stock Code / Symbol**	
	ISIN	: INE759V01019
	Security/Stock Code for BSE	: 540210
	Symbol for NSE	: TMRVL

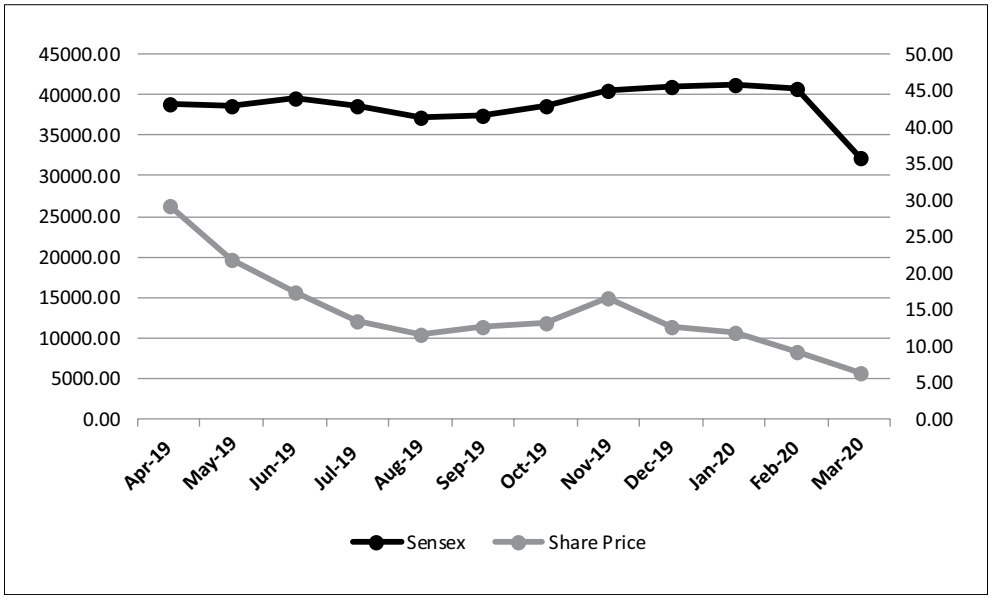
F. The Market Price data during year is given below:

Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Traded Volume	High (in ₹)	Low (in ₹)	Traded Volume
April, 2019	32.70	25.00	69,538	32.00	24.90	3,11,251
May, 2019	26.10	17.00	3,02,680	27.95	18.30	8,41,835
June, 2019	20.00	15.20	46,126	20.05	15.50	3,66,292
July, 2019	18.35	9.40	80,513	18.40	9.30	6,54,581
August, 2019	14.85	9.30	1,01,531	14.70	9.35	4,70,937
September, 2019	13.40	11.41	32,614	13.50	11.40	2,70,764
October, 2019	15.40	11.65	31,287	15.10	11.60	1,89,933
November, 2019	20.75	12.50	70,530	20.65	12.60	3,50,719
December, 2019	14.00	11.80	53,773	13.95	11.50	3,30,643
January, 2020	13.43	10.47	40,178	13.15	10.45	15,54,505
February, 2020	10.85	7.18	2,67,172	11.05	7.40	7,77,953
March, 2020	8.78	5.10	2,39,536	8.90	5.10	7,45,889

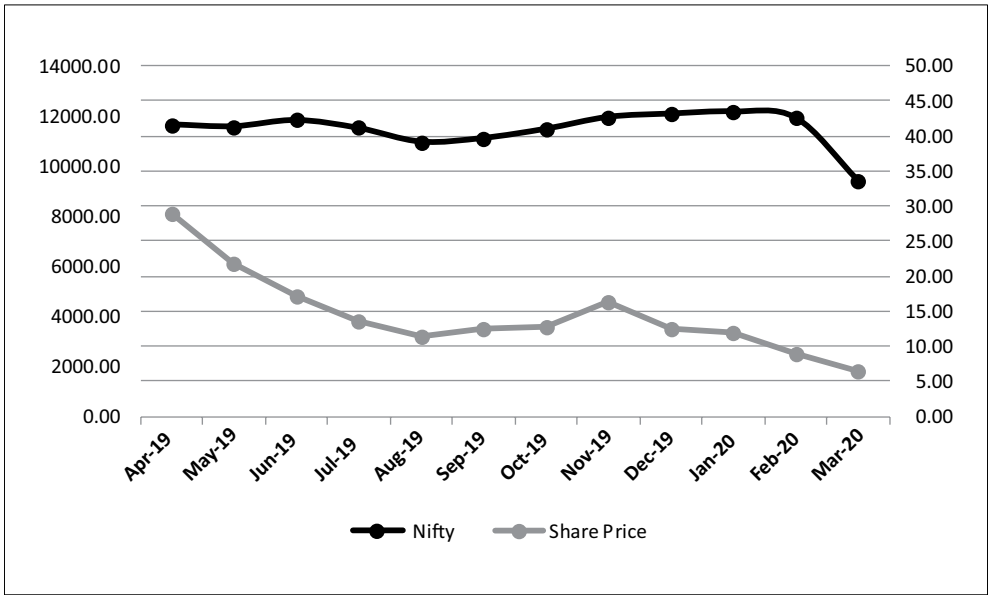
G. Performance in comparison to broad-based indices such as BSE/NSE Sensex (Average closing):

Month	BSE (Average closing price)		NSE (Average closing price)	
	Share Price	Sensex	Share Price	Nifty
April, 2019	29.14	38,861.48	28.98	11,666.45
May, 2019	21.95	38,574.60	21.86	11,592.02
June, 2019	17.35	39,538.37	17.27	11,839.02
July, 2019	13.35	38,649.97	13.51	11,523.11
August, 2019	11.60	37,149.35	11.38	10,976.50
September, 2019	12.66	37,545.06	12.45	11,124.29
October, 2019	13.09	38,741.85	12.72	11,490.21
November, 2019	16.56	40,513.09	16.24	11,964.13
December, 2019	12.75	41,054.45	12.63	12,096.88
January, 2020	11.93	41,360.95	11.88	12,183.07
February, 2020	9.09	40,674.32	9.02	11,934.47
March, 2020	6.42	32,254.45	6.44	9,426.31

CORPORATE GOVERNANCE REPORT (CONTD.)



BSE Sensex



Nifty 50

H. In case the securities are suspended from trading, reason thereof:

Not applicable, since the securities of the Company have not been suspended from trading.

I. Registrar to issue and share transfer agents:

Link Intime India Private Limited, C-101, 247 Park,
L.B.S. Marg, Vikhroli (West), Mumbai - 400083.

J. Share Transfer System:

Link Intime India Private Limited is the Registrar and Share Transfer Agent of the Company. Transfer of physical shares are approved by the Board of Directors or the Stakeholders Relationship Committee which meets at opportune time and if the documents are complete and in order in all respects, the same are registered and returned to the transferees within the stipulated time.

CORPORATE GOVERNANCE REPORT (CONTD.)

K.

i. **Distribution of Shareholding as on 31st March, 2020:**

Shares range	No. of Shareholders	% of Shareholders	No. of Shares	% of total issued capital
1 – 500	8629	80.69	1061273	4.81
501 – 1000	883	8.26	715309	3.24
1001- 2000	529	4.94	804927	3.65
2001 – 3000	189	1.77	477455	2.16
3001 – 4000	97	0.91	347687	1.57
4001 – 5000	75	0.70	349547	1.58
5001 – 10000	128	1.20	924644	4.19
10001 & Above	164	1.53	17401767	78.80
Total	10694	100	22082609	100

ii. **Shareholding pattern as on 31st March, 2020:**

Sr. No.	Category of Shareholder	No. of Shareholders	Total no. of Shares	Total Shareholding as a percentage of total no. of Shares
(A)	**Shareholding of Promoter and Promoter Group(A)***	**17**	**68,52,318**	**31.03**
(B)	**Public Shareholding**			
(1)	**Institutions**			
(a)	Mutual Funds	0	0	0
(b)	Venture Capital Funds	0	0	0
(c)	Alternate Investment Funds	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0
(e)	Foreign Portfolio Investor (Corporate)	2	6,67,775	3.02
(f)	Financial Institutions/ Banks	3	4,39,285	1.99
(g)	Insurance Companies	0	0	0
(h)	Provident Funds / Pension Funds	0	0	0
	Sub Total (B) (1)	**5**	**11,07,060**	**5.01**
(2)	**Central Government/ State Government(s)/ President of India**	0	0	0
	Sub Total (B) (2)	**0**	**0**	**0**
(3)	**Non-Institutions**			
(a)	Individuals			
	i. Individual shareholders holding nominal share capital upto ₹ 2 Lakhs	9,816	49,08,357	22.23
	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	40	47,69,152	21.60
(b)	NBFC's registered with RBI	0	0	0
(c)	Employee Trusts	0	0	0
(d)	Overseas depositories (holding DRs)	0	0	0
(e)	Any other			
	i. Hindu Undivided Family	338	5,70,382	2.58
	ii. NRI (Non-repatriate)	48	41,721	0.19
	iii. NRI (Repatriate)	112	2,83,131	1.28
	iv. Clearing Members	26	89,160	0.40
	v. Bodies Corporate	119	34,61,328	15.67
	Sub Total (B) (3)	**10,499**	**1,41,23,231**	**63.96**
	Total Public Shareholding (B) = (B)(1) + (B)(2)+(B)(3)	**10,504**	**1,52,30,291**	**68.97**
	Total (A) + (B)	**10,521**	**2,20,82,609**	**100**
(C)	**Non Promoter - Non Public**			
(1)	Shares Underlying DRs	0	0	0
(2)	Shares Held By Employee Trust	0	0	0
	Grand Total (A)+(B)+(C)	**10,521**	**2,20,82,609**	**100**

The shareholding spread across various demat accounts are consolidated on the basis of Permanent Account Number pursuant to SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2017/128 dated 19th December, 2017.

**Shareholding of Promoter and Promoter Group excludes 7,66,666 equity shares representing 3.47% of the total paid-up share capital of the Company transferred as a collateral by Mr. Biharilal C. Mandhana (2,66,666 equity shares representing 1.21%), Biharilal C. Mandhana HUF (3,00,000 equity shares representing 1.36%) & Mahan Synthetic Textiles Private Limited (2,00,000 equity shares representing 0.91%) to Vayoonandan Finance Company Private Limited pursuant to the credit facility availed.*

CORPORATE GOVERNANCE REPORT (CONTD.)

L. Dematerialization of shares:

The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and Link Intime India Private Limited to offer depository services to its shareholders and has paid respective charges for the benefit of the Members.

Your Company confirms that the entire Promoters' holding is in dematerialized form and the same is in line with the directives issued by the Securities and Exchange Board of India.

The shares of your Company are regularly traded at the BSE Limited and the National Stock Exchange of India Limited and hence have good liquidity.

Out of the total 2,20,82,609 equity shares of the Company, 2,20,81,095 equity shares representing 99.99% are in dematerialized form as on 31st March, 2020.

M. Outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity:

NIL

N. Commodity price risk or foreign exchange risk and hedging activities:

The Company's operations does not involve dealings in traded commodities and hence the disclosure pursuant to SEBI Circular dated 15th November, 2018 is not applicable. During the financial year 2019-2020, the Company had negligible foreign exchange risk thereby no hedging activities were carried out.

O. Plant Locations:

The Company is not in the business of manufacturing of goods and does not have a manufacturing plant.

P. Address for Correspondence:

The Mandhana Retail Ventures Limited,
014, Peninsula Centre, Dr. S. S. Rao Road,
Parel, Mumbai – 400 012
Tel: 022 - 4353 9790
Email: cs@tmrvl.com

Q. Until financial year 2019-2020, Company has not obtained any credit rating from rating agency.

11. Other Disclosures:

A. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:

NIL

B. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years:

NIL

C. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee:

The Company has established a Vigil Mechanism, which includes a Whistle Blower Policy, for its Directors and Employees, to provide a framework to facilitate responsible and secure reporting of concerns of unethical behaviour, actual or suspected fraud or any instances of leak of unpublished price sensitive information or violation of the Company's Code of Conduct & Ethics. The details of establishment of Vigil Mechanism / Whistle Blower Policy are posted on the website of the Company and the weblink to the same is https://www.mrvlindia.com/codes-of-conduct-policies. No Director / employee has been denied access to the Audit Committee.

D. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company constantly ensures compliance with all the mandatory requirements of the Listing Regulations. The status of compliances with the non-mandatory requirements specified in Part E of Schedule II have been included in this Report.

E. Weblink where policy for determining material subsidiaries is disclosed:

Not applicable as Company does not have any Subsidiary Company.

F. Weblink where policy on dealing with related party transactions is disclosed:

https://www.mrvlindia.com/codes-of-conduct-policies

G. Disclosure of commodity price risks and commodity hedging activities:

Not applicable as the Company does not deal in the traded commodities.

H. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):

Not applicable, as during the financial year 2019-2020, the Company has not raised the funds through preferential allotment or qualified institutions placement.

I. A certificate has been received from Mr. Nitin R. Joshi, Practising Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

J. During the financial year 2019-2020, there were no instances where the Board of Directors of the Company had not accepted any recommendation of any of its committee which is mandatorily required to be constituted.

CORPORATE GOVERNANCE REPORT (CONTD.)

K. Total fees for all services paid by the listed entity and its subsidiaries, if any, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.

Please refer to note no. 42 of notes to accounts.

L. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. number of complaints filed during the financial year : NIL

b. number of complaints disposed of during the financial year : NIL

c. number of complaints pending as on end of the financial year: NIL

12. Discretionary requirements as specified in Part E of Schedule II of the Listing Regulations:

A. The Board:

The Company has a Non-Executive Chairman. No separate office is provided to the Chairman. The Non-Executive Chairman is provided secretarial and other assistance whenever needed to enable him to discharge his responsibilities effectively.

B. Shareholder Rights:

The Company's financial results are furnished to the Stock Exchanges and are also published in the newspapers and on the website of the Company and therefore results were not separately sent to the Members. The financial results of the Company are displayed on the website of the Company i.e. www.mrvlindia.com

C. Modified opinion(s) in audit report:

Details are mentioned in the "Statutory Auditors And Auditors' Report" paragraph in the Directors Report, forming part of the Annual Report.

D. Separate posts of chairperson and chief executive officer

Mr. Pradip Dubhashi, Non- Executive Independent Director, is the Chairman of the Board and Mr. Manish Mandhana is the Chief Executive Officer of the Company.

E. Reporting of internal auditor

The Internal Auditor reports to the Audit Committee.

13. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46:

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

For and on behalf of the Board of Directors
The Mandhana Retail Ventures Limited

Sangeeta Mandhana
Managing Director
DIN: 06934972

Priyavrat Mandhana
Executive Director
DIN: 02446722

Place: Mumbai
Date : 18th September, 2020

CORPORATE GOVERNANCE REPORT (CONTD.)

DISCLOSURE IN COMPLIANCE WITH PART F OF SCHEDULE V OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR THE YEAR 2019-2020

1.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	Shareholders – 4	Outstanding Equity Shares – 139
2.	No. of shareholders who approached the issuer for transfer of shares from the Suspense Account during the year	-	
3.	No. of shareholders to whom shares were transferred from Suspense account during the year	-	
4.	Aggregate no. of shareholders and the outstanding shares lying in the Suspense Account at the end of the year	Shareholders – 4	Outstanding Equity Shares – 139
The voting rights on the aforesaid shares lying in the Suspense Account shall remain frozen till the rightful owners of such shares claims the shares.			

For and on behalf of the Board of Directors
The Mandhana Retail Ventures Limited

Sangeeta Mandhana
Managing Director
DIN: 06934972

Priyavrat Mandhana
Executive Director
DIN: 02446722

Place: Mumbai
Date : 18th September, 2020

DECLARATION BY THE CEO UNDER SCHEDULE V (D) OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT:

To the best of my knowledge and belief, this is to affirm and declare, on behalf of the Board of Directors of the Company and senior management personnel, that:

a. The Board of Directors has laid down a Code of Conduct, Ethics and Business Principles for all Board Members and Senior Management of the Company ['the Code of Conduct'];

b. The Code of Conduct has been posted on the website of the Company;

c. All the Board Members and Senior Management Personnel have affirmed their compliance and adherence with the provisions of the Code of Conduct for the financial year ended 31st March 2020.

For and on behalf of the Board of Directors and Senior Management Personnel

Manish Mandhana
Chief Executive Officer

Place: Mumbai
Date : 18th September, 2020

CORPORATE GOVERNANCE REPORT (CONTD.)

Compliance Certificate pursuant to Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015:

To,
The Board of Directors,
The Mandhana Retail Ventures Limited

We, undersigned in our capacity as the Chief Executive Officer and Chief Financial Officer of The Mandhana Retail Ventures Limited ("the Company"), to the best of our knowledge and belief, certify that:

a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2020 and based on our knowledge and belief:

   i. these statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affair and are in compliance with the existing Accounting Standards, applicable Laws and Regulations.

b) We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of Company's Code of Conduct.

c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the Internal Control Systems of the Company pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls.

d) We have indicated to the Auditors and Audit Committee:

   i. significant changes, if any, in the internal control over financial reporting during the year;

   ii. significant changes, if any, in the accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

The Mandhana Retail Ventures Limited

Manish Mandhana
Chief Executive Officer

Pankaj Gharat
Chief Financial Officer

Place: Mumbai
Date : 18th September, 2020

CORPORATE GOVERNANCE REPORT (CONTD.)

INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To the Members of
The Mandhana Retail Ventures Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 11 October 2018 and addendum thereto dated 15 July 2020.

2. This report contains details of compliance of conditions of corporate governance by The Mandhana Retail Ventures Limited ('the Company') for the year ended 31 March 2020 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with the National Stock Exchange of India Limited and the BSE Limited (collectively referred to as the 'Stock exchanges').

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

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

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31 March 2020.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the' Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or 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 certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W100022

Rishabh Kumar
Partner
Membership No: 402877
ICAI UDIN: 20402877AAAACT9899

Place: Mumbai
Date: 18 September 2020

INDEPENDENT AUDITORS' REPORT

To the Members of
The Mandhana Retail Ventures Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of The Mandhana Retail Ventures Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Company. In view of the significance of the matter described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence regarding whether the use of going concern assumption is appropriate or not. Therefore, we are unable to conclude as to whether the aforesaid financial statements are presented in accordance with the applicable accounting standards and other recognised accounting practices and policies.

Basis for Disclaimer of Opinion

We draw attention to Note 49 of the financial statements regarding preparation of the financial statements on going concern basis. So far the revenue generating operations of the Company have been arising solely from retailing of men's and women's wear under a well-known trademark under a license agreement. The aforesaid license has been foreclosed by the trademark owner before the year end. Management has stated that the Company is exploring new alternatives including identifying new contracts for retailing in India and is taking steps to address the situation. However, at present, none of the alternatives have materialised and there are no firm business plans post 31 March 2020. The Company has also lost key employees and is taking steps to liquidate its inventories and transfer its retail outlets. Therefore, there is a material uncertainty regarding the future prospects of the business that cast significant doubt on the Company's ability to continue as a going concern. However, the Company has cash surplus and positive net worth. The Management and the Board of Directors have prepared the financial statements on a going concern basis since they have a reasonable expectation that the Company will be able to meet all its contractual obligations and liabilities as they fall due in near future and that the Company will be able to procure new contracts for carrying on its operations. However, we were unable to obtain sufficient appropriate evidences about the future business plans and operations of the Company post 31 March 2020 and materialisation of alternatives that are being considered by the Management. Accordingly, we are unable to conclude whether the Company will be able to continue as a going concern and the consequential implications arising therefrom on the financial statements of the Company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the Code of Ethics and provisions of the Act that are relevant

INDEPENDENT AUDITORS' REPORT (CONTD.)

to our audit of the financial statements in India under the Act, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the requirements under the Act.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by section 143(3) of the Act, read with the paragraph related to Basis for Disclaimer of Opinion, we report that:

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

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

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) Due to the possible effects of the matter described in the Basis of Disclaimer Opinion paragraph, we are unable to state whether the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act.

   e) The matter described in Basis for Disclaimer of Opinion paragraph could have an adverse effect on the functioning on the Company.

   f) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act.

   g) The reservation relating to maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph section above.

   h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. the Company doesn't have any pending litigations which would impact its financial position as at 31 March 2020 – Refer Note 44 to the financial statements.

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

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

   iv. the disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

   (C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W100022

Rishabh Kumar
Partner
Membership No: 402877
ICAI UDIN: 20402877AAAACV7536

Place: Mumbai
Date : 18 September 2020

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE MANDHANA RETAIL VENTURES LIMITED FOR THE YEAR ENDED 31 MARCH 2020

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report the following:

(i) (a) According to the information and explanation given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified regularly at reasonable intervals. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In our opinion and according to information and explanations given to us, no material discrepancies were noticed upon such verification during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (i.e. buildings), as disclosed in note 3 to the financial statements, are held in the name of the Company.

(ii) The inventory, except for stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. In respect of stocks lying with third parties at the year-end, these have not been confirmed by them. No material discrepancies were noticed on verification between the physical stock and the book records.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order is not applicable to the Company.

(iv) According to the information and explanation given to us, the Company has not granted any loans, made any investments or provided any guarantees or security to the parties covered under section 185 and 186 of the Act. Accordingly, paragraph 3(iv) of the Order is not applicable to the Company.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the products of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, profession tax, duty of customs, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. However, in respect of income tax and goods and service tax, there have been significant delays in certain instances. As explained to us, the Company did not have any dues on account of duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, profession tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of income tax, goods and service tax and duty of customs which have not been deposited as on 31 March 2020 with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank. The Company did not have any dues to financial institutions or government nor it has issued any debentures during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to that extent to the Company.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported, during the year nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT (CONTD.)

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W100022

Rishabh Kumar
Partner
Membership No: 402877
ICAI UDIN: 20402877AAAACV7536

Place: Mumbai
Date : 18 September 2020

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE MANDHANA RETAIL VENTURES LIMITED FOR THE YEAR ENDED 31 MARCH 2020

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A) h) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of The Mandhana Retail Ventures Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Further, considering the Disclaimer of Opinion in main audit report and the inherent limitations of internal financial controls with reference to financial statements, there are limitations in consideration of such controls operating as at the balance sheet date for the future operations of the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W100022

Rishabh Kumar
Partner
Membership No: 402877
ICAI UDIN: 20402877AAAACV7536

Place: Mumbai
Date : 18 September 2020

BALANCE SHEET

as at 31 March 2020

₹ in Lakhs

Particulars	Note	31 March 2020	31 March 2019
Assets			
Non current assets			
(a) Property, plant and equipment	3	**169.62**	2,230.96
(b) Capital work in progress	3	**-**	0.51
(c) Right of use asset	4	**-**	-
(d) Intangible assets	5	**-**	26.81
(e) Financial assets:			
(i) Loans	6	**-**	191.89
(ii) Other financial assets	7	**8.31**	8.31
(f) Deferred tax assets (net)	35	**-**	911.11
(g) Other non current assets	8	**-**	87.29
(h) Income tax assets (net)		**0.41**	0.31
Total non current assets		**178.34**	**3,457.19**
Current assets			
(a) Inventories	9	**15.75**	4,022.68
(b) Financial assets:			
(i) Trade receivables	10	**630.56**	2,209.00
(ii) Cash and cash equivalents	11	**544.81**	40.87
(iii) Loans	12	**1,718.66**	1,975.56
(iv) Other financial assets	13	**2,269.45**	42.32
(c) Other current assets	14	**390.60**	304.28
Total current assets		**5,569.83**	8,594.71
Total assets		**5,748.17**	**12,051.90**
Equity and liabilities			
Equity			
(a) Equity share capital	15	**2,208.26**	2,208.26
(b) Other equity	16	**1,393.10**	4,475.60
Total equity		**3,601.36**	**6,683.86**
Liabilities			
Non current liabilities			
(a) Financial liabilities:			
(i) Lease liabilities	17	**-**	-
(ii) Other financial liabilities	18	**-**	111.17
(b) Provisions	19	**37.66**	68.95
(c) Other non current liabilities	20	**-**	13.85
Total non current liabilities		**37.66**	**193.97**
Current liabilities			
(a) Financial liabilities:			
(i) Lease liabilities	21	**-**	-
(ii) Borrowings	22	**228.84**	845.89
(iii) Trade payables:	23		
- Total outstanding dues of micro enterprises and small enterprises		**341.57**	1,015.40
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**902.98**	2,670.50
(iv) Other financial liabilities	24	**519.86**	422.27
(b) Other current liabilities	25	**70.84**	195.48
(c) Provisions	26	**35.61**	15.08
(d) Income tax liabilities (net)	27	**9.45**	9.45
Total current liabilities		**2,109.15**	**5,174.07**
Total liabilities		**2,146.81**	5,368.04
Total equity and liabilities		**5,748.17**	**12,051.90**
Significant accounting policies	2		
Notes to the financial statements	3-52		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rishabh Kumar
Partner
Membership No: 402877

Mumbai
18 September 2020

For and on behalf of the Board of Directors of
The Mandhana Retail Ventures Limited
CIN: L52390MH2011PLC213349

Sangeeta M. Mandhana
Managing Director
DIN: 06934972

Priyavrat Mandhana
Executive Director
DIN: 02446722

Manish Mandhana
Chief Executive Officer

Pankaj Gharat
Chief Financial Officer
Membership No: 152876

Virendra Varma
Company Secretary
Membership No: F10520

Mumbai
18 September 2020

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2020

Particulars	Note	31 March 2020	₹ in Lakhs 31 March 2019
Income			
Revenue from operations	28	**15,189.54**	21,987.25
Other income	29	**883.63**	216.87
Total income		**16,073.17**	**22,204.12**
Expenses			
Purchase of stock in trade	30	**4,503.76**	8,151.18
Changes in inventories of stock in trade	31	**2,717.81**	1,462.00
Employee benefits expense	32	**2,065.66**	2,469.77
Finance costs	33	**715.41**	245.70
Depreciation and amortisation expense	3, 4 & 5	**1,401.20**	385.70
Other expenses	34	**6,863.24**	9,479.32
Total expenses		**18,267.08**	**22,193.67**
(Loss)/Profit before tax		**(2,193.91)**	10.45
Tax expense:	35		
- Current tax		**-**	-
- Deferred tax		**911.11**	44.35
- Tax adjustment for earlier years		**-**	25.01
Total tax expense		**911.11**	69.36
Loss for the year		**(3,105.02)**	**(58.91)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement gains arising on defined benefit plan		**22.52**	1.12
(ii) Income tax related to (i) above		**-**	(0.39)
Total other comprehensive income		**22.52**	0.73
Total comprehensive loss for the year		**(3,082.50)**	**(58.18)**
Earnings per share (Face value of ₹ 10 each)			
Basic and diluted (₹)	36	**(14.06)**	**(0.27)**
Significant accounting policies	2		
Notes to the financial statements	3-52		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rishabh Kumar
Partner
Membership No: 402877

Mumbai
18 September 2020

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Chief Executive Officer

Pankaj Gharat
Chief Financial Officer
Membership No: 152876

Virendra Varma
Company Secretary
Membership No: F10520

Mumbai
18 September 2020

STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Cash flows from operating activities		
Net (loss)/profit before tax	**(2,193.91)**	**10.45**
Adjustments for:		
Depreciation and amortisation expense	**1,401.20**	385.70
Sundry balances written back (net)	**(75.84)**	(138.99)
Interest income on security deposits initially recognised at fair value	**(123.11)**	(72.90)
Unrealised gain/loss on foreign currency translation (net)	**(2.08)**	6.44
Interest income on fixed deposits with banks	**(0.76)**	(2.70)
Finance costs	**715.41**	245.70
Allowance for expected credit loss	**41.47**	169.81
Loss on transfer of business	**1,242.50**	-
PPE, CWIP and Intangible assets written off / Loss on sale of PPE and Intangible assets	**33.97**	120.07
Operating cash flows before working capital changes	**1,038.85**	**723.58**
Working capital adjustments :		
Decrease in other financial liabilities	**(4.61)**	(601.62)
(Decrease)/Increase in other liabilities	**(99.92)**	17.45
Increase in provisions	**11.73**	14.14
Decrease in trade payables	**(2,365.51)**	(539.74)
Decrease/(Increase) in loans	**533.33**	(417.73)
(Increase)/Decrease in other non-current assets	**(65.00)**	51.03
Decrease in inventories	**4,006.93**	1,462.00
Decrease/(Increase) in trade receivables	**1,539.05**	(386.57)
(Increase)/Decrease in other current financial assets	**(2,226.44)**	23.44
Cash generated from operating activities	**2,368.41**	**345.98**
Income tax paid	**(0.10)**	(143.13)
Net cash flows from operating activities	**2,368.31**	**202.85**
Cash flows from investing activities		
Purchase for property, plant and equipment including capital work in progress and capital advances	**(531.98)**	(158.84)
Proceeds from sale of property, plant and equipment	**-**	0.15
Interest received	**0.07**	1.97
Net cash used in investing activities	**(531.91)**	**(156.72)**
Cash flows from financing activities		
Repayment of cash credit facility from bank (net)	**(417.05)**	(104.57)
Proceeds of loan from corporate bodies	**150.00**	1,100.00
Repayment of loan to corporate bodies	**(350.00)**	(900.00)
Finance charges paid [including repayment of lease liability (net) ₹ 495.65 Lakhs (31 March 2019: Nil)]	**(715.41)**	(245.70)
Net cash used in financing activities	**(1,332.46)**	**(150.27)**
Net increase / (decrease) in cash and cash equivalents	**503.94**	**(104.14)**
Cash and cash equivalents at the beginning of the year	**40.87**	145.01
Cash and cash equivalents at the end of the year	**544.81**	**40.87**
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and Cash equivalents as per Balance Sheet	**544.81**	**40.87**
Cash and Cash equivalents as at the year end	**544.81**	**40.87**

Notes:

1. The statement of cash flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7 "Statement of Cash Flows".
2. Cash comprises cash on hand, current accounts and fixed deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

3. Movement in borrowings:

			₹ in Lakhs
Particulars	**31 March 2019**	**Cash flows**	**31 March 2020**
Current borrowings	845.89	(617.05)	**228.84**
Total	**845.89**	**(617.05)**	**228.84**

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rishabh Kumar
Partner
Membership No: 402877

Mumbai
18 September 2020

For and on behalf of the Board of Directors of
The Mandhana Retail Ventures Limited
CIN: L52390MH2011PLC213349

Sangeeta M. Mandhana
Managing Director
DIN: 06934972

Priyavrat Mandhana
Executive Director
DIN: 02446722

Manish Mandhana
Chief Executive Officer

Pankaj Gharat
Chief Financial Officer
Membership No: 152876

Virendra Varma
Company Secretary
Membership No: F10520

Mumbai
18 September 2020

STATEMENT OF CHANGES IN EQUITY (SOCIE)

for the year ended 31 March 2020

(a) Equity share capital (Refer note 15)

₹ in Lakhs

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	**2,20,82,609**	**2,208.26**	2,20,82,609	2,208.26
Issue of equity share capital	**-**	**-**	-	-
Balance at the end of the year	**2,20,82,609**	**2,208.26**	**2,20,82,609**	**2,208.26**

(b) Other equity (Refer note 16)

₹ in Lakhs

Particulars	Reserves and surplus		Total
	Capital reserve	Retained earnings	
Balance as on 1 April 2018	**5.00**	**4,528.78**	**4,533.78**
Loss for the year	-	(58.91)	(58.91)
Other comprehensive income for the year (net of taxes) - Remeasurement gain arising on defined benefit plans	-	0.73	0.73
Total comprehensive income for the year	**5.00**	**4,470.60**	**4,475.60**
Balance as at 31 March 2019	**5.00**	**4,470.60**	**4,475.60**
Loss for the year	-	(3,105.02)	(3,105.02)
Other comprehensive income for the year (net of taxes) - Remeasurement gain arising on defined benefit plans	-	22.52	22.52
Total comprehensive income for the year	**5.00**	**1,388.10**	**1,393.10**
Balance as at 31 March 2020	**5.00**	**1,388.10**	**1,393.10**

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
The Mandhana Retail Ventures Limited
CIN: L52390MH2011PLC213349

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Chief Financial Officer
Membership No: 152876

Virendra Varma
Company Secretary
Membership No: F10520

Mumbai
18 September 2020

Mumbai
18 September 2020

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

1. **Company overview**

The Mandhana Retail Ventures Limited ("the Company") was incorporated under the Companies Act, 1956 ("the Act") on 12 February 2011. The Company was converted into a public limited company by getting its shares listed on the Bombay Stock Exchange and the National Stock Exchange w.e.f. 14 December 2016.

Pursuant to the approval of the Scheme of Demerger, the Company had acquired the demerged undertaking of Mandhana Industries Limited which was engaged in the business of designing, retailing, marketing and distributing men's wear, women's wear and accessories of "Being Human" trademark under the global exclusive trademark license agreement ('the License agreement') with The Salman Khan Foundation ('the Foundation'). The Licensee agreement was foreclosed with the Foundation on 31 January 2020 and with the Being Human business getting transferred to another licensee, the Company is now evaluating the available options to start afresh which shall be initiated post the current pandemic situation eases out.

2. **A. Basis of preparation of financial statements**

a) ***Statement of compliance***

These financial statements of the Company for the year ended 31 March 2020 are prepared in accordance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('Act'), amendments thereto and other relevant provisions of the Act.

While the Licensee agreement with the Foundation was mutually cancelled vide agreement dated 5 March 2020 with effective date of cancellation being 31 January 2020, the Company has sufficient reserves at disposal to kickstart the business under the new brand. Currently, the Company is going slow on account of Covid-19 pandemic. Having said that, all the startegic discussions, tie-ups, vendor lineup, staffing, business strategy is in place and the Company is in the process of tying up with the new trademark.

Basis the facts referred above, the financial statements of the Company for the year ended 31 March 2020 have been prepared on accrual and going concern basis and do not include any adjustments relating to recoverability and classification of recorded assets or to amounts and classification of liabilities that may be necessary, if the Company is unable to continue as a going concern.

The financial statements of the Company for the year ended 31 March 2020 were approved for issue in accordance with the resolution of the Board of Directors on 18 September 2020.

b) ***Historical cost convention***

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and liabilities and employee benefit obligations that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

c) ***Functional and presentation currency***

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rs.) which is the Company's functional and presentation currency. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakh as per the requirement of Division II of Schedule III to the Act, unless otherwise stated.

d) ***Critical accounting judgments and key sources of estimation uncertainty***

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of assets or liabilities affected in future periods. The Company continually evaluates these estimates and assumptions based on the most recently available information. Revisions to accounting estimates are recognized prospectively in the Statement of Profit and Loss in the period in which the estimates are revised and in any future periods affected. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable.

The areas involving critical estimates and judgments are:

i. Property, plant and equipment

Determination of the estimated useful lives of property, plant and equipment and the assessment of components of the cost that may be capitalised. Useful lives of tangible assets are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

ii. Valuation of inventories

Valuation of inventories comprises stock in trade at every reporting period end. Net realizable value of inventories is estimated basis the selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

iii. Defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the Balance Sheet date for the estimated term of the obligations.

iv. Impairment of non-financial assets

Impairment exist when the carrying value of an assets exceeds its recoverable amount, which is higher of its fair value less cost of disposal and its value in use. The value in use is determined based upon discounted cash flow model which is derived from the budget determined by the Company. 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.

v. Deferred tax assets

A deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

vi. Provisions and contingencies

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, past experience and circumstances known at the Balance Sheet date.

vii. Financial instruments

All financial instruments are required to be measured at fair value on initial recognition. In case of financial instruments which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method. Rate of interest is estimated basis the prevailing market interest rate or the rate applicable to the company on any other financial instrument.

viii. Leases

Ind AS 116 'Leases' requires a lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of lease and the importance of the underlying lease to the Company's operations taking into account the location of the underlying asset and the availability of the suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

e) ***Classification of assets and liabilities***

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

i. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

ii. it is held primarily for the purpose of being traded;

iii. it is expected to be realized within twelve months after the reporting date; or

iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of noncurrent financial assets.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

i. it is expected to be settled in the Company's normal operating cycle;

ii. it is held primarily for the purpose of being traded;

iii. it is due to be settled within twelve months after the reporting date; or

iv. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

B. Summary of significant accounting policies

a) Revenue recognition

Sale of goods

The Company derives revenues primarily from sale of traded goods.

Effective April 1, 2018, the Company has applied Ind AS 115 'Revenue from Contracts with Customers' which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 'Revenue.' There is no impact of the adoption of the new standard on the financial statements of the Company.

Revenue is recognised on satisfaction of performance obligation upon transfer of control of products to end customers in an amount that reflects the consideration the Company expects to receive in exchange for those products. The performance obligations in our contracts are fulfilled at the time of delivery.

Revenue is measured based on transaction price which is fair value of the consideration received or receivable, after deduction of any discounts, sales incentives / schemes and any taxes or duties collected on behalf of the government such as goods and services tax, etc.

Export Benefits

Export incentives (i.e. duty drawback and DEPB license) are recognized in the year on the basis of claims submitted to the appropriate authorities provided there is no uncertainty to expect ultimate collection at the time of making the claim.

Interest income

For all interest bearing financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

b) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment (PPE) are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of an item of PPE comprises its purchase price, including import duties and other non-refundable taxes or levies, borrowing costs if any and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Expenditure/income during construction period is included under Capital work in progress, and the same is allocated to the respective PPE on the completion of their construction. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other non-current assets".

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of Profit and Loss as incurred.

iii. Depreciation

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') as per the useful life prescribed under

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

Schedule II of the Companies Act, 2013, which, in management's opinion, reflect the estimates useful economic lives of fixed assets.

Leasehold improvements are amortized over the lease term. Depreciation for the year is recognised in the Statement of Profit and Loss.

The following table gives the useful life of different Property, plant and equipment as per Schedule II:

Particulars	Useful Life
Office equipment	5 years
Furniture and fixtures	10 years
Computer servers and network	6 years
Desktops/laptops and accessories	3 years
Air conditioners	5 years

iv. De-recognition

An item of property, plant and equipment is eliminated from the financial statement on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

v. Impairment of property, plant and equipment

The carrying values of assets at each Balance Sheet date are reviewed for impairment if any indication of impairment exists.

c) Intangible assets

i. **Recognition and measurement**

Intangible assets are recognized only when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of such assets can be measured reliably. Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. All costs relating to the acquisition are capitalized.

ii. **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

iii. **Amortisation**

Intangible assets are amortised over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. The Company's intangible assets comprise of computer software which are being amortised over their estimated useful life of 3 years.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the revised remaining useful life.

Amortisation for the year is recognised in the Statement of Profit and Loss.

iv. **De-recognition**

An intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use and disposal. Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss.

v. **Impairment of intangible assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss is recognized as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years. In case of revalued assets, such reversal is not recognized.

d) Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

i. the contract involves the use of identified asset;

ii. the Company has substantially all of the economic benefits from the use of the asset through the period of lease; and

iii. the Company has the right to direct the use of the asset.

As a lessee

The Company recognizes a right-of-use asset ("ROU") and a lease liability at the lease commencement date. The ROU is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The ROU is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU, or is recorded in Statement of Profit or Loss if the carrying amount of the ROU has been reduced to zero.

Lease Liabilities are presented in 'Financial Liabilities' and the 'ROU Asset' is presented separately in the Balance Sheet. Lease payments are classified as financing activities in the Statement of Cash Flows.

Short-term leases and leases of low-value assets

The Company has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of 12 months or lower and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term. The related cash flows are classified as Operating activities in the Statement of Cash Flows.

Under Ind AS 17

In the comparative period, accounting for leases were done as per Ind AS 17. Leases were classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as Operating Leases.

As a Lessee

Operating Leases

Lease rentals are charged or recognised in the Statement of Profit and Loss on a straight-line

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

basis over the lease term, except where the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

Finance Leases

Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss.

e) Inventories

Inventories comprise of stock in trade which are carried at the lower of cost and net realizable value. Cost is determined on first in first out ("FIFO") basis.

Cost of stock in trade comprises of all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

f) Foreign currency transactions and translations

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of Profit and Loss of the year.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss. Non-monetary foreign currency items are carried at cost.

g) Financial instruments

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.

i. Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to a contract that gives rise to a financial asset of one entity or equity instrument of another entity. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at FVTPL are recognised immediately in Statement of Profit and Loss.

Measurement of fair values

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. 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 of the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes financial assets into three levels. As described as follows, these levels are based on the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (level 3 inputs).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

Level 1: Fair value based on quoted, unadjusted prices on active markets

Level 2: Fair value based on parameters for which directly or indirectly quoted prices on active market are available

Level 3: Fair value based on parameters for which there is no observable market data

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Subsequent measurement

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- The entity's business model for managing the financial assets and
- The contractual cash flow characteristics of the financial asset.

Amortised cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognised (i.e. removed from the Company's Balance Sheet) when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

   (a) The Company has transferred substantially all the risks and rewards of the asset, or

   (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

   When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

   Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Financial assets of the Company comprise of trade receivable and other receivables consisting of debt instruments such as security deposits and bank balance. Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. An impairment loss for trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Impairment losses if any, are recognised in Statement of Profit and Loss for the year.

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value Through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

rate of interest. For Trade receivables, the Company measures loss allowance at an amount equal to lifetime expected credit losses. The Company computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

ii. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss.

Initial recognition and measurement

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognized. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

h) Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the employee service is recognized as an expense as the related service is rendered by the employee. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution to Provident Fund, ESIC and Labour Welfare Fund are recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders related service.

Defined Benefit Plan

The Company's gratuity benefit scheme is a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any assets are deducted. The calculation of the Company's obligation under the plans is performed annually by a qualified actuary using the projected unit credit method at the Balance Sheet date.

Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income (OCI). The service and interest cost related to defined benefit plans are recognised in employee benefits in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in the Statement

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

of Profit and Loss on a straight line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

i) Taxation

Income-tax expense comprise current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). It is recognised in Statement of Profit and Loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current tax

Current tax is measured at that amount expected to be paid to (recovered from) the taxation authorities, on the taxable income or loss determined in accordance with Income Tax Act, 1961 and includes any adjustment to the tax payable or receivable in respect of previous years.

Deferred tax

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that future taxable profits will be available.

j) Impairment of non-financial asset (excluding inventories and deferred tax assets)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

k) Earnings per share

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

i. the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

ii. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

l) Borrowing costs

Borrowing costs are interest and other costs related to borrowing that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest costs measured at Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Ancillary borrowing costs are amortised over the tenure of the loan.

Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized as a part of cost of such assets till the time the asset is ready for its intended use. A qualifying assets is the one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recorded as an expense in the year in which they are incurred. Ancillary borrowing costs are amortised over the tenure of the loan.

m) Provisions, Contingent liabilities and Contingent assets

Provisions are recognized when the Company recognizes that it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. Provisions are measured at the present value of managements best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

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 passage of time is recognised as interest expense.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably

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. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in financial statements.

n) Cash and Cash equivalents

Cash and cash equivalents comprise cash-in-hand and cash on deposits with banks and financial institutions. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amount of cash to be cash equivalents.

o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Chief Executive officer assesses the financial performance and position of the Company, and makes strategic decisions. He is identified as being the chief operating decision maker for the Company. The Company has only one business segment, which is trading in garments and company generates revenue majorly from Domestic sales along with some export sales. Accordingly, the amounts appearing in these financial statements relate to this one business segment.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment assets include all operating assets used by the business segment and consist principally of fixed assets, trade receivables and inventories. Segment liabilities include operating liabilities pertaining to the segment.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each segment as also the amount allocable on a reasonable basis.

Segment assets and liabilities that cannot be allocated between the segments are shown as part of unallocated assets and liabilities respectively. Income and expenses relating to the enterprise as a whole and not allocable on a reasonable basis to business segment are reflected as unallocated income and expense.

p) Events after the reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed as at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

C. Change of accounting policies on adoption of Ind AS 116

Effective from 1 April 2019 ('the date of transition'), the Company has applied modified retrospective approach as per pars C8 (c)(ii) of Ind AS 116 'Leases' to its leases effective from annual reporting period beginning 1 April 2019. Accordingly, the comparative information is not restated and is presented, as previously reported, under Ind AS 17. Additionally, the disclosure requirements in Ind AS 116 have not generally been applied to comparative information.

As a lessee

As a lessee, the Company leases many assets including shops, warehouses, etc. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities for most of these leases i.e. on balance sheet accounting.

On transition, for leases classified as operating leases under Ind AS 17, the lease liabilities are measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 April 2019.

Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Company used a number of practical expedients when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17. In particular, the Company:

a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020

b) did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;

c) did not recognise right-of-use assets and liabilities for leases where the Right of Use value of assets is not material as per the Company policy;

d) excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31 March 2019 compared to the lease liability as accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedients as per the standard.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020

3 Property, plant and equipment and capital work in progress

₹ in Lakhs

Particulars	Gross block				Accumulated depreciation				Net block
	Balance as at 1 April 2019	Additions	Deductions / Adjustments (Refer note below)	Balance as at 31 March 2020	Balance as at 1 April 2019	Charge for the year	Deductions / Adjustments (Refer note below)	Balance as at 31 March 2020	Balance as at 31 March 2020
Buildings	**158.35**	-	-	**158.35**	**3.76**	2.50	-	**6.26**	**152.09**
Leasehold improvements	**1,491.60**	76.16	1,567.76	**-**	**454.80**	144.64	599.44	**-**	**-**
Computers and accessories	**57.77**	2.85	57.77	**2.85**	**50.36**	2.84	52.81	**0.39**	**2.46**
Office equipments	**136.17**	12.92	149.09	**-**	**85.16**	17.03	102.19	**-**	**-**
Air conditioners	**32.63**	-	32.63	**-**	**21.59**	3.51	25.10	**-**	**-**
Motor Vehicles	**-**	17.33	-	**17.33**	**-**	2.26	-	**2.26**	**15.07**
Furniture and fixtures	**1,307.78**	39.56	1,347.34	**-**	**337.67**	117.29	454.96	**-**	**-**
Total	**3,184.30**	**148.82**	**3,154.59**	**178.53**	**953.34**	**290.07**	**1,234.50**	**8.91**	**169.62**
Capital work in progress	**0.51**	**-**	**0.51**	**-**		**-**	**-**	**-**	**-**
Total	**0.51**	**-**	**0.51**	**-**	**-**	**-**	**-**	**-**	**-**

Particulars	Gross block				Accumulated depreciation				Net block
	Balance as at 1 April 2018	Additions	Deductions / Adjustments	Balance as at 31 March 2019	Balance as at 1 April 2018	Charge for the year	Deductions / Adjustments	Balance as at 31 March 2019	Balance as at 31 March 2019
Buildings	158.35	-	-	158.35	1.26	2.50	-	3.76	154.59
Leasehold improvements	1,468.75	75.57	52.72	1,491.60	302.68	172.81	20.69	454.80	1,036.80
Computers and accessories	52.59	5.18	-	57.77	42.19	8.17	-	50.36	7.41
Office equipments	119.50	16.67	-	136.17	51.77	33.39	-	85.16	51.01
Air conditioners	31.14	1.49	-	32.63	13.63	7.96	-	21.59	11.04
Furniture and fixtures	1,384.66	57.28	134.16	1,307.78	238.74	144.90	45.97	337.67	970.11
Total	**3,214.99**	**156.19**	**186.88**	**3,184.30**	**650.27**	**369.73**	**66.66**	**953.34**	**2,230.96**
Capital work in progress	0.76	0.51	0.76	0.51		-	-	-	0.51
Total	**0.76**	**0.51**	**0.76**	**0.51**	**-**	**-**	**-**	**-**	**0.51**

Note:

1. The Company has not capitalized any borrowing cost during the current year. (31 March 2019: Nil)
2. Title deed of the immovable propoerty (i.e. building) is in the name of the Company.
3. On account of the business transfer agreement dated 5 March 2020, Property, Plant and Equipment having WDV amounting to ₹ 1,888.03 Lakhs as at 31 January 2020 is sold along with certain items of Intangible assets to new licensee at the agreed value. The remaining WDV of Property, Plant and Equipment which was not expected to be used in future has been written off and charged to Statement of Profit and Loss for the year (Refer Note 47 and 48).
4. Capital work in progress amounting to ₹ 0.51 Lakhs is written off.

4 Right of use (ROU) asset

₹ in Lakhs

Particulars	Gross block					Accumulated amortisation				Net block*
	Balance as at 1 April 2019	ROU asset created on transition to Ind AS 116	Additions	Deductions / Adjustments	Balance as at 31 March 2020	Balance as at 1 April 2019	Charge for the year	Deductions / Adjustments	Balance as at 31 March 2020	Balance as at 31 March 2020
Right of use asset	-	4,630.76	1,064.46	5,695.22	-	-	1,094.07	1,094.07	-	-
Total	**-**		**1,064.46**	**5,695.22**	**-**	**-**	**1,094.07**	**1,094.07**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020

5. Intangible assets

₹ in Lakhs

Particulars	Gross block				Accumulated amortisation				Net block
	Balance as at 1 April 2019	Additions	Deductions / Adjustments (Refer note below)	Balance as at 31 March 2020	Balance as at 1 April 2019	Charge for the year	Deductions / Adjustments (Refer note below)	Balance as at 31 March 2020	Balance as at 31 March 2020
Computer Software	**68.58**	-	68.58	-	**41.77**	17.06	58.83	-	-
Total	**68.58**	**-**	**68.58**	**-**	**41.77**	**17.06**	**58.83**	**-**	**-**

Particulars	Gross block				Accumulated amortisation				Net block
	Balance as at 1 April 2018	Additions	Deductions / Adjustments	Balance as at 31 March 2019	Balance as at 1 April 2018	Charge for the year	Deductions / Adjustments	Balance as at 31 March 2019	Balance as at 31 March 2019
Computer Software	65.77	2.81	-	68.58	25.80	15.97	-	41.77	26.81
Total	**65.77**	**2.81**	**-**	**68.58**	**25.80**	**15.97**	**-**	**41.77**	**26.81**

Note:

1. The Company has not capitalized any borrowing cost during the current year (31 March 2019: Nil)
2. On account of the business transfer agreement dated 5 March 2020, Intangible assets having WDV amounting to ₹ 8.35 lakhs as at 31 January 2020 is sold along with certain items of Property, Plant and Equipment to new licensee for sale at the agreed value. The remaining WDV of Intangible assets which will not generate any future economic benefits has been written off and charged to Statement of Profit and Loss for the year (Refer Note 47 and 48)

6. Loans

(Unsecured, considered good unless otherwise stated)

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Other than related parties:		
Security deposits (Refer note 47)	**-**	191.89
Total	**-**	**191.89**

7. Other non current financial assets

(Unsecured, considered good unless otherwise stated)

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Fixed deposit with statutory authorities*	**8.31**	8.31
Total	**8.31**	**8.31**

* Fixed deposits are on lien with statutory authorities

8. Other non current assets

(Unsecured, considered good unless otherwise stated)

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Other than related parties:		
Capital advances	**0.97**	65.97
Less: Provision for capital advances	**(0.97)**	-
Capital advances	**-**	65.97
Prepaid Expenses	**-**	21.32
Total	**-**	**87.29**

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020

9. Inventories

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Stock in trade:		
Garments	**15.75**	3,863.67
Accessories	**-**	159.01
Total	**15.75**	**4,022.68**

Note:

1. During the year ended 31 March 2020, the Company recorded an inventory write down of ₹ 69.55 Lakhs (31 March 2019: ₹ 138.73 Lakhs).
2. Mode of valuation of inventories is stated in note 2.B.(e) of the significant accounting policies

10. Trade receivables

Unsecured

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Trade receivables considered good	**647.06**	2,209.00
Trade receivables considered doubtful	**-**	-
Trade receivables which have significant increase in credit risk	**-**	-
Trade receivables - credit impaired	**165.92**	169.81
	812.98	2,378.81
Allowance for expected credit loss	**(182.42)**	(169.81)
Total	**630.56**	**2,209.00**

Note:

1. No debts are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no debts are due by firms or private companies in which any director is a partner or a director or a member.
2. Movement in the allowance for expected credit loss is as follows:

Balance at the beginning of the year	**169.81**	-
Additional provision made	**41.47**	169.81
Impairment loss reversed	**(28.86)**	-
Balance at the end of the year	**182.42**	**169.81**

11. Cash and cash equivalents

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Balances with banks in current account	**541.07**	22.44
Cash in hand	**3.74**	18.43
Total	**544.81**	**40.87**

12. Loans

(Unsecured, considered good unless otherwise stated)

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Security deposits:		
- other than related parties (Refer note 47)	**830.12**	1,087.02
- to related parties (Refer note 39)	**888.54**	888.54
Total	**1,718.66**	**1,975.56**

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020

13. Other current financial assets

(Unsecured, considered good unless otherwise stated)

		₹ in Lakhs
Particulars	**31 March 2020**	31 March 2019
Other than related parties:		
Duty drawback receivable	**7.09**	16.25
Advance against salary	**0.37**	1.31
Interest accrued on fixed deposits	**1.44**	0.75
Receivable from new licensee (Refer Note 47)	**2,190.07**	-
To related parties:		
Advance against salary	**70.48**	24.01
Total	**2,269.45**	**42.32**

14. Other current assets

(Unsecured, considered good unless otherwise stated)

		₹ in Lakhs
Particulars	**31 March 2020**	31 March 2019
Prepaid expenses	**-**	36.92
Export benefits receivable	**50.69**	94.25
Statutory receivables	**62.81**	137.24
Advance to vendors	**277.10**	35.87
Total	**390.60**	**304.28**

15. Equity share capital

		₹ in Lakhs
Particulars	**31 March 2020**	31 March 2019
Authorised:		
40,000,000 (31 March 2019: 40,000,000) equity shares of ₹ 10 each	**4,000.00**	3,000.00
Total	**4,000.00**	**3,000.00**
Issued, subscribed and paid up:		
22,082,609 (31 March 2019: 22,082,609) equity shares of ₹ 10 each fully paid up	**2,208.26**	2,208.26
Total	**2,208.26**	**2,208.26**

Notes:

1. Reconciliation of number of equity shares outstanding at the beginning and end of the year:

Particulars	**31 March 2020**		31 March 2019	
	No. of shares held	**Amount**	No. of shares held	Amount
Shares outstanding at the beginning of the year	**2,20,82,609**	**2,208.26**	2,20,82,609	2,208.26
Addition during the year	-	-	-	-
Shares outstanding at the end of the year	**2,20,82,609**	**2,208.26**	**2,20,82,609**	**2,208.26**

2. Terms / rights attached to equity shares issued

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020

3. Shareholder's holding more than 5% of the equity share capital of the Company:

Particulars	31 March 2020		31 March 2019	
	No. of Shares	**% holding**	No. of Shares	% holding
Manish Mandhana	**10,55,074**	**4.78%**	11,48,206	5.20%
Priyavrat Mandhana	**11,19,894**	**5.07%**	11,19,894	5.07%
Rakesh Jhunjhunwala	**28,13,274**	**12.74%**	28,13,274	12.74%
Total	**49,88,242**	**22.59%**	**50,81,374**	**23.01%**

4. Aggregate number of shares issued for consideration other than cash

No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

16. Other equity

		₹ in Lakhs
Particulars	**31 March 2020**	31 March 2019
Capital reserve		
At the commencement of the year	**5.00**	5.00
Add / (Less): Additions / (Deductions) during the year	**-**	-
At the end of the year	**5.00**	5.00
Retained earnings		
At the commencement of the year	**4,470.60**	4,528.78
Add: Loss for the year	**(3,105.02)**	(58.91)
Add: Gain on remeasurement of post-employment benefit obligations	**22.52**	0.73
At the end of the year	**1,388.10**	4,470.60
Total	**1,393.10**	**4,475.60**

Nature of reserves:

Capital reserves

The capital reserve has been created on demerger of The Mandhana Retail Ventures Limited from Mandhana Industries Limited from the appointed date i.e. 1 April 2014. It is not available for distribution to shareholders' as dividend.

17. Lease liabilities

		₹ in Lakhs
Particulars	**31 March 2020**	31 March 2019
Lease liability (Refer note 41)	**-**	-
Total	**-**	**-**

18. Other financial liabilities

		₹ in Lakhs
Particulars	**31 March 2020**	31 March 2019
Deposits from franchisee (Refer note 47)	**-**	111.17
Total	**-**	**111.17**

19. Provisions

		₹ in Lakhs
Particulars	**31 March 2020**	31 March 2019
Provision for employee benefits:		
- Gratuity (Refer note 38)	**37.66**	68.95
Total	**37.66**	**68.95**

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020

20. Other non current liabilities

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Income received in advance (Refer note 47)	-	13.85
Total	**-**	**13.85**

21. Lease liabilities

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Lease Liability (Refer note 41)	-	-
Total	**-**	**-**

22. Borrowings

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Secured:		
Cash credit facility from bank	**228.84**	645.89
Unsecured:		
Loans from corporate bodies	-	200.00
Total	**228.84**	**845.89**

Security details and terms of repayment:

1. Cash credit facility from a bank is secured by hypothecation by way of first and exclusive charges on all present and future current assets inclusive of all inventories and book debts. Interest rate is based on prevalent MCLR (i.e. 10.15%) plus margin and the facility is repayable on demand.
2. Loan from corporate bodies is repayable on demand and carried an interest rate ranging between 13% to 13.5%.

23. Trade payables

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Total outstanding dues of micro enterprises and small enterprises (Refer note 40) *	**341.57**	1,015.40
Total outstanding dues of creditors other than micro enterprises and small enterprises *	**902.98**	2,670.50
Total	**1,244.55**	**3,685.90**

* Also refer Note 47

24. Other financial liabilities

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Deposits received (Refer note 47)	**358.50**	247.81
Payable towards capital expenditure	**-**	8.95
Employee benefits payable	**161.36**	165.51
Total	**519.86**	**422.27**

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020

25. Other current liabilities

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Statutory dues payables*	**60.30**	80.59
Income received in advance (Refer note 47)	**-**	15.81
Advances from customers	**10.54**	99.08
Total	**70.84**	**195.48**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund by the Company.

26. Provisions

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Provision for employee benefits:		
- Gratuity (Refer note 38)	**35.61**	15.08
Total	**35.61**	**15.08**

27. Income tax liabilities (net)

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Provision for income tax [Net off advance tax / tax deducted at source ₹ 180.19 Lakhs	**9.45**	9.45
(31 March 2019: ₹ 180.19 Lakhs)]		
Total	**9.45**	**9.45**

28. Revenue from operations (Refer note 46)

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Sale of products		
Traded goods		
- Domestic sales	**13,341.71**	19,573.41
- Export sales	**1,767.64**	**2,354.57**
	15,109.35	21,927.98
Other operating revenue		
Export benefits and other incentives	**80.19**	**59.27**
	80.19	59.27
Total	**15,189.54**	**21,987.25**

29. Other Income

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Interest income on fixed deposits with banks (at amortised cost)	**0.76**	2.70
Sundry balances written back (net)	**75.84**	138.99
Net gain on foreign currency transactions and translations	**31.36**	-
Interest income on security deposits carried at fair value	**123.11**	72.90
Income towards transfer of samples (Refer Note 47)	**220.00**	-
Derecognition of ROU assets and lease liabilities (Refer Note 41)	**309.91**	-
Income towards transition of business (Refer Note 47)	**111.11**	-
Miscellaneous income	**11.54**	2.28
Total	**883.63**	**216.87**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

30. Purchase of stock in trade

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Purchase of stock in trade		
Garments and accessories	**4,503.76**	8,151.18
Total	**4,503.76**	**8,151.18**

31. Changes in inventories of stock in trade

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Opening stock:		
Garments	**3,863.67**	5,259.68
Accessories	**159.01**	225.00
Closing stock:		
Garments	**15.75**	3,863.67
Accessories	**-**	159.01
Changes in inventories:		
- Garments	**3,847.92**	1,396.01
- Accessories	**159.01**	65.99
	4,006.93	1,462.00
Less: Adjustment on account of business transfer (Refer Note 48)	**(1,289.12)**	-
Total	**2,717.81**	**1,462.00**

32. Employee benefits expense

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Salaries, wages and bonus	**1,898.40**	2,263.66
Contribution to provident and other funds	**123.16**	150.13
Gratuity expense (Refer note 38)	**27.90**	27.36
Staff welfare expenses	**16.20**	28.62
Total	**2,065.66**	**2,469.77**

33. Finance costs

Particulars	31 March 2020	₹ in Lakhs 31 March 2019
Interest expense on financial liabilities carried at amortised costs:		
- bank borrowings	**73.16**	46.12
- others	**146.60**	199.58
Interest on lease payments (Refer note 41)	**495.65**	-
Total	**715.41**	**245.70**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

34. Other expenses

₹ in Lakhs

Particulars	31 March 2020	31 March 2019
Commission expenses	**3,030.28**	4,355.21
Travelling and conveyance	**101.93**	111.65
Directors sitting fees	**22.75**	22.75
Advertisement and sales promotion expenses	**378.18**	668.27
Auditors remuneration (Refer note 42)	**32.47**	19.92
Bank charges	**54.49**	63.39
Communication expenses	**20.86**	25.77
Electricity charges	**91.56**	102.94
Freight and transportation charges	**93.69**	129.97
Net loss on foreign currency transactions and translations	**-**	5.97
Housekeeping charges	**25.23**	29.80
Insurance charges	**11.87**	9.26
Legal charges	**21.20**	38.33
Loss on transfer of business (Refer note 48)	**1,242.50**	-
PPE, CWIP and Intangible assets written off / Loss on sale of PPE and Intangible assets (Refer note 3 and 5)	**33.97**	120.07
Allowance for expected credit loss	**41.47**	169.81
Provision Capital advance	**0.97**	-
License fees (Refer note 49)	**502.84**	1,000.00
Printing and stationery	**11.91**	20.94
Professional fees	**255.53**	216.16
Rates and taxes	**29.95**	11.71
Rent, CAM and utility charges	**529.11**	2,164.26
Repairs and maintenance	**76.06**	59.24
Subscription and membership fees	**10.16**	29.37
Watch and ward expenses	**14.89**	35.63
CSR Expenses (Refer note 43)	**122.42**	27.18
Miscellaneous expenses	**106.95**	41.72
Total	**6,863.24**	**9,479.32**

35. Tax expense

₹ in Lakhs

(a) Amounts recognised in statement of profit and loss

Particulars	31 March 2020	31 March 2019
Current tax	**-**	-
Deferred tax	**911.11**	44.35
Tax adjustment for earlier years	**-**	25.01
Total	**911.11**	**69.36**

(b) Amounts recognised in other comprehensive income

Particulars	31 March 2020			31 March 2019		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement gains arising on defined benefit plan	**22.52**	**-**	**22.52**	1.12	(0.39)	0.73
Total	**22.52**	**-**	**22.52**	**1.12**	**(0.39)**	**0.73**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

35. Tax expense (Contd.)

(c) Reconciliation of effective tax rate

Particulars	31 March 2020	31 March 2019
(Loss) / Profit before tax	**(2,193.91)**	10.45
Tax using the Company's domestic tax rate (Current year 34.944 % and Previous Year 34.944 %)	**766.64**	(3.65)
Tax effect of:		
Write off of deferred tax assets	**(911.11)**	-
Current-year losses for which no deferred tax asset is recognised	**(686.57)**	-
Non-deductible tax expenses	**(80.07)**	(47.59)
Tax adjustment for earlier years	**-**	(25.01)
Others	**-**	6.89
Total	**(911.11)**	**(69.36)**

(d) Movement in deferred tax balances

₹ in Lakhs

31 March 2020	Net balance 1 April 2019	Recognised in statement of profit or loss*	Recognised in OCI	Net balance 31 March 2020	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Unabsorbed tax losses	**400.80**	(400.80)	-	**-**	**-**	**-**
Unabsorbed depreciation	**104.67**	(104.67)	-	**-**	**-**	**-**
Property, plant and equipment	**86.96**	(86.96)	-	**-**	**-**	**-**
Provision for gratuity	**29.37**	(29.37)	-	**-**	**-**	**-**
Allowance for doubtful debts	**59.34**	(59.34)	-	**-**	**-**	
Other items	**48.97**	(48.97)	-	**-**	**-**	**-**
MAT credit entitlement	**181.00**	(181.00)	-	**-**	**-**	**-**
Tax assets / (liabilities)	**911.11**	**(911.11)**	**-**	**-**	**-**	**-**
Set off tax	-	-	-	**-**	**-**	**-**
Deferred tax assets (net)	**911.11**	**(911.11)**	**-**	**-**	**-**	**-**

31 March 2019	Net balance 1 April 2018	Recognised in statement of profit or loss	Recognised in OCI	Net balance 31 March 2019	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Unabsorbed tax losses	493.04	(92.24)	-	400.80	400.80	-
Unabsorbed depreciation	103.66	1.01	-	104.67	104.67	-
Property, plant and equipment	13.52	73.44	-	86.96	86.96	-
Inventories	(62.96)	62.96	-	-	-	-
Deferred income	173.92	(173.92)	-	-	-	-
Provision for gratuity	24.58	5.18	(0.39)	29.37	29.37	-
Allowance for doubtful debts	-	59.34	-	59.34	59.34	
Other items	29.09	19.88	-	48.97	48.97	-
MAT credit entitlement	181.00	-	-	181.00	181.00	-
Tax assets / (liabilities)	**955.85**	**(44.35)**	**(0.39)**	**911.11**	**911.11**	**-**
Set off tax	-	-	-	-	-	-
Deferred tax assets (net)	**955.85**	**(44.35)**	**(0.39)**	**911.11**	**911.11**	**-**

The Company offsets tax assets and 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 tax authority.

Significant management judgement is required in determining provision for income tax, deferred tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of future taxable income and the period over which deferred tax assets will be recovered.

* Deferred tax assets have been derecognised and charged off in the statement of profit and loss of the current year as the Company will not be able to utilise the unused tax losses and unused tax credits as it is not probable that the Company would generate sufficient future taxable profits from its operations.

Tax losses carried forward

Particulars	31 March 2020	Expiry date	31 March 2019	Expiry date
Business loss	**1,295.59**	**AY 2026-27**	1,146.96	AY 2026-27
Business loss	**1,491.80**	**AY 2027-28**	-	-
Unabsorbed depreciation	**634.34**	**NA**	299.52	NA

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

36 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible preference shares, if any) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

i. Loss attributable to equity holders of the Company

		₹ in Lakhs
Particulars	**31 March 2020**	31 March 2019
Loss attributable to equity holders of the Company (for basic EPS)	**(3,105.02)**	(58.91)
Effect of dilution	**-**	-
Loss attributable to equity holders of the Company adjusted for the effect of dilution	**(3,105.02)**	(58.91)

ii. Weighted average number of ordinary shares

Issued ordinary shares as at the beginning of the year	**2,20,82,609**	2,20,82,609
Effect of shares issued to related business combinations	**-**	-
Effect of shares cancelled during the year	**-**	-
Weighted average number of shares as at year end for basic EPS	**2,20,82,609**	2,20,82,609
Effect of dilution	**-**	-
Weighted average number of shares as at year end for diluted EPS	**2,20,82,609**	2,20,82,609

Basic and diluted earnings per share:

Particulars	**31 March 2020**	31 March 2019
Basic earnings per share (₹)	**(14.06)**	(0.27)
Diluted earnings per share (₹)	**(14.06)**	(0.27)
Face value per share (₹)	**10.00**	10.00

37 Financial instruments - Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of its fair value.

₹ in Lakhs

	Carrying amount				Fair value			
31 March 2020	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets:								
Loans - Non-current	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other financial asset - Non-current	**-**	**-**	**8.31**	**8.31**	**-**	**-**	**-**	**-**
Trade receivables	**-**	**-**	**630.56**	**630.56**	**-**	**-**	**-**	**-**
Cash and cash equivalents	**-**	**-**	**544.81**	**544.81**	**-**	**-**	**-**	**-**
Loans - Current	**-**	**-**	**1,718.66**	**1,718.66**	**-**	**-**	**-**	**-**
Other financial asset - Current	**-**	**-**	**2,269.45**	**2,269.45**	**-**	**-**	**-**	
Total	**-**	**-**	**5,171.79**	**5,171.79**	**-**	**-**	**-**	**-**
Financial liabilities:								
Other financial liabilities - Non-current	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Borrowings - Current	**-**	**-**	**228.84**	**228.84**	**-**	**-**	**-**	**-**
Trade payables	**-**	**-**	**1,244.55**	**1,244.55**	**-**	**-**	**-**	**-**
Other financial liabilities - Current	**-**	**-**	**519.86**	**519.86**	**-**	**-**	**-**	**-**
Total	**-**	**-**	**1,993.25**	**1,993.25**	**-**	**-**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

37 Financial instruments - Fair values and risk management (Contd.)

31 March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
Loans - Non-current	-	-	191.89	191.89	-	-	-	-
Other financial asset - Non-current	-	-	8.31	8.31	-	-	-	-
Trade receivables	-	-	2,209.00	2,209.00	-	-	-	-
Cash and cash equivalents	-	-	40.87	40.87	-	-	-	-
Loans - Current	-	-	1,975.56	1,975.56	-	-	-	-
Other financial asset - Current	-	-	42.32	42.32	-	-	-	
Total	**-**	**-**	**4,467.95**	**4,467.95**	**-**	**-**	**-**	**-**
Financial liabilities:								
Other financial liabilities - Non-current	-	-	111.17	111.17	-	-	-	-
Borrowings - Current	-	-	845.89	845.89	-	-	-	-
Trade payables	-	-	3,685.90	3,685.90	-	-	-	-
Other financial liabilities - Current	-	-	422.27	422.27	-	-	-	-
Total	**-**	**-**	**5,065.23**	**5,065.23**	**-**	**-**	**-**	**-**

(1) Assets that are not financial assets excluding income tax assets (net) (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) amounting to ₹ 406.35 Lakhs and ₹ 4,414.25 Lakhs as of 31 March 2020 and 31 March 2019 respectively, are not included.

(2) Liabilities that are not financial liabilities excluding income tax liabilities (net) (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to ₹ 144.11 Lakhs and ₹ 293.36 Lakhs as of 31 March 2020 and 31 March 2019 respectively, are not included.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Interest rate risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Risk Management Committee.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim. The Company does not otherwise require collateral in respect of trade and other receivables

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

37 Financial instruments - Fair values and risk management (Contd.)

B. Financial risk management (Contd.)

Impairment

As at 31 March 2020, the ageing of trade receivables that were not impaired was as follows:

₹ in Lakhs

	Carrying amount	
Particulars	**31 March 2020**	31 March 2019
Neither past due nor impaired	**-**	882.92
Past due 1–30 days	**-**	416.75
Past due 31–90 days	**454.87**	537.11
Past due 91–180 days	**127.12**	130.29
More than 180 days	**66.07**	241.94
Total	**647.06**	**2,209.00**

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings, if they are available.

As at 31 March 2020, the carrying amount of the Company's most significant single customer was ₹ 195.00 Lakhs (31 March 2019: ₹ 641.85 Lakhs).

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 544.81 Lakhs as at 31 March 2020 (31 March 2019: ₹ 40.87 Lakhs). The cash and cash equivalents are held with banks and financial institution which have good credit ratings.

Security deposits given to lessors

The Company has given security deposit to lessors of ₹ 1,718.66 Lakhs as at 31 March 2020 (31 March 2019: ₹ 2,167.45 Lakhs) for premises leased to the Company. The credit worthiness of such lessors is considered to be good.

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

₹ in Lakhs

			Contractual cash flows			
31 March 2020	**Carrying amount**	**Total**	**0-12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Borrowings	**228.84**	**228.84**	**228.84**	**-**	**-**	**-**
Trade payables	**1,244.55**	**1,244.55**	**1,244.55**	**-**	**-**	**-**
Other financial liabilities	**519.86**	**519.86**	**519.87**	**-**	**-**	**-**

			Contractual cash flows			
31 March 2019	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	845.89	845.89	845.89	-	-	-
Trade payables	3,685.90	3,685.90	3,685.90	-	-	-
Other financial liabilities	533.44	533.44	422.28	34.42	76.74	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

37 Financial instruments - Fair values and risk management (Contd.)

B. Financial risk management (Contd.)

iii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

Currency risk

The Company is exposed to currency risk on account of its trade receivables and trade payables in foreign currency. The functional currency of the Company is ₹ The Company does not use any forward exchange contracts to hedge its currency risk.

Exposure to currency risk

The currency profile of financial assets and financial liabilities in Rupee terms as at 31 March 2020 and 31st Mar 2019 are as below:

₹ in Lakhs

31 March 2020	**USD**	**EURO**
Financial assets		
Trade and other receivables	**7.68**	**31.24**
Financial liabilities		
Trade and other payables	**-**	**-**
Net Exposure	**7.68**	**31.24**

₹ in Lakhs

31 March 2019	**USD**	EURO
Financial assets		
Trade and other receivables	**641.84**	75.59
Financial liabilities		
Trade and other payables	**40.00**	-
Net Exposure	**601.84**	**75.59**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against USD/Euro at year end would have affected the measurement of financial instruments denominated in these currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss	
Particulars	**Strengthening**	**Weakening**
31 March 2020 (₹ in Lakhs)		
1% movement		
USD	**0.08**	**(0.08)**
EURO	**0.31**	**(0.31)**
	0.39	**(0.39)**

	Profit or loss	
Particulars	**Strengthening**	Weakening
31 March 2019 (₹ in Lakhs)		
1% movement		
USD	**6.02**	(6.02)
EURO	**0.76**	(0.76)
	6.77	**(6.77)**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

37 Financial instruments - Fair values and risk management (Contd.)

Capital management

Equity share capital and other equity are considered for the purpose of Company's capital management. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders'.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to ' total equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents.

The Company's policy is to keep the ratio below 1.00. The Company's adjusted net debt to equity ratio at 31 March 2020 and 31 March 2019 was as follows:

		(₹ in Lakhs)
Particulars	**31 March 2020**	31 March 2019
Borrowings	**228.84**	845.89
Less : Cash and cash equivalents	**544.81**	40.87
Adjusted net debt	**(315.97)**	**805.02**
Total equity	**3,601.36**	6,683.86
Adjusted net debt to total equity ratio	**(0.09)**	**0.12**

iv. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

Company's interest rate risk arises mainly from borrowings made. Borrowing made at fixed rates exposes the Company to fair value interest rate risk whereas borrowing at variable rate exposes the Company to cash flow interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

		₹ in Lakhs
Particulars	**31 March 2020**	31 March 2019
Fixed rate instruments		
Financial assets	**8.31**	894.42
Financial liabilities	**-**	(558.98)
	8.31	335.44
Variable rate instruments		
Financial assets	**-**	-
Financial liabilities	**(228.84)**	(645.89)
	(228.84)	(645.89)
Total	**(220.53)**	**(310.45)**

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit or loss	
Particulars	**100 bp increase**	**100 bp decrease**
31 March 2020 (₹ in Lakhs)		
Variable rate instruments	**(2.29)**	2.29
Cash flow sensitivity (net)	**(2.29)**	**2.29**

	Profit or loss	
Particulars	**100 bp increase**	100 bp decrease
31 March 2019 (₹ in Lakhs)		
Variable rate instruments	**(6.46)**	6.46
Cash flow sensitivity (net)	**(6.46)**	**6.46**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

38 Employee benefits

(i) Defined contribution plan:

The Company makes contributions, determined as a specific percentage of employee salaries, in respect of qualifying employees towards provident fund and employees state insurance, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to provident fund and employees state insurance for the year aggregated to ₹ 123.16 Lakhs (31 March 2019: ₹ 150.13 Lakhs)

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined benefit plan:

A) The Company has a defined benefit gratuity plan. The plan provides for payment as under:

i) On normal retirement / early retirement / withdrawal / resignation:

As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service:

As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

Actuarial valuation of the defined benefit obligation for gratuity are carried out on a yearly basis, the most recent valuation being carried out as on 31 March 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, are measured using the projected unit credit method (PUCM).

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the balance sheet date:

		(₹ in Lakhs)
	31 March 2020	31 March 2019
Present value of obligations as at year end	**73.27**	84.03
Fair value of plan assets as at year end	**-**	-
Net liability recognised as at year end	**73.27**	**84.03**
Of the above:		
Non current	**37.66**	68.95
Current	**35.61**	**15.08**

B. Movement in net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components:

		(₹ in Lakhs)
		Defined benefit obligation
	31 March 2020	31 March 2019
Opening balance	**84.03**	71.01
Included in profit or loss		
Current service cost	**22.58**	22.56
Interest cost (income)	**5.31**	4.79
	111.92	**98.36**
Included in OCI		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions	**(0.01)**	-
Financial assumptions	**1.38**	1.22
Experience adjustment	**(23.89)**	**(2.34)**
	(22.52)	**(1.12)**
Benefits paid	**(16.13)**	**(13.21)**
Closing balance	**73.27**	**84.03**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

38 Employee benefits (Contd.)

C. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	31 March 2020	31 March 2019
Discount rate	**6.25%**	6.95%
Salary escalation rate	**5.10%**	5.10%
Withdrawal rates	**35% at younger ages reducing to 5% at older ages**	35% at younger ages reducing to 5% at older ages
Mortality rate	**Indian Assured Lives Mortality (20012-14) Table**	Indian Assured Lives Mortality (2006-08) Table

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

Sample Rates of Indian Assured Lives Mortality:

Age (In years)	**Rate p.a.**
20	0.09%
30	0.10%
40	0.17%
50	0.44%
60	1.12%

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(₹ in Lakhs)

	31 March 2020		31 March 2019	
	Increase	**Decrease**	Increase	Decrease
Discount rate (0.5% movement)	**(0.99)**	**1.04**	(1.73)	1.81
Future salary growth (0.5% movement)	**1.12**	**(0.79)**	1.79	(1.62)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

iii. Expected future cash flows

(₹ in Lakhs)

Particulars	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
31 March 2020					
Defined benefit obligations (Gratuity)	6.13	8.84	16.58	20.35	51.90
Total	**6.13**	**8.84**	**16.58**	**20.35**	**51.90**

(₹ in Lakhs)

Particulars	**Less than a year**	**Between 1-2 years**	**Between 2-5 years**	**Over 5 years**	**Total**
31 March 2019					
Defined benefit obligations (Gratuity)	15.08	15.19	36.15	30.34	96.76
Total	**15.08**	**15.19**	**36.15**	**30.34**	**96.76**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

38 Employee benefits (Contd.)

D. Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

a. Interest rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

b. Salary escalation risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

c. Demographic risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Notes:

1. The discount rate is based on the prevailing market yields on Indian Government securities as at the balance sheet date for the estimated term of the obligations.
2. The estimates of future salary increase considered in actuarial valuation take account of inflation, seniority, promotion, and other relevant factors such as supply and demand in employment market.
3. The Company does not have a carry forward or an encashment policy for compensated absences and hence no liability has been accrued in the financial statements.

39 Related party disclosures

A. List of related parties and relationships

Name of the related party	Nature of relationship
Shri Priyavrat Mandhana	Executive Director
Smt. Sangeeta M. Mandhana	Managing Director and Chief Financial Officer upto 4 July 2019
Shri Manish B. Mandhana	Chief Executive Officer
Late Shri Sachin Jaju	Non-Executive Director upto 2 June 2019
Mr. Virendra Varma	Company Secretary
Mr. Pradip Dubhashi	Non-Executive and Independent Chairman
Mr. Ramnath Pradeep	Non-Executive and Independent Director
Mr. Kiran Vaidya	Non-Executive and Independent Director (Resigned on 18 May 2020)
Mr. Hemant Gupta	Chief Financial Officer and Chief Operating Officer (upto 15 December 2018)
Mr.Pankaj Gharat	Chief Financial Officer (Appointment w.e.f. 5 July 2019)
Mandhana Industries Limited (upto 31 January 2019)	Entities over which key managerial personnel and their relatives are able to exercise significant influence
Golden Seams Industries Private Limited (upto 21 June 2018)	

The Company's management is of the view that there are no related parties over which the Company exercises control.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

39 Related party disclosures (Contd.)

B. Related party relationships, transactions and balances

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

(₹ in Lakhs)

Particulars	Transaction values for the year ended 31 March		Balances outstanding as at 31 March	
	2020	2019	**2020**	2019
Sale of goods and services				
Entities over which KMP and/or their relatives are able to exercise significant influence	**-**	2.45	**-**	-
Purchase of goods and services				
Entities over which KMP and/or their relatives are able to exercise significant influence	**-**	0.25	**-**	-
Purchase of property, plant and equipment				
Entities over which KMP and/or their relatives are able to exercise significant influence	**-**	-	**-**	-
Compensation paid to key managerial personnel				
Salary - Short term employee benefits	**332.96**	375.83	**2.58**	0.94
Post employee gratuity	**5.40**	3.58	**12.20**	6.81
Sitting Fees	**22.75**	22.75		-
Advance against salary given	**288.20**	155.23	**70.48**	24.01
Advance against salary recovered	**(241.73)**	(131.22)		
Deposit for rental premises				
Entities over which KMP and/or their relatives are able to exercise significant influence	**-**	-	**888.54**	888.54
Lease rent paid				
Entities over which KMP and/or their relatives are able to exercise significant influence	**-**	33.31	**-**	-
Key managerial personnel	**82.39**	64.62		-
Recovery of expenses				
Entities over which KMP and/or their relatives are able to exercise significant influence	**-**	0.17	**-**	0.12
Reimbursement of expenses				
Entities over which KMP and/or their relatives are able to exercise significant influence	**-**	3.26	**-**	-

Terms and conditions of transactions with related parties:

i) The sales and purchases to/from related parties are made in the ordinary course of business on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2019: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

ii) Details of compensation to key managerial personnel has been provided in table above. The amounts disclosed in the table are the amounts recognised as an expense during the year related to key managerial personnel.

40 Dues to micro, small and medium enterprises

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the financial statement as at 31 March 2020 based on the information received and available with the Company. Auditors have relied upon the information provided by the Company.

(₹ in Lakhs)

Particulars	**31 March 2020**	31 March 2019
Principal amount remaining unpaid to any supplier at the year end	**341.57**	1,015.40
Interest due on the above mentioned principal amount remaining unpaid to any supplier at the year end	**-**	108.90
Amount of the interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day	**120.15**	138.15
Amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSMED Act, 2006.	**-**	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	**-**	27.07
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	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

41 Lease disclosure

a. The Company has adopted modified retrospective approach as per para C8 (c)(ii) of Ind AS 116 "Leases" to its leases effective from annual reporting period beginning 1 April 2019. This has resulted in recognising a right of use (ROU) asset amounting to ₹ 4,630.76 Lakhs (including prepaid rent amounting to ₹ 51.94 Lakhs) and a corresponding lease liability of ₹ 4,578.81 Lakhs.

b. The Company's leases mainly comprise of exclusive brand outlets (EBOs) and warehouses.

c. In the Statement of Profit and Loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the ROU asset and finance cost for interest accrued on lease liability.

d. The weighted average incremental borrowing rate of 12.15% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

e. Impact of adoption of Ind AS 116 for the year ended 31 March 2020 is as follows:

i) Increase in Depreciation by ₹ 1,094.07 Lakhs

ii) Increase in Finance costs by ₹ 495.65 Lakhs

iii) Decrease in Rent, CAM and utility charges by ₹ 1,198.42 Lakhs

f. The total cash outflow for leases for year ended 31 March 2020 is ₹ 1,727.54 Lakhs.

g. The Company incurred ₹ 125.02 Lakhs for the year ended 31 March 2020 towards expenses relating to short-term leases.

However, considering the business transfer agreement dated 5 March 2020 signed by the Company before year end, it has been agreed to transfer the leased stores to the new licensee in due course. Accordingly, the ROU assets and lease liabilities recognised by the Company having carrying value of ₹ 4,601.15 Lakhs and ₹ 4,911.06 Lakhs respectively as at 31 January 2020 have been derecognised in the books of account as at 31 March 2020 and net gain of ₹ 309.91 Lakhs is recognised in the Statement of Profit and Loss (Refer note 47).

42 Auditors remuneration (excluding taxes)

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Statutory audit fees including limited reviews	**29.50**	19.00
Certification	**0.50**	-
Out of pocket expense	**2.47**	0.92
Total	**32.47**	**19.92**

43 Corporate social responsibility

The Company has spent ₹ 122.42 Lakhs (31 March 2019: ₹ 27.18 Lakhs) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Companies Act 2013. The details are as under:

a) Gross amount required to be spent by the Company during the year is Nil (31 March 2019: ₹ 47.58 Lakhs)

b) Amount spent during the year on:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Construction/acquisition of any asset	**-**	-
On purposes other than above	**122.42**	27.18
Total	**122.42**	**27.18**

44 Contingent liabilities and commitments

i) Based on the internal assessment made by the management, the Company does not have any contingent liability as on balance sheet date (31 March 2019: Nil)

ii) The estimated amount of contracts remaining to be executed on capital account to the extent not provided for is Nil (31 March 2019: ₹ 3.62 Lakhs)

Transfer pricing

The Company's management continues to believe that its domestic transactions are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of tax liability.

45 Segmental information

For management purposes, the Company is organised into business units based on how reporting is done to the Chief Operating Decision Maker (CODM) in accordance with Ind AS 108 'Operating Segments'. The Company has only one segment i.e. Garments which comprise almost 98% of the total business activities. Hence, segment reporting is not applicable to the Company.

Geographical location wise segment data

The operations of the Company are in India and all assets and liabilities (except certain receivables and payables) are located in India. An analysis of the segment revenue and segment assets by geographical market is given below :

(₹ in Lakhs)

Particulars	31 March 2020				31 March 2019			
	Domestic	**Exports**	**Unallocable**	**Total**	Domestic	Exports	Unallocable	Total
External revenues	**14,008.47**	**1,847.83**	**-**	**15,856.30**	19,573.41	2,413.84	-	21,987.25
Other allocable income	**216.87**		**-**	**216.87**	216.87	-	-	216.87
Total revenue	**14,225.34**	**1,847.83**	**-**	**16,073.17**	19,790.28	2,413.84	-	22,204.12
Less: Elimination	**-**	**-**	**-**	**-**	-	-	-	-
Net revenue	**14,225.34**	**1,847.83**	**-**	**16,073.17**	19,790.28	2,413.84	-	22,204.12
Segment result	**(1,367.99)**	**(110.51)**		**(1,478.50)**	(23.06)	279.21	-	256.15
Other non allocable income / (expenses):								
Finance cost	**-**	**-**	**-**	**(715.41)**	-	-	-	(245.70)
Tax expense	**-**	**-**	**-**	**(911.11)**	-	-	-	(69.36)
Net loss	**-**	**-**	**-**	**(3,105.02)**	-	-	-	(58.91)
Other information:								
Total segment assets	**1,429.22**	**86.65**	**4,062.27**	**5,578.14**	6,474.58	827.94	2,417.48	9,720.00
Non current assets other than financial instruments and deferred tax assets (net)	**-**	**-**	**170.03**	**170.03**	2,007.42	-	324.48	2,331.90
Total assets	**1,429.22**	**86.65**	**4,232.30**	**5,748.17**	8,482.00	827.94	2,741.96	12,051.90
Segment liabilities	**369.04**	**-**	**1,777.77**	**2,146.81**	496.67	-	4,871.37	5,368.04

Notes:

i) Accounting policies: Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

ii) Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of trade receivables, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of trade payables and accrued liabilities. Segment assets and liabilities do not include those relating to income taxes.

46 Revenue from contract with customers

A. Revenue streams:

Up to 31 January 2020, the Company was engaged in the business of designing, retailing, marketing and distributing men's wear, women's wear and accessories under "Being Human" trademark. All sales are made at a point in time and revenue is recognised upon satisfaction of the performance obligations (i.e. sale of products) which coincides with delivery of the products to its customers. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established and the Company does not give significant credit period resulting in no significant financing component.

(₹ in Lakhs)

Particulars	**31 March 2020**	31 March 2019
Revenue from contracts with customers		
Sale of products	**15,109.35**	21,927.98
Total revenue	**15,109.35**	**21,927.98**

46 Revenue from contract with customers (Contd.)

B. Disaggregation of revenue from contracts with customers:

In the following table, revenue from contracts with customers is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

(₹ in Lakhs)

Particulars	Product Category				Total	
	Garments		Accessories			
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019	**31 March 2020**	31 March 2019
Primary geographical markets						
Domestic sales	**13,011.38**	19,264.73	**330.33**	**308.68**	**13,341.71**	**19,573.41**
Export sales	**1,409.45**	1,891.39	**358.19**	**463.18**	**1,767.64**	**2,354.57**
	14,420.83	21,156.12	**688.52**	771.86	**15,109.35**	21,927.98
Timing of revenue recognition						
Products transferred at a point in time	**14,420.83**	21,156.12	**688.52**	771.86	**15,109.35**	21,927.98
Revenue from contracts with customers	**14,420.83**	21,156.12	**688.52**	771.86	**15,109.35**	21,927.98
External revenue as reported	**14,420.83**	21,156.12	**688.52**	771.86	**15,109.35**	21,927.98

C. Reconciliation of revenue from operations with contract price:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Contract price	**22,058.72**	30,809.29
Less: Schemes and discounts	**6,949.37**	8,881.31
Total revenue from operations	**15,109.35**	**21,927.98**

D. Contract balances:

(₹ in Lakhs)

Particulars	31 March 2020	31 March 2019
Trade receivables	**630.56**	2,209.00
Advance from customers	**10.54**	99.08

47 The Company's license arrangement with the Being Human – The Salman Khan Foundation ('the Foundation'), for manufacture and sale of apparels and accessories in the name of Being Human brand, was valid up to 31 March 2020. On 5th March 2020, an agreement was executed with the Company wherein the license was terminated effective from 31st Jan 2020. Further, the Foundation appointed another entity as their licensee to run the business of the Being Human brand with effect from 1 February 2020.

The Foundation waived off the last six months royalty as part of the above pre-closure arrangement. The Foundation agreed that till the expiry of the Trademark License Agreement (i.e. 31 March 2020), the Company shall operate as a limited non-exclusive licensee of the Foundation to use the trademark in trust for the new licensee, until the completion of the transition of intellectual property including designs, inventories, leases of exclusive brand outlets (EBOs) and arrangements with channel partners, etc.

The Company agreed that till the time of execution of the new agreements of these channel partners with new licensee, the Company shall continue the operations with the channel partners, in trust for new licensee. Till such time the operations with the channel partners are run in trust by the Company, the arrangement shall be on a no profit no loss basis and the entire expenses and cash requirements for running the business in trust by the Company, shall be borne by the new licensee.

Consequently, on the same date, the Company entered into an agreement with the new licensee to transition the business to them in line with the above understanding. Further, as part of the agreement, the new licensee entity agreed to buy out the store assets (both at exclusive brand outlets and at shop-in-shops), the current inventory of upto spring-summer18 collection as at 31 January 2020, the cost of the design and intellectual property pertaining to the range of products and to pay for the efforts to be incurred by the Company towards effecting the said transition. The total consideration that was agreed between the Company and the new licensee entity for the above arrangement was ₹ 2,713 Lakhs. Accordingly, the transactions with respect to purchase and sale of inventory, operational expenses including salary cost, incurred for running the business for the month of February 2020 and March 2020 on behalf of the new licensee have not been accounted as Company's transaction and have been accounted as receivable/payable to the new licensee on the balance sheet. Subsequent to the year end, the above transition has been substantially executed.

48 During the year, the Company, on account of business transfer, has transferred the net written down value of Property, Plant and Equipment and Intangible assets amounting to ₹ 1,896.38 Lakhs at ₹ 525 Lakhs and had recognised loss amounting to ₹ 1,371.38 Lakhs. Further, the Company has also transferred its inventories amounting to ₹ 1,289.12 Lakhs at ₹ 1,418.00 Lakhs and had recognised gain amounting to ₹ 128.88 Lakhs.

49 The Company's license arrangement with Being Human - The Salman Khan Foundation ('the Foundation'), which was the core asset of the Company, has been terminated on 5 March 2020, with effect from 31 January 2020. Further, the Foundation appointed another entity as the licensee to run the business of the Being Human brand with effect from 1 February 2020. The Foundation agreed that till the expiry of the Trademark License Agreement (i.e. 31 March 2020), the Company shall operate as a limited non-exclusive licensee of the Foundation to use the trademark in trust for the new licensee, until the completion of the transition of intellectual property including designs, inventories, leases of EBOs and arrangements with channel partners, etc. The Company agreed that till the time of execution of the new agreements of these channel partners with new licensee, the Company shall continue the operations with the channel partners, in trust for new licensee. Till such time the operations with the channel partners are run in trust by the Company, the arrangement shall be on a no profit no loss basis and the entire expenses and cash requirements for running the business in trust by the Company, shall be borne by the new licensee. Consequently, on the same date, the Company entered into an agreement with the new licensee to transition the business to them in line with the above understanding. Further, as part of the agreement, the new licensee entity agreed to buy out the store assets (both at exclusive brand outlets and at shop-in-shops), the current inventory of upto spring-summer 18 collection as at 31 January 2020, the cost of the design and intellectual property pertaining to the range of products and to pay for the efforts to be incurred by the Company towards effecting the said transition. The total consideration that was agreed between the Company and the new licensee entity for the above arrangement was ₹ 2,713 Lakhs. Further, the Foundation waived off the last six months royalty as part of the above closure arrangement.

Non-renewal of the license agreement with the Being Human Foundation was an unexpected development. The Company has worked to address the uncertainty caused to the extant business model by revisiting its business strategy. Its revised business plan is based on its proven skills in building a profitable brand in 'consumer discretionary segment' from ground up. However, the sudden discontinuation of the license agreement with the Foundation has coincided with the Covid 19 pandemic that has disrupted the economy in general and retail business in particular. The Company has decided to withhold the roll out of its revised business plan till the current disruption reasonably abates. However, the material uncertainty caused by the endogenous development on the 'license' and exogenous global disruption due pandemic has cast significant doubt on the Company's ability to continue as a 'going concern'. The Management, however, is reasonably confident of reviving Company's fortunes given its reworked strategy supported by the core team that is in place and liquidity at hand.

The Company has initiated plans to address the uncertainty in business arising out of the above development. The Company is exploring various alternatives, including initiating the process of determining new partners and tie-ups with a new trademark owner or creating a homegrown brand with reduced dependability on a third party. The Company is ready with all the internal strategy and the way ahead to start such a new venture. The Company has the relevant resources to be able to enter a new venture right away, however, the Company is currently assessing the impact of the pandemic situation on the retail industry and therefore moving cautiously with its plans. However, the Management of the Company does not have any intention to liquidate the Company and is confident that the alternatives being evaluated by the Company will materialise soon. With continued efforts, the Company expects to address the material uncertainty in near future. Accordingly, the financial statements continue to be prepared on going concern basis.

50 Impact of Covid 19 pandemic:

The realization of the future business proposals of the Company may take relatively longer time than expected as the Company's liquidity position has been jeopardized. Given the circumstances, the Management has been emphasizing on various methods of cost savings like certain level of reduction in employee strength, reorganizing the office space required with phasing out of the unnecessary premises and very recently 30% deduction in the employees salary across the Board including the Executive Directors of the Company. The Company sees no immediate impairment requirement for any assets due to Covid 19.

51 There are no long-term contracts (including derivative contract) that are outstanding at the year end.

52 Previous year figures have been regrouped / rearranged to confirm current year's classification / disclosure.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rishabh Kumar
Partner
Membership No: 402877

Mumbai
18 September 2020

For and on behalf of the Board of Directors of
The Mandhana Retail Ventures Limited
CIN: L52390MH2011PLC213349

Sangeeta M. Mandhana
Managing Director
DIN: 06934972

Priyavrat Mandhana
Executive Director
DIN: 02446722

Manish Mandhana
Chief Executive Officer

Pankaj Gharat
Chief Financial Officer
Membership No: 152876

Virendra Varma
Company Secretary
Membership No: F10520

Mumbai
18 September 2020

Annexure - 1

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results

Statement on Impact of Audit Qualifications for the Financial Year ended 31st March, 2020 [*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications) (Rs. in Lacs)**	**Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lacs)**
	1.	Turnover / Total income	16073.17	16073.17
	2.	Total Expenditure	18267.08	18267.08
	3.	Net Profit/(Loss)	(3,105.02)	(3,105.02)
	4.	Earnings Per Share	(14.06)	(14.06)
	5.	Total Assets	5748.17	5748.17
	6.	Total Liabilities	2146.79	2146.79
	7.	Net Worth	3601.38	3601.38
	8.	Any other financial item(s) (as felt appropriate by the management)		
II.	**Audit Qualification (each audit qualification separately):**			
	a.	**Details of Audit Qualification:** We draw attention to Note 3 of the annual financial results regarding preparation of the annual financial results on going concern basis. So far the revenue generating operations of the Company have been arising solely from retailing of men's and women's wear under a well-known trademark under a license agreement. The aforesaid license has been foreclosed by the trademark owner before the year end. Management has stated that the Company is exploring new alternatives including identifying new contracts for retailing in India and is taking steps to address the situation. However, at present, none of the alternatives have materialised and there are no firm business plans post 31 March 2020. The Company has also lost key employees and is taking steps to liquidate its inventories and transfer its retail outlets. Therefore, there is a material uncertainty regarding the future prospects of the business that cast significant doubt on the Company's ability to continue as a going concern. However, the Company has cash surplus and positive net worth. The Management and the Board of Directors have prepared the annual financial results on a going concern basis since they have a reasonable expectation that the Company will be able to meet all its contractual obligations and liabilities as they fall due in near future and that the Company will be able to procure new contracts for carrying on its operations. However, we were unable to obtain sufficient appropriate evidences about the future business plans and operations of the Company post 31 March 2020 and materialisation of alternatives that are being considered by the Management. Accordingly, we are unable to conclude whether the Company will be able to continue as a going concern and the consequential implications arising therefrom on the annual financial results of the Company.		
	b.	**Type of Audit Qualification :** ~~Qualified Opinion~~ / Disclaimer of Opinion / ~~Adverse Opinion~~		
	c.	**Frequency of qualification:** ~~Whether appeared first time~~ / repetitive / ~~since how long continuing~~ We have reported Disclaimer of Opinion during our Limited Review of the financial results for the quarter and period ended 31 December 2019.		

	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA
	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
	(i) Management's estimation on the impact of audit qualification: Non-renewal of the license agreement with the Being Human Foundation was an unexpected development. The Company has worked to address the uncertainty caused to the extant business model by revisiting its business strategy. Its revised business plan is based on its proven skills in building a profitable brand in 'consumer discretionary segment' from ground up. However, the sudden discontinuation of the license agreement with the Foundation has coincided with the Covid 19 pandemic that has disrupted the economy in general and retail business in particular. The Company has decided to withhold the roll out of its revised business plan till the current disruption reasonably abates. However, the material uncertainty caused by the endogenous development on the 'license' and exogenous global disruption due pandemic has cast significant doubt on the Company's ability to continue as a 'going concern'. The Management, however, is reasonably confident of reviving Company's fortunes given its reworked strategy supported by the core team that is in place and liquidity at hand. Management's view on 'Going Concern' status: The auditors have expressed serious concern on the going concern status due to the discontinuation of the 'license' vide agreement with the Foundation dated March 5, 2020. The Management, however, has responded with speed to rework its business strategy to meet the uncertainty arising out of this event. The Management believes its business plan is amply supported by the core team that it has nurtured over the years and liquidity, inter alia, arising out of the transaction with the Foundation and its new licensee. The Management has held back the roll out of the plan given the disruption caused in the economy and its target markets by the pandemic. Given the current indication, it would be reasonable to expect helpful conditions for roll out by Q4FY'21. The Management, therefore, is of the opinion that there are reasonable grounds to believe that there is no material impact due to the aforesaid disclaimer on 'going concern' status by the Auditors. The Board while approving the accounts has given serious weightage to the views of the Auditors. It has also received the views of the Management on its strategy to meet the extenuating developments in its business model and the uncertainty in the economy caused by the pandemic. On balance, the Board is of the view, given the uncertainty and disruption caused by the pandemic, it is advisable to tread with caution and feels reasonably confident that the Management will be able to operationalize the business plan as presented to the Board and the Company' status as a 'going concern' can reasonably be assured thereby.
	(ii) If management is unable to estimate the impact, reasons for the same: NA
	(iii) Auditors' Comments on (i) or (ii) above: None

III.	**Signatories:**	
	• **Manish Mandhana** **(Chief Executive Officer)**	
	• **Pankaj Gharat** **(Chief Financial Officer)**	
	• **Ramnath Pradeep** **(Audit Committee Chairman)**	
	• **Rishabh Kumar** **Partner** **M/s. B S R & Co. LLP** **Chartered Accountants** **Statutory Auditor** **UDIN : 20402877AAAACU9572**	RISHABH KUMAR Digitally signed by RISHABH KUMAR Date: 2020.09.18 19:19:16 +05'30'
	Place: Mumbai	
	Date: 18th September, 2020	

The Mandhana Retail Ventures Limited ★ Mumbai ★

The Mandhana Retail Ventures Limited ★ Mumbai ★

The Mandhana Retail Ventures Limited ★ Mumbai ★

MRVL
MANDHANA RETAIL VENTURES LTD.

THE MANDHANA RETAIL VENTURES LIMITED

CIN: L52390MH2011PLC213349
Registered Office: Plot No. E-132, M.I.D.C. Tarapur Industrial Area, Boisar, Dist. Palghar- 401506
Corporate Office: 014, Peninsula Centre, Dr. S.S. Rao Road, Parel, Mumbai – 400012
Tel: 91-22-4353 9790 ▪ **E-mail:** cs@tmrvl.com
Website: www.mrvlindia.com

NOTICE OF THE 9TH ANNUAL GENERAL MEETING

To,
The Members,

NOTICE is hereby given that the Ninth Annual General Meeting of the Members of **The Mandhana Retail Ventures Limited** ('Company') will be held on Saturday, the 28th day of November, 2020 at 11.30 a.m., through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') on account of outbreak of corona virus ('Covid-19') pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 and the Reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Priyavrat P. Mandhana, (DIN: 02446722) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **APPOINTMENT OF MR. MITESH SHAH (DIN: 07202696) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable rules made under the Act (including any statutory modifications or re-enactment thereof, for the time being in force), and Regulations 16 and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and all other regulations of the Listing Regulations, (including any statutory modifications or re-enactment thereof, for the time being in force), Mr. Mitesh Shah (DIN: 07202696), Additional Director of the Company designated as Non-Executive and Independent Director and who is not disqualified to become a Director under the Act and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing Mr. Mitesh Shah as a candidate for the office of the Independent Director of the Company, be and is hereby appointed as an Independent Director (Non-Executive and Independent Director) of the Company to hold office from the conclusion of this Annual General Meeting upto 19th October, 2025, not liable to retire by rotation.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to execute any documents, forms, paper and to file any form or documents with the statutory authorities and to do all such acts, deeds and things as may be necessary to give effect to the resolution."

4. **APPOINTMENT OF MR. MULLAPUDI VENKATA PATTABHI HANUMANTHA RAO (DIN: 0008912400) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable rules made under the Act (including any statutory modifications or re-enactment thereof, for the time being in force), and Regulations 16 and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and all other regulations of the Listing Regulations, (including any statutory modifications or re-enactment thereof, for the time being in force), Mr. Mullapudi Venkata Pattabhi Hanumantha Rao (DIN: 0008912400), Additional Director of the Company designated as Non-Executive and Independent Director and who is not disqualified to become a Director under the Act and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing Mr. Mullapudi Venkata Pattabhi Hanumantha Rao as a candidate for the office of the Independent Director of the Company, be and is hereby appointed as an Independent Director (Non-Executive and Independent Director) of the Company to hold office from the conclusion of this Annual General Meeting upto 19th October, 2025, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to execute any documents, forms, paper and to file any form or documents with the statutory authorities and to do all such acts, deeds and things as may be necessary to give effect to the resolution."

By Order of the Board of Directors
for **The Mandhana Retail Ventures Limited**

Sangeeta Mandhana
Managing Director
DIN: 06934972

Registered Office:
Plot No. E-132, M.I.D.C., Tarapur Industrial Area,
Boisar, Dist. Palghar - 401 506

Place : Mumbai
Date : 20th October, 2020

NOTES:

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5th May, 2020 read together with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as 'MCA Circulars') permitted convening the Annual General Meeting ('AGM' / 'Meeting') through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM'), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the AGM of the Company is being held through VC / OAVM.

2. The relevant Explanatory Statement pursuant to section 102 of the Companies Act, 2013 ('Act') in respect of the business under Item Nos. 2 to 4 of the Notice, is annexed hereto. The relevant details as required under Listing Regulations, of person/s seeking appointment/ re-appointment as Director/s forms part of this notice.

3. Pursuant to the provisions of the Act, generally a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Sunday, 22nd November, 2020 to Saturday, 28th November, 2020 (both days inclusive), ('Book Closure period') for the purpose of holding Annual General Meeting.

6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting.

7. Mr. Priyavrat P. Mandhana, Executive Director is liable to retire by rotation. He being eligible, offers himself for re-appointment. Brief profile of Mr. Priyavrat P. Mandhana, who retires by rotation at this Annual General Meeting, as required under Secretarial Standard on General Meeting ('SS-2') and Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is given separately at **Annexure A** hereunder.

   None of the Directors or Key Managerial Personnel or their relatives except Mr. Manish B. Mandhana, Mrs. Sangeeta Mandhana and Mr. Priyavrat P. Mandhana, himself, is concerned or interested in the said resolution.

8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service ('NECS'), Electronic Clearing Service ('ECS'), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant ('DP'). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Share Transfer Agent ('RTA' / 'LIIPL' / 'Link Intime'), M/s. Link Intime India Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the RTA at rnt.helpdesk@linkintime.co.in.

   The SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in physical form are requested to submit their PAN details to the RTA.

9. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April 1, 2019, except in case of request received for transmission or transposition of securities. In view of the above and to avail free transferability of shares and the benefits of dematerialisation, members are requested to consider dematerialization of shares held by them in physical form. Members can contact the Company or its RTA for the same.

11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

12. Any Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her/its queries to the Company at least seven working days prior to the Meeting, so that the

required information can be made available at the Meeting.

13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-2020 will also be available on the Company's website at www.mrvlindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively.

14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to cs@tmrvl.com

16. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide the Members a facility to exercise their right to vote on resolutions proposed to be considered at the 9th AGM by electronic means through e-Voting Services. The facility of casting votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by LIIPL. In addition, the facility for voting through electronic voting system will also be made available at the Meeting ('e-voting at the AGM") and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through INSTAMEET facility. The Company has engaged the services of LIIPL as the agency to provide e-voting facility at the AGM. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions given below.

17. Based on the shareholding of the Members, whose names appear in the Register of Members/ List of beneficial owners, received from National Securities Depository Limited ('NSDL') / CDSL as on close of the business hours on Saturday, 21st November, 2020 ('cut-off date'), a member shall be entitled to vote by way of remote voting or during the AGM. However, a person who is not a Member as on the cut-off date should treat this Notice for information purpose only.

18. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM, but shall not be entitled to cast their vote again.

19. The remote e-voting period commences on Wednesday, 25th November, 2020 (9.00 a.m.) (IST) and ends on Friday, 27th November, 2020 (5.00 p.m.) (IST).

20. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote by remote e-voting. The remote e-voting module shall be disabled by LIIPL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting by INSTAMEET facility at the AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

21. Instructions for shareholders to vote electronically:

(A) Remote e-voting Instructions for shareholders

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in

   Those who are first time users of Link Intime India Pvt. Limited (LIIPL) e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:

   - Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -

A. User ID: Enter your User ID

   - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
   - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
   - Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Registrar.

   - Shareholders/ members holding shares in CDSL demat account shall provide either 'C' or 'D', above
   - Shareholders/ members holding shares in NSDL demat account shall provide 'D', above
   - Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

- Set the password of your choice (The password should contain minimum 8 characters, atleast one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
- Click "confirm" (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIIPL: https://instavote.linkintime.co.in, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under 'SHARE HOLDER' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit.'
4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
7. After selecting the desired option i.e. Favour / Against, click on 'Submit.' A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes,' else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body.' They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

If you have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit.'
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@ linkintime.co.in or contact on: - Tel: 022 –4918 6000 (InstaVote Support Desk, Link Intime India Private Limited)

(B) Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in
   - Select the "Company" and 'Event Date' and register with your following details: -

A. Demat Account No. or Folio No.: Enter your 16 digit Demat Account No. or Folio No.
   - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
   - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
   - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.
   - Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (appendix) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Appendix

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a) Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/
Or

b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1 Enter your First Name, Last Name and Email ID and click on Join Now.

1 (A) If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

1 (B) If Webex application is not installed, a new page will appear giving you an option to either add Webex to chrome or Run a temporary application.

Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.

(C) Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the email id cs@tmrvl.com from their e-mail ID registered with the Company / their Depository Participants (DP).
2. Shareholders will get confirmation on first cum first serve basis depending upon the provisions made by the Company.
3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholders may ask questions to the panelist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panelist by switching on video mode and audio of your device.

   Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

(D) Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit.'
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against.'
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/ Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@ linkintime.co.in or contact on: - Tel: 022-49186175. (**InstaMeet Support Desk, Link Intime India Private Limited)**

(E) Other Guidelines for Members

(1) Any person, who acquires shares of the Company and becomes Member of the Company after the date of dispatch of the Notice of the AGM by email and holds shares as on the cut-off date, may obtain the User ID and Password by sending a request to the Company's email ID cs@tmrvl.com from their registered e-mail ID with the Company or his/her/its DP. However, if you are already registered with LIIPL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/

Password?" or "Physical User Reset Password?" option available on https://instavote.linkintime.co.in.

(2) During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event". Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

22. Mr. Nitin R. Joshi, Practicing Company Secretary (Membership No. FCS: 1884) (Address: 415, Marathon Max, Next to Udyog Shetra, Junction of L.B.S. Marg and Goregaon Link Road, Mulund (W), Mumbai 400 080) has been appointed as the Scrutinizer to scrutinize the entire voting process in a fair and transparent manner. Scrutinizer's email address is: n_r_joshi@yahoo.com.

23. You can also update your mobile number and email id in the user profile details of the folio which may be used for sending future communication(s).

24. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.

25. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only, shall be entitled to avail the facility of remote e-voting or for voting at the AGM. A person, who is not a member as on the cutoff date, should treat the Notice for information purpose only.

26. The Scrutinizer shall, after the conclusion of e-voting at the AGM, scrutinize the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting and shall submit, within 48 hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him or Board of Directors, who shall countersign the same and declare the result of the voting forthwith.

27. The voting results shall be displayed in the prescribed format on the Notice Board of the Company at its Registered Office as well as the Head Office/ Corporate Office. The voting results declared along with the report of the Scrutinizer shall also be placed on the website of the Company, viz. www.mrvlindia.com/ and on the website of LIIPL immediately after the declaration of results by the Chairman or a person authorized by him/ Board of Directors in writing. The voting results shall also be forwarded to the Stock Exchanges on which the shares of the Company are listed i.e. BSE Limited & National Stock Exchange of India Limited.

28. Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the company. This forms is available on the web site of the Company viz., www.mrvlindia.com.

By Order of the Board of Directors
for **The Mandhana Retail Ventures Limited**

Sangeeta Mandhana
Managing Director
DIN: 06934972

Registered Office:
Plot No. E-132, M.I.D.C., Tarapur Industrial Area,
Boisar, Dist. Palghar - 401 506

Place : Mumbai
Date : 20th October, 2020

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3 & 4:

Mr. Mitesh Shah and Mr. Mullapudi Venkata Pattabhi Hanumantha Rao, were appointed as Additional Director and designated as Non-Executive and Independent Director on the Board of the Company with effect from 20th October, 2020. As per the provisions of section 161 of the Companies Act, 2013, an Additional Director holds office up to the date of the next Annual General Meeting of the Company. The Company has received notices from two Members of the Company under section 160 of the Companies Act, 2013, signifying their intention to propose appointment of Mr. Mitesh Shah and Mr. Mullapudi Venkata Pattabhi Hanumantha Rao, as Independent Directors of the Company. In terms of Sections 149, 152, 160, 161 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Mitesh Shah and Mr. Mullapudi Venkata Pattabhi Hanumantha Rao, being eligible to be appointed as Independent Directors, are proposed to be appointed as the Independent Directors of the Company.

Further, the Company has received the following documents from Mr. Mitesh Shah and Mr. Mullapudi Venkata Pattabhi Hanumantha Rao:

a. Letter of consent to act as Director in prescribed Form No. DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Director) Rules, 2014.

b. Certificate of Independence under Section 149(7) of the Act.

c. Intimation by Director in prescribed Form No. DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under section 164(2) of the Act.

d. Disclosure of Interest in Form No. MBP-1 pursuant to Section 184(1) read with Rule 9(1) of Companies (Meetings of Board and its Powers) Rules, 2014.

Based on the aforesaid disclosures and declarations, your Board is of the opinion that both the Directors proposed to be appointed fulfill the conditions specified for their respective appointment in the Companies Act, 2013 read with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and considers that the association of Mr. Mitesh Shah and Mr. Mullapudi Venkata Pattabhi Hanumantha Rao would be of immense benefit to the Company and accordingly the Board recommends the resolutions set forth in Item 3 and 4 for the approval of the Members as an Ordinary Resolution.

Except the Director proposed to be appointed, none of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the Resolutions at Item 3 and 4.

Brief profile of Mr. Mitesh Shah and Mr. Mullapudi Venkata Pattabhi Hanumantha Rao who are proposed to be appointed as Independent Directors as required under Secretarial Standard on General Meeting ('SS-2') and Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is given herein at Annexure - A:

By Order of the Board of Directors
for **The Mandhana Retail Ventures Limited**

Sangeeta Mandhana
Managing Director
DIN: 06934972

Registered Office:
Plot No. E-132, M.I.D.C., Tarapur Industrial Area,
Boisar, Dist. Palghar - 401 506

Place : Mumbai
Date : 20th October, 2020

Annexure – A

Information about the appointee:

Particulars	Mr. Priyavrat Mandhana	Mr. Mitesh Shah	Mullapudi Venkata Pattabhi Hanumantha (MVPH) Rao
Age	31 Years	40 years	52 years
Qualifications	B.com, Masters in Innovation and Entrepreneurship	A commerce graduate from Mumbai University 2000 batch and a Chartered Accountant - 2001 batch, Mr. Shah has also pursued a Diploma in Information Systems with ICAI in 2002.	A post graduate (M.Tech) from IIT Kharagpur, 1991 batch. Mr. MVPH Rao has also pursued Bachelor of Technology in Electrical and Electronics Engineering.
Experience/ Resume/ Background details/ Expertise/Recognition/ Reward	Mr. Priyavrat P. Mandhana possesses more than 8 years of experience in the Textile & Retail Industry. Mr. Mandhana joined the Board of the Company on 5th August, 2016 and thereafter he was appointed as the Executive Director by the Members of the Company. Mr. Mandhana plays a vital role in strategizing and monitoring retail business of the Company. Mr. Mandhana was previously associated with Mandhana Industries Limited as Vice President - Corporate Affairs.	Mr. Shah began his career with Mandhana Industries Limited - An apparel manufacturing company in 2001. During the tenure, he handled various projects successfully including the Initial Public Offer of the Company in 2010 and also the exclusive global license deal with Salman Khan promoted brand - Being Human Clothing in 2011. He then Joined OLA as CFO in Dec'13 and had been part of the core management team till Jun'16 where he played a pivotal role in the evolution of one of the biggest Start-up stories of India and that has given him some very deep insights into start-up world. In Jun'16, he joined Bookmyshow as CFO where he spearhead the finance function and play an active role in strategic business management. With a view to mentor Founders across early stage startups with smart capital, he co-Founded of Inflection Point Ventures (IPV) in 2018 which is one of the Largest Angel Investment platforms in India with 2800 + members, which works towards helping quality startups connect with CXOs & Professional Angel Investors and have access to their capital as well as domain knowledge.	Mr. MVPH Rao possesses 29 years of experience in marine and constructions, Ports and related Infrastructure, with Contract Management and Arbitration etc. which encompasses 12 years in Marine related works, Project acquisition and Contracts, Strategy, legal, Proposals, related dredging, Breakwaters, Reef, Jetties etc., under FIDC Documentation, from the year 2008 till date and 17 years in Mumbai Port for Port Terminal Operations (technical); Projects related to Jetty Construction; Pipelines, Oil and Container Terminals from the year 1991 till 2008. His professional qualifications include: - Post Graduate (M Tech) - IIT Kharagpur, 1991 - Strategy Management for Ports - IIM Ahmedabad, 2007 - PG diploma in Port & Shipping Management NIPM, Chennai, 1992 - Fellow of Institution of Engineers (India) - Chartered Engineers (India) - Valuer - Plant and Machinery - IBBI (under IBC)
Terms and conditions of Appointment	To perform the duties of directors in accordance with the provisions of the Companies Act, 2013 and such other statutes, rules and regulations as may be applicable to the Company.		
Remuneration to be paid to the Director in FY 2020-21	Rs. 1,00,14,720 (as Executive Director of the Company)	NIL, except sitting fees for attending the Board and Committee Meetings of the Company	
Remuneration last drawn by the Director	Rs. 1,00,14,720 (as Executive Director of the Company)	NIL	
Date of first appointment on the Board	5th August, 2016	20th October, 2020	20th October, 2020
Shareholding	11,19,894	NIL	NIL
Pecuniary relationship directly or indirectly with the Company or relationship with the Director, Manager and ManagerialPersonnel, if any	Besides the remuneration that is paid to Mr. Priyavrat Mandhana as Executive Director, the Company has taken on lease several commercial properties pursuant to compliance of Section 188 of the Act and applicable provisions of the Listing Regulations. Mr. Priyavrat Mandhana is one of the Promoters of the Company. He is a cousin brother of Mr. Manish Mandhana, Chief Executive Officer and cousin Brother in law of Mrs. Sangeeta Mandhana, Managing Director	Besides the sitting fees that would be paid for attending the Board and Committee Meetings of the Company, Mr. Shah does not have any pecuniary relationship with the Company. He is not related to any Director, Manager or KMP.	Besides the sitting fees that would be paid for attending the Board and Committee Meetings of the Company, Mr. MVPH Rao does not have any pecuniary relationship with the Company. He is not related to any Director, Manager or KMP.
Number of Board meetings attended during the financial year (2019-20)	7	NA	NA
Directorships, Membership/ Chairmanship of Committees in other Companies* *Membership/Chairmanship of Audit and Stakeholders Relationship Committee only is provided	Mr. Mandhana holds directorship in Mandhana-WD Limited	None.	None.
Justification/Job profile and suitability	The Company believes that the knowledge and experience of Mr. Priyavrat Mandhana, Mr. Mitesh Shah and Mr. MVPH Rao will be of immense benefit to the Company.		