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THE DIGITAL FASHION CODE

ANNUAL REPORT 2018-2019



HIGHLIGHTS OF FY19

2,199

NET SALES

(₹ in Million)

650.30

MARKET CAPITALISATION (₹ in Million)
as on March 31, 2019

64.18

EBITDA

(₹ in Million)

537

TEAM STRENGTH

(Employees)

14

COUNTRIES

WHAT'S INSIDE



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THE DIGITAL FASHION CODE

FASHION IS
CEASELESSLY
FASCINATING
BECAUSE IT IS AN
EXPRESSION OF
THE SELF. IT IS
ABOUT FEELING
COMFORTABLE,
LOOKING GOOD,
AND DOING GOOD.

At The Mandhana Retail Ventures Limited (TMRVL), our passion for creativity drives our endeavour to create affordable, comfortable fashion that blends tradition with modernity and excellence with responsibility.

As digital revolution and technological advancements continue to transform the world of fashion, TMRVL is gearing up to stay ahead of competition. We are scaling up our capability to innovate, expanding categories, and streamlining operations to enhance customer experience and attract new customers.

The retail landscape in India has undergone a massive change, with consumers turning into digital shoppers, demanding digital experiences that are immersive

and platform agnostic. Today, the consumer experience needs to be seamless from digital to physical and back. While consumers love our brick-and-mortar stores, they are keen on using online channels as it gives them the advantage of shopping on the go. Thus, we are using the latest technologies to enhance our customer experience on both sides, the backend as well as consumer-facing processes. We have tied up with leading fashion e-tailers and have also launched our own portal, www.beinghumanclothing.com.

As a brand, we craft our success story around our consumers' fashion aspirations. We help our consumers dress well and do well. While we empower our customers to make

the best fashion choices, we are also strongly committed to making the world a better place. Collaborating closely with Being Human – The Salman Khan Foundation, education and health are the main focus areas of our corporate philanthropy.

At TMRVL, we believe in being ready for the future. 'The Digital Fashion Code' forms a critical part of our strategic outlook. We are expanding our social outreach and creating eco-friendly and sustainable apparel. We will continue to harness digital technology and innovation to fire up our ideas, making our brand succeed in creating value and enriching customer experience.



ABOUT TMRVL

WHO WE ARE

AT THE MANDHANA RETAIL VENTURES LIMITED (TMRVL), IT IS OUR CONSTANT ENDEAVOUR TO PROVIDE CONSUMERS WITH LATEST FASHION THAT IS ALSO AFFORDABLE.

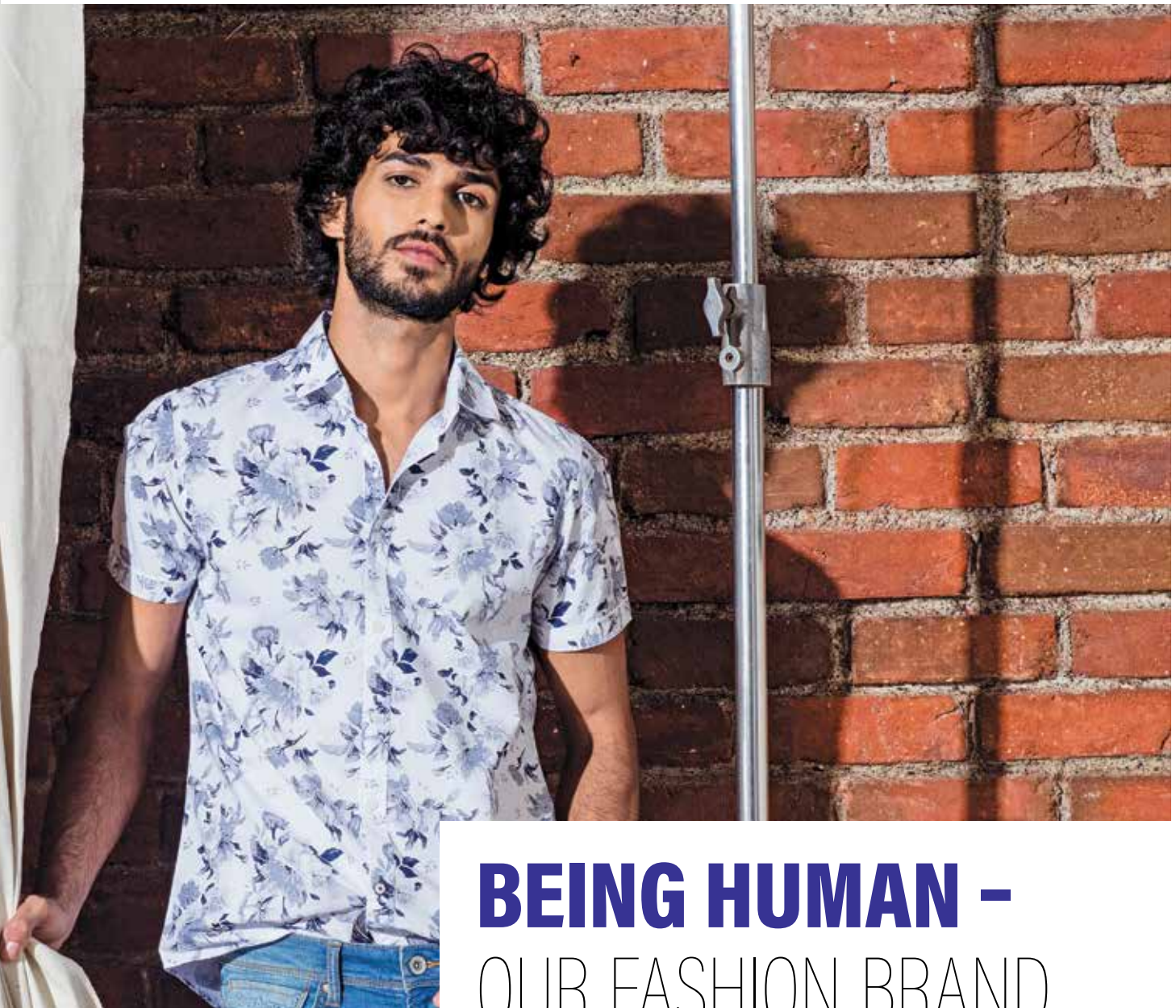


Since our inception in 2011, we have been democratising fashion, making it accessible to consumers from diverse backgrounds. We are the official licensee manufacturing brand for Being Human Clothing and have been instrumental in giving the brand a form, shape, and look that is loved by all.

Our comprehensive range of designs comprise shirts and jackets, skirts and blouses, and even sportswear. We have been providing fashion for every occasion, with avant-garde design, curated using sustainable textiles. Our well-established distribution network, asset-light business model, and strong governance practices enable us to set and maintain high quality standards for garment manufacturing exports from India.

Ensuring sustainable and healthy long-term profitability is one of TMRVL's core philosophies. We are committed to growing shareholder value and our strategic priorities are focused on long-term growth. Simultaneously, through Being Human – The Salman Khan Foundation, we recognise our responsibility towards encouraging a positive impact throughout our value chain by empowering the people with whom we work, preserving the environment, and supporting our stakeholder communities.





BEING HUMAN – OUR FASHION BRAND WITH A CONSCIENCE

BEING HUMAN'S
BRANDING
STRATEGY
FOCUSES ON
CUSTOMER
CONVENIENCE
BY LEVERAGING
THE 'DIGITAL'.

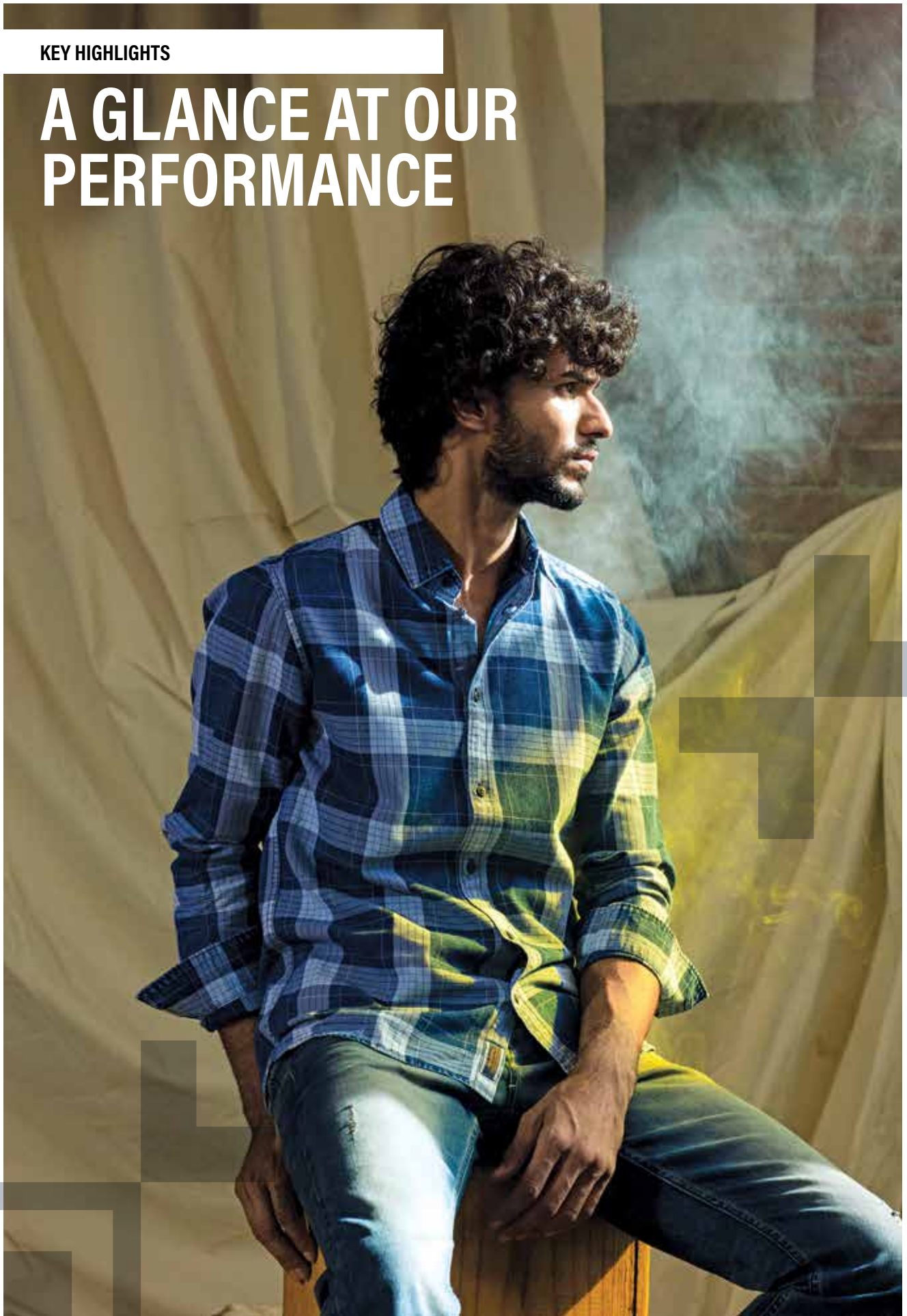
Being Human apparel and merchandise are a favourite among millions of fashion consumers. Riding on the broad shoulders of the ebullient Salman Khan, the brand has been selling its apparel successfully in India and in several stores in Europe and West Asia. At first glance, Being Human is a lifestyle brand. At a deeper level, it is a philanthropic organisation that raises most of its funds from the sale of Being Human apparel and merchandise.

Being Human's branding strategy focuses on customer convenience by leveraging the 'digital'. We are tying up with online fashion retailers to reach more consumers giving them access to our brand with the click of a button. On the back of our partnerships with retail giants such as Lifestyle, Shoppers Stop, Jade Blue, Central and Globus, we are strengthening our foothold in the country, expanding our presence and accentuating our brand promise.



KEY HIGHLIGHTS

A GLANCE AT OUR PERFORMANCE





FINANCIAL HIGHLIGHTS

56.28

GROSS MARGIN

(in %)

2.92

EBITDA MARGIN

(in %)

3.05

ADVERTISEMENT COST

Of the Total Revenue (in %)

5.75

**ROYALTY PAID TO THE BEING
HUMAN FOUNDATION**

(in %)

9.60

**RETURN ON CAPITAL
EMPLOYED (ROCE)**

(in %)

0.13

DEBT/EQUITY RATIO

OPERATIONAL HIGHLIGHTS

431

POINTS OF SALE

(POS) Units

NORTH & SOUTH

AREAS OF EXPANSION

In India

166

INTERNATIONAL OUTLETS

265

DOMESTIC OUTLETS

537

SKILLED EMPLOYEES

203

STORE-IN-STORE (SIS)

03

E-COMMERCE PARTNERS

36

**EXCLUSIVE BUSINESS
OUTLETS (EBOs)**

23

FRANCHISEES

(All figures as on March 31, 2019)



PRODUCT CATEGORIES

OUR FASHIONABLE OFFERINGS

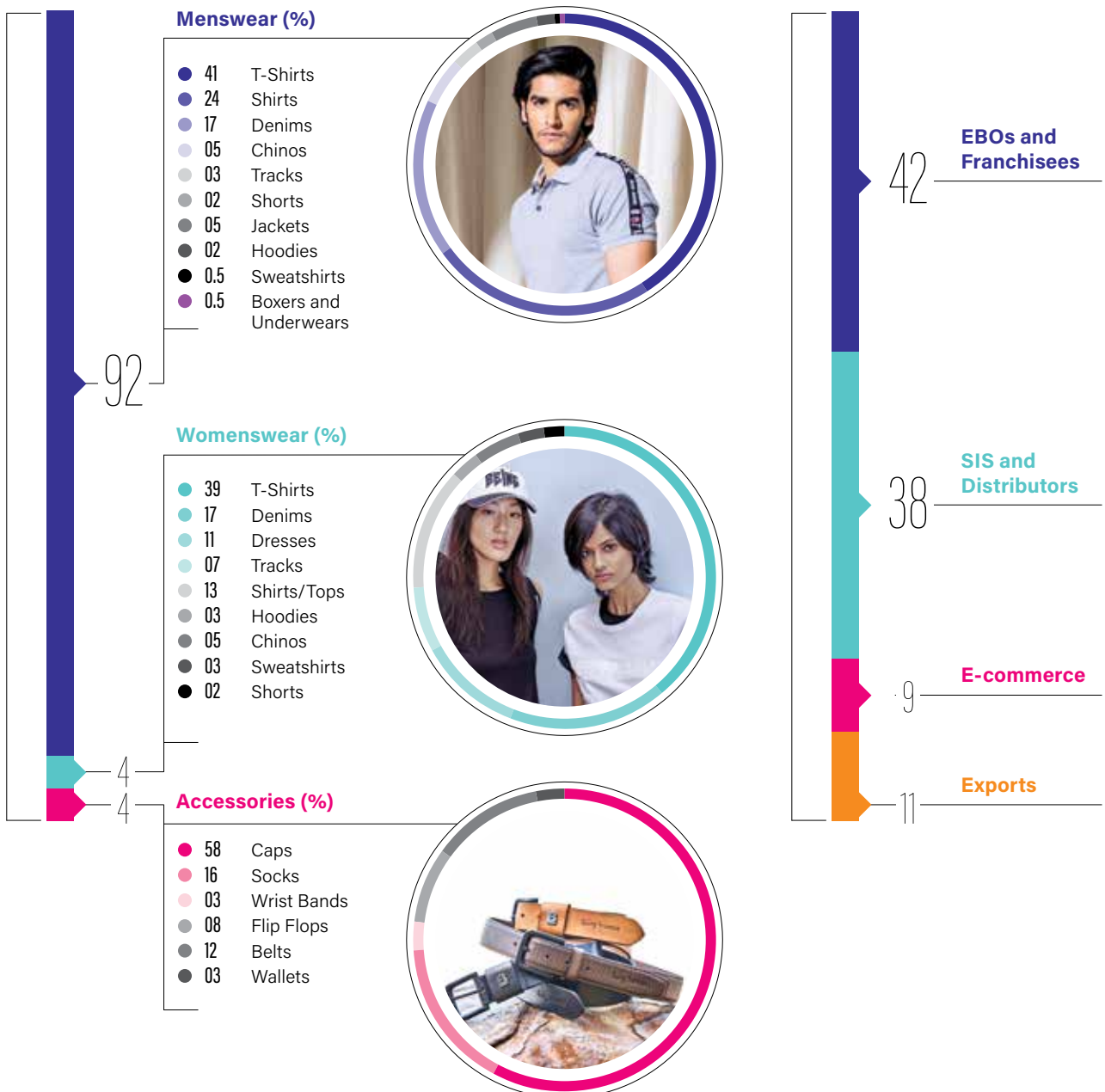
We offer a wide range of trend-right products under the categories of menswear, womenswear, and accessories, complemented by compelling online and offline consumer experiences.

CATEGORY-WISE BUSINESS AND PRODUCT DIVISIONS

(in % of Revenue)

CHANNEL-WISE CONTRIBUTION

(in % of Revenue)



OUR GEOGRAPHICAL FOOTPRINT

TAKING AFFORDABLE FASHION TO THE WORLD

OUR ONE-STOP RETAIL OUTLETS

INDIA



265

GULF COOPERATION COUNCIL (GCC)



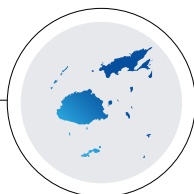
125

EUROPE



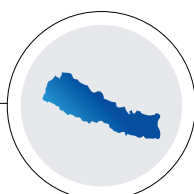
35

FIJI



3

NEPAL



3



The current trend adopted by brands globally is affordable fashion as the younger generation shoppers wants to shop more frequently with changing fashion trends, styles, colours and fits.

To accommodate these new shopping trends and young shoppers, brands are resorting to bargains and discount schemes to make the products more affordable and attractive.

Our apparel range is constantly inspired by our fashion-forward approach. We have a strong global network with 431 POS units in 14 countries. We are also strengthening our digital presence through tie-ups with 3 e-commerce websites.

To continue exporting high-quality apparel, we are working on partnering with international retail giants in the US and the South-East Asian region.



KEY PERFORMANCE INDICATORS

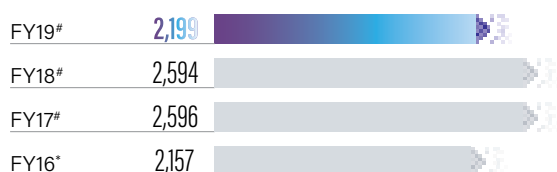
ON A STEADY PATH TO PROGRESS



AT TMRVL, OUR GOAL IS TO CREATE CONSISTENT LONG-TERM VALUE FOR OUR STAKEHOLDERS. THESE KEY PERFORMANCE INDICATORS (KPIs) TESTIFY TO OUR EFFICACY IN ACHIEVING THE BUSINESS OBJECTIVES.

Revenue

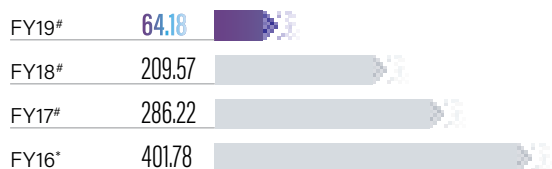
(₹ in Million)



Revenue refers to the gross income received from the sale of our products

EBITDA

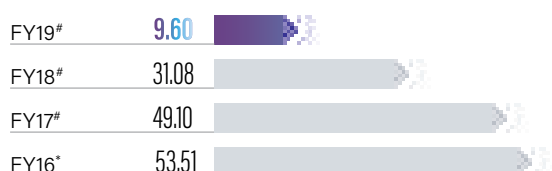
(₹ in Million)



Earnings Before Interest, Tax, Depreciation and Amortisation is a measure to evaluate our operating performance

ROCE

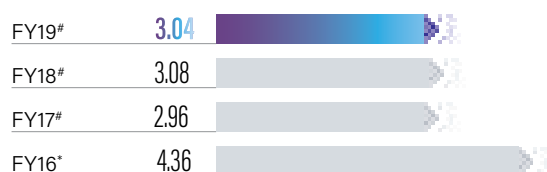
(in %)



Return on Capital Employed measures our profitability and the efficiency with which our capital is used

Advertisement Cost

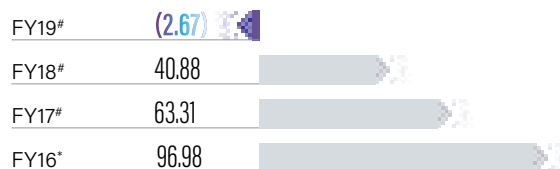
(in %)



Advertisement cost is the expenses incurred in promoting our brand and services

ROE

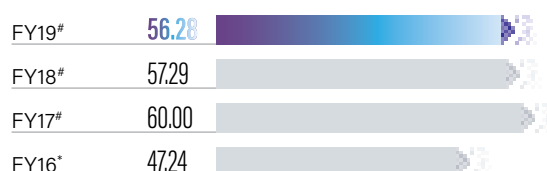
(in %)



Return on Equity is calculated by dividing our net income by our shareholders' equity

Gross Margin

(in %)



Gross margin indicates the amount of sales revenue that our Company retains after incurring the direct costs associated with producing the goods and services we sell

* FY16 is as per IGAAP

FY17, FY18 and FY19 are as per IND AS



CHAIRMAN'S MESSAGE

LEADING THE NEXT PHASE OF TMRVL'S TRANSFORMATION



42%

INDUSTRY GROWTH IN
EUROPEAN MARKET**DEAR FRIENDS,**

LET ME CONFESS THAT THE YEAR UNDER REVIEW WAS A VERY DIFFICULT ONE FOR THE COMPANY. THE COMPETITION WAS TURBO-CHARGED AND LIQUIDITY WAS IN SHORT SUPPLY. THERE WERE OTHER INTERNAL ISSUES, SOME OF WHICH I SHALL DILATE ON LATER, WHICH HURT THE OPERATIONS.

The results thus were rather disappointing. Total income dropped by about 15% on the back of volume drop of 8.6% and competitive pressures took toll on unit realisations that slipped by about 5%. As a result, the Company suffered a loss of ₹58 Lakh as against a profit of ₹913 Lakh a year earlier.

The Company's online sales too suffered a drop of about 8.62% though its share in total revenue was marginally higher at 8.82%. In foreign markets, sales of the Company's products to the GCC market dropped precipitously by 26% on the back of slowing Middle East economies reportedly due to oil market uncertainties. A redeeming feature was the 42% growth in the European market, albeit from a low base of the earlier year.

Apparel market was hyper competitive but not bad

According to a report by Care Ratings Ltd., domestic demand for apparel, both branded and unbranded, grew at a healthy rate of 14%; about 1.4x the nominal GDP growth. Other leading companies in the sector showed healthy revenue growth of 14-22% as per their published results. These companies also delivered fairly good growth on net margins. Globally, elsewhere though, there was a sharp increase in competition, which showed in some markdown of profits. This, however, didn't have a significant effect on domestic branded apparel retail in general as much as it seems to have affected your Company.

The reasons are largely internal

The Company's business engine seriously sputtered due to internal factors. Last year, we had flagged the issue of constraints in working capital. Your management faced serious difficulties in raising bank limits as the lenders waited for certainty on the issue of brand license renewal. The fact that the renewal was under serious negotiation and that the current

agreement was valid till March 2020 did not weigh in with them. This shortage seriously affected the Company's ability to get sufficient supplies on to shelves in time. Vendors' payments were delayed, further affecting both supplies and the management's ability to manage input costs. The margins suffered. Though aggressive foreign brands offered steep discounts over an extended period, your management succeeded in containing the decline in price realisations to about 5% on an overall basis.

The second reason for the shortfall in revenue was the sudden discontinuation of sales through Multi Brand Outlets (MBOs). MBOs provide market coverage at a comparatively moderate cost and are a source of sizable revenues and margins. This channel had to be discontinued at the insistence of licensors and they were well within their rights to mandate so. The management was not quick to take their concerns on board since working capital shortage was pervasive and that limited remedial steps required. This was purely an internal inadequacy that needs serious redressal.

Thirdly, the Company lost some very talented employees to competition in particular and consumer companies in general. Due to stressed cash flow, the management had serious difficulty in meeting financial aspirations of these employees. The Company also had to let go some senior employees for reasons beyond its control. This created serious discontinuity at crucial times in the market.

But opportunity is large and growing

The Indian opportunity in branded apparel is as promising as ever. Indians in the age bracket of 18-35 years constitute over 40 Crore of the population and they are potentially the prime consuming class for branded goods; the demand, therefore, is assured.

Here is some more reassuring research. Gavekal, a reputed international research agency, in a recent report (India's Acceleration Phenomenon), analysed India's demographic move through income classes and its impact on the consumption of various consumer products. Its hypothesis was that as population lifts itself from one income

class to the next, the consumption of certain products suddenly lifts in discrete leaps. The report found that given India's GDP growth of nearly 8%, significant shifts of Households (HH) are underway from the 'emerging class' (HH income between ₹2-5 Lakh) to the 'aspiring class' (HH income of ₹5-12 Lakh) and the latter into the 'affluent class' (HH income of ₹12 Lakh and above).

The 'aspiring class' is expected to grow three-fold from 33 Million HH to 101 Million over the next 10 years. Gavekal, a reputed international agency, forecasts that every year about 1 Crore households will move into the 'aspiring class' from the 'emerging class', leading to an acceleration of demand for cars, branded apparel, toiletries, etc. The movement of a large number of people into the 'emerging class' post 2008 led to the acceleration of demand for two-wheelers from 70 Lakh a year to 2.2 Crore! Therefore, your Company is well placed with its play in branded apparel; it has to prepare itself to take advantage of the unfolding opportunity.

Your management is responding to the situation

Augmenting working capital is the first priority. Since license renewal continues to be a condition precedent to banks agreeing to increase limits, the management is working tirelessly to impress upon licensors (The Salman Khan Foundation) the need for a mutually satisfactory renewal. I assure you it is an urgent work in progress.

Over the last three years, the Company's revenue has remained range bound with a declining bias. This means the Company needs to rethink its 'brand positioning' in order to breakout. And this requires a knowledge-based and research-driven approach to market and brand positioning; intuition can take you only so far. With the augmentation of funds, the management will be able to dedicate some serious money towards this.

With the renewal of license, hopefully soon, the management is continuing to work to iron out issues with the Foundation. While there is unanimity on 'strategic intent' between the Foundation and the Company, there is sometimes an asymmetric view of operational matters. The management is working on priority to address the operational flaws so that dislocations

such as the discontinuation of MBOs that took place in the year under review are avoided.

For long-term health of the business, technology is another priority to chase. Western competition shall be bringing in (if not already done) their technology toolkit to the entire product flow, from trend detection to pricing and personalisation, complete with the use of Artificial Intelligence (AI), Data Analytics and so on. The Company has to keep in step. We cannot afford to be surprised.

Foundation

I would like to sincerely acknowledge the encouragement given by Mrs. Alvira Agnihotri and the support given by her team. Sincere thanks to her and the team at the Foundation. I am sure with Mrs. Agnihotri's help as the Chief Trustee, the renewal issue will be soon sorted out to mutual benefit.

Board matters

I am very sorry to inform you of the recent loss of a dear colleague, Mr. Sachin Jaju, Non-executive Director, on June 2, 2019. Mr. Jaju was an expert in the textile industry and its supply chains. He was active in Board discussions and he chose his point of participation very judiciously. I always looked to him for an independent, non-partisan and informed view. A sprightly marathon runner, Mr. Jaju was just 42. We will miss him.

I must thank my colleagues Mr. Ramnath Pradeep and Mr. Kiran Vaidya for their wise counsel and guidance on many tricky situations that the Board was presented with. Both stepped beyond their usual remit as Independent Directors to help the Board and the management team. I can't thank them enough.

I must record my appreciation for the grit shown by Mr. Manish Mandhana, CEO, in handling this ship in very turbulent waters. All those employees who stood loyally by the Company deserve heartfelt special thanks. We are very fortunate to have them.

Lastly, I thank you, shareholders, who have shown tremendous patience during very difficult times.

Warm regards,

PRADIP DUBHASHI

OUR BUSINESS MODEL

CREATING VALUE FOR OUR STAKEHOLDERS

WE ARE NOT MERELY A FASHION RETAILER. WE ARE TREND SETTERS. WE EVOKE EMOTION AND IMAGINATION WITH OUR UNIQUE, SKILFULLY CRAFTED DESIGNS. TO BRING OUR CONTEMPORARY PRODUCTS TO OUR CONSUMERS, WE HAVE AN ASSET-LIGHT BUSINESS MODEL IN PLACE.



The Company's marketing expertise has helped build a strong brand not only in India but also internationally. Our brand enjoys a strong recall among the youth through our collaboration with Being Human, driving a lot of passion, energy, and support for various causes. Our focus on Digital medium and working towards an omni channel approach is helping us further to reach out to a wider base.

At TMRVL, we believe in adding value beyond numbers. To sustain our de-risked business model and manage risks, we are strategising to shift from the current sale-or-return model to an outright sales business. Our team of 537 skilled and passionate employees across the design, development, operations and marketing functions strive to develop unparalleled fashion and create sustainable value for our stakeholders.

WHO DO WE CREATE VALUE FOR



Customers

We centre all our designs around the evolving needs of our customers. It is our goal to constantly upgrade and innovate to deliver the best fashion for those who keep us on our toes.



Shareholders

We are continuously upgrading ourselves according to the trends in the fashion industry. By accurately reflecting the zeitgeist of the industry, we aim at maximising our revenues and delivering higher returns to our shareholders.



Suppliers/ Vendors

We have a large and well-connected network of suppliers and vendors. Our trend-setting products and streamlined processes have made us the preferred 'customer' for our vendors. We have established a trusted, long-standing relationship with most of our vendors and suppliers.



Manufacturers

To bring quality products to our consumers, we work with a large team of third-party manufacturers. We enhance their skillset by creating capabilities to develop new designs and ensure that they follow ethical practices. All our products go through regular quality checks to ensure superior quality and minimal rejections.



People

The talent and passion of our people to churn out the latest and high-quality apparel form the backbone of our Company. We leave no stones unturned in attracting and retaining the best talent and encouraging our people by offering them varied opportunities across the globe.



Community

We are a brand with a conscience and are strongly aware of our responsibility towards the society. We undertake several activities for the upliftment of the communities around us.

HOW DO WE CREATE VALUE

The company follows a multi-pronged strategy focused on strengthening its business model while moving towards value retail by creating a strong pipeline of new products. With its scalable business model, it strives to maximise value for its stakeholders.



Design

Consumers today want excellence in design that is functional, contemporary, yet creative. They want a mix of traditional and modern. They want edgy and unique, and at the same time, they want their clothes designed for comfort. The Company's in-house design team understands the consumer by keeping track of changes in consumer trends globally. The energy of the brand and the compassion it attempts to inspire is reflected in the Company's design thinking. The design process is streamlined to include the understanding of emerging trends, creating relevant mood boards and colour cards, developing art work which is then approved at the highest levels.



Development

The development team builds the prototypes once the new designs are finalised. The product development phase involves two stages: prototype development and salesman samples (SMS). For prototype development, products are selected based on lab-dip samples and proto appearance. Post selection, the SMS stage kicks in, where the final samples are presented in buyer meetings. The company outsources production to its well-connected network of vendors.



Operations

The operations team works towards optimising operations for cost and efficiency while ensuring that quality is

maintained all through. They deliver on planning, production, and management while working with stringent timelines to ensure a smooth production cycle. The fabrics and garments are put through an extensive quality check, which serves to mitigate any process-related risks.



Marketing

The Company's marketing expertise has helped build a strong brand not only in India but also internationally. Our brand enjoys a strong recall among the youth through our collaboration with Being Human, driving a lot of passion, energy, and support for various causes. Our participation on various omni-channel platforms is helping us to further reach out to a wider customer base.

HOW DO WE OPERATE

At TMRVL, we structure our core processes based on our functions, resources, products, regions and channels.



Functions	- Market Survey - Design - Creative Media	- Product Development and Sourcing - Supply Chain - Merchandising - Planning	- Planning - Production - Management	- Marketing - Digital Platforms - Customer Insight
Resources	- People - Operations - Information Technology - Finance - Corporate Affairs			
Products	- Menswear - Womenswear - Accessories			
Regions	- India - Nepal - South-East Asia - Fiji - France			
Channels	Retail (Online and Offline)			

DIFFERENTIATORS

WHAT MAKES US UNIQUE

TMRVL is first and foremost about fashion and creation. The Company is seeking to constantly reinvent itself, embrace innovation, and challenge existing boundaries through creativity and design thinking. TMRVL is growing its ambitions and its commitment to its stakeholders, while staying true to its purpose as a brand and the exclusive brand partner to the Being Human – The Salman Khan Foundation.

OUR DIFFERENTIATORS

- Asset-light business model
- A strong balance sheet with negligible debt
- A well-established distribution network
- Being the exclusive brand partner for the Being Human brand
- Rapidly expanding footprint
- Ability to pursue own growth and investment opportunities
- Strong focus on corporate governance
- Growing domestic distribution network
- Strong management team
- Superior designing capabilities
- Streamlined product development processes
- De-risked production process
- Embedding IT to provide a unique shopping experience

OUR GROWTH STRATEGIES



AWARDS AND RECOGNITIONS

OUR ACHIEVEMENTS

TMRVL's trendsetting line of clothing and accessories for men and women has helped the Company make a mark for itself in the hearts of the youth. With strong encouragement from the management team, superior designing capabilities, strategic product development and production processes, and a committed team of young professionals, TMRVL has garnered several accolades over the years:

2019



- Transforming India Retail Awards by Ministry of Textiles & CMAI, Clothing Manufacturers, February – 2019
- Most admired retailer of the year in marketing and promotion – Prozone Mall store, By Prozone Mall Retail Awards, August – 2018
- Best Store Consumer Choice, Alpha One store, By Retail Renaissance Awards, October – 2018
- Best VM Display – SIS at Shoppers Stop City Centre, Kolkata, by Shoppers Stop city centre Kolkata, February – 2019
- Best VM Display - SIS Shoppers Stop Delhi, by Shoppers stop Delhi, December – 2018
- Best VM Display - SIS Shoppers Stop Baroda, by Shoppers stop Baroda, September – 2018



2018

- Most Admired Store – Seawoods Store, by Seawoods Grand Central, Navi Mumbai, March – 2018
- Customer Loyalty Initiative of the Year – Indian Retail Awards

2017

- Most Iconic Brand – Made in India

2016

- Images Most Admired Fashion Brand of the Year – Images Fashion Awards



2015

- Emerging Brand Award by National Awards – Marketing Excellence
- International Day for Persons with Disabilities – TRRAIN Retail Awards

The Company remains committed to continuing its endeavour to produce the best in fashion for its consumers and is optimistic of achieving more.



FOCUS ON DIGITAL

REINVENTING FASHION THROUGH DIGITAL INNOVATION

MRVL's business strategies are aimed at enabling the Company to achieve its high growth aspirations by leading the value retail space for young consumers. With digitalisation working to channel the growth of the fashion industry as a whole, numerous opportunities have opened up for solutions that provide a seamless customer experience. The Company is looking closely at developing its strengths in digital from a futuristic point of view.





Significant Online Presence

In this new Digital Age, technology is playing a huge part in the lives of the young generation.

The youth prefer shopping online on their mobile phones, tablets, laptops and desktops. Thus, to attract these young shoppers, all brands are strengthening their digital presence and also offering bargains and discount schemes.

We have had an online presence for many years and have partnered with the leading fashion portals in India

namely, Myntra, Jabong, Flipkart, Amazon and Koovs.

During the year, we also developed our own website beinghumanclothing.com to cater to these young shoppers. This online platform for 'The Clothing Line with a Heart' offers the latest, peppy trends that never go out of style. Customers can take indulgence in carefree shopping of the Being Human apparel online and also take advantage of the various discounts offered. We ship our products all over India. Our products are made with the

highest quality standards.

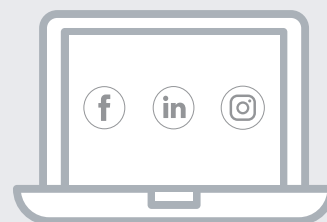
If our customers feel the need to exchange or return an item, we facilitate the process by offering detailed information and assistance online. This reflects our absolute and unwavering commitment to customer satisfaction.

We also started selling the Being Human brand on Fynd.com, an online fashion-shopping platform.

We contribute 5.75% of the revenue from both these platforms to the twin causes of education and healthcare supported by Being Human - The Salman Khan Foundation.

The Company's tie-ups with Tata Cliq, Myntra, CloudTail, Koovs and Amazon help to increase customer reach. Products to Myntra are sold under the sale or return model. We ensure the highest efficiency in our processes, from moving our customers' favourite apparel and accessories from the transportation hub to their homes or offices. These tie-ups enable us to reach a larger customer base, win their loyalty and also sustain competitive advantage in the market.

TMRVL's customer engagement involves keeping the consumers informed about the latest products using sales and social initiatives through social media platforms such as Facebook, LinkedIn and Instagram.





CONCEPT STORES

CREATING MEMORABLE SHOPPING EXPERIENCES

At TMRVL, we believe in providing rich customer experience. Our stores provide an ambience that helps to target the right customer. The in-store experience is designed around helping the consumers to make purchase decisions that translate into maximum value for them. The stores are uniquely designed to reflect the particular characteristics of the city in which they are located. This approach inspires a strong brand connect and provides an enjoyable experience to our consumers. The use of unique props in our stores brings out elements unique to each city.





Unique Retail Formats

TMRVL's 59 retail outlets are spread over 76,500 sq. ft., resulting in a strong brand prominence. The stores are designed and developed around the '3R' format of Recycle, Reuse, and Reinvent.

The company has devised a new store concept wherein stores are designed like a warehouse, to cultivate a relaxed, easy-to-browse feel. It is simple, cost effective, and spread over a larger area. It is also more efficient, with increased number of wall fixtures and shelves having expanded stock capacity. The walls are painted white in order to stand out, instead of grey, with one feature wall dedicated solely to the display of new product launches. As a part of the sales goes to charity, there is a backlit heart at the desk symbolising the cause.



59

TMRVL RETAIL OUTLETS





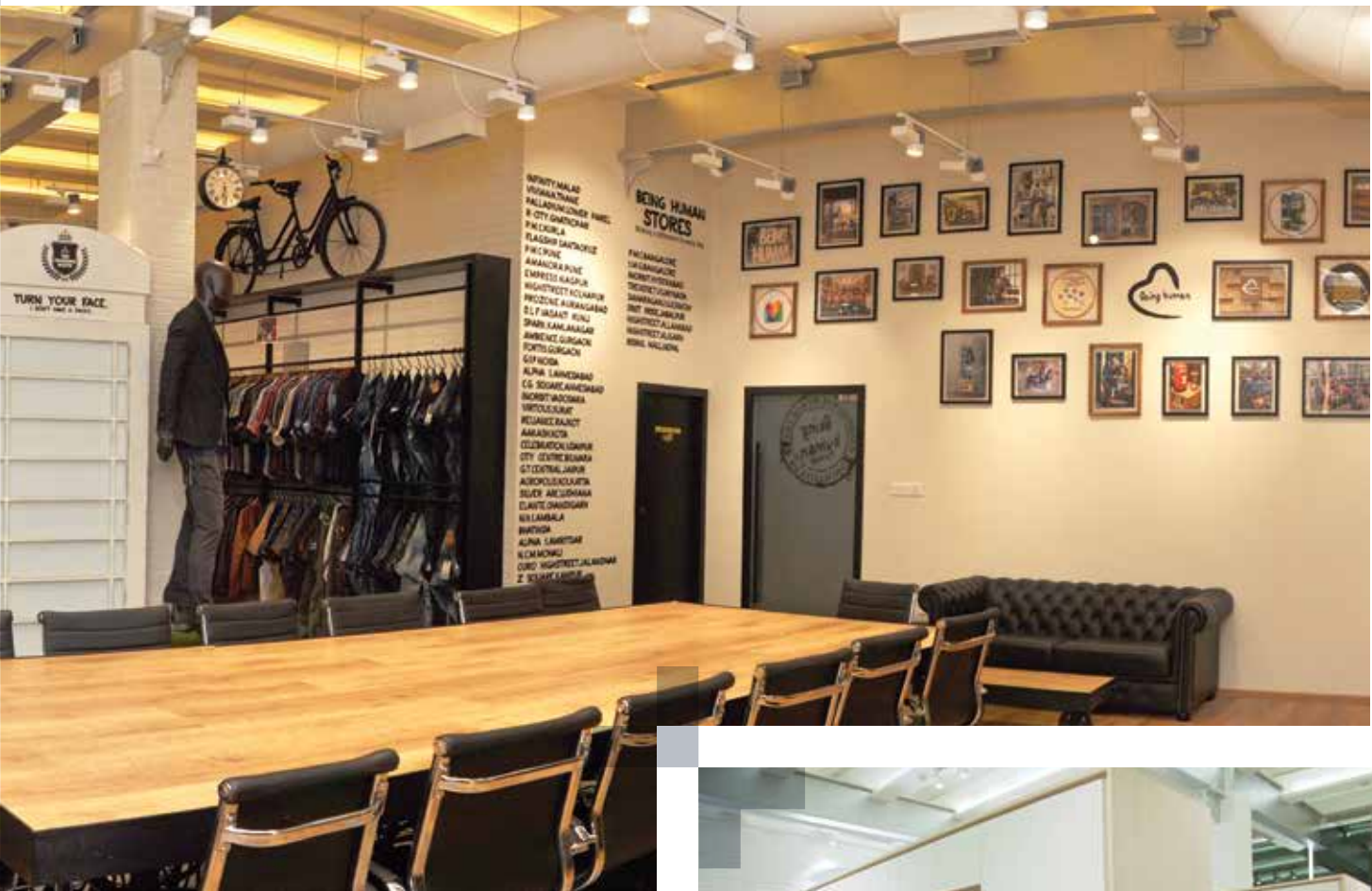
OUR PEOPLE

THOSE WHO DRIVE OUR SUCCESS



AT TMRVL, CREATIVITY AND PASSION DRIVE OUR BRAND TO CONNECT WITH ITS TARGET CUSTOMER. THE COMPANY PROVIDES A WARM, STIMULATING WORK ENVIRONMENT FOR ITS PEOPLE TO REALISE THEIR CREATIVE POTENTIAL. CARE FOR ITS PEOPLE AND THEIR FAMILIES IS INTEGRAL TO TMRVL'S VALUES OF JOY, LOVE, HOPE, HELP, SHARE, AND CARE.





Fostering Learning

TMRVL fosters a work environment that promotes learning. The Company enables its people to develop their personal talents and careers. The BH Learning Academy serves as a platform for our people to learn from each other, by facilitating skills training and learning development programmes. The Academy provides trainings on the basics of retail, gaining customer loyalty, sign language and Employee Stock Ownership Plans (ESOPs) focusing on the means of achieving great retail performance by enhancing store productivity and profitability. It also focuses on the fundamentals of coaching, mentoring, leadership, team motivation and the art of giving constructive feedback to managers to get the best out of their teams.

Building a Strong Connect

The energetic and positive work culture at TMRVL helps boost the potential of its people. There is a strong culture of employee engagement based on offering meaning, impact, connection, and appreciation on a daily basis. Employees are given



meaningful and well-defined roles and responsibilities, and are appreciated and rewarded for their excellent performance or breakthrough ideas.

Creating a Healthy Work Environment

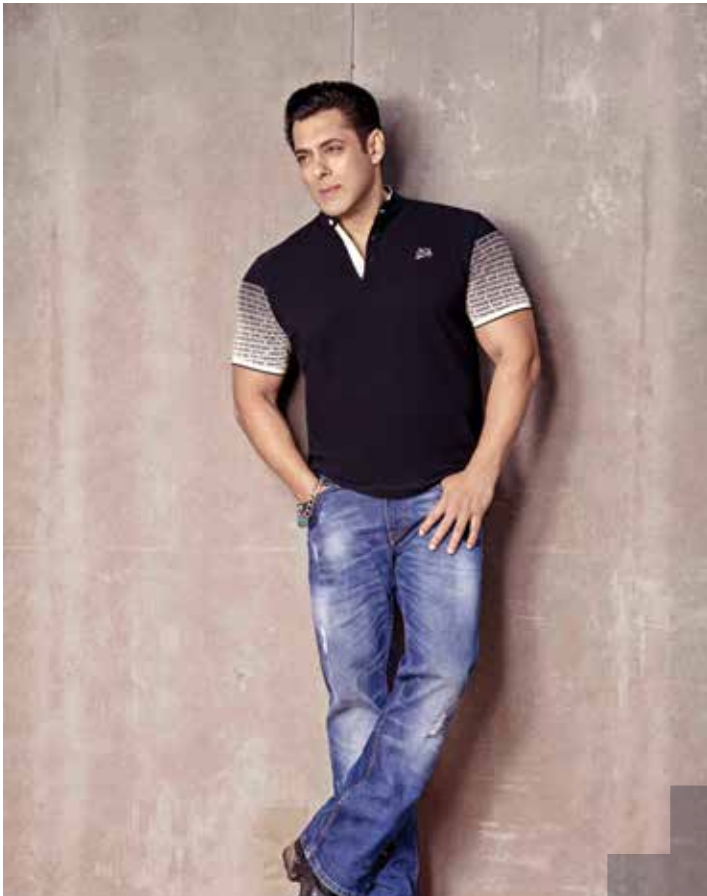
A healthy and hygienic workplace and a conducive professional and work environment are a priority at TMRVL for ensuring a constantly engaged workforce. The spacious workplace and vibrant interiors help stimulate their imagination and enable them to work more creatively.





CORPORATE SOCIAL RESPONSIBILITY (CSR)

DOING GOOD WHILE LOOKING GOOD



EVERYONE WANTS TO DO GOOD. BEING HUMAN ENABLES YOU TO DO GOOD BY THE SIMPLE ACT OF SLIPPING ON A T-SHIRT OR A PAIR OF JEANS. ALL LIFESTYLE PRODUCTS ARE ABOUT MAKING YOU LOOK GOOD, BEING HUMAN ALSO HELPS YOU DO GOOD.

SALMAN KHAN



TMRVL is deeply committed to doing the right thing. The Company wants its people to come to work every day feeling proud to be a part of doing good for the community. The Company is also strongly committed to conducting business in compliance with applicable laws, rules, and regulations in all markets in which it operates.

TMRVL contributes primarily towards promoting education, including special education and vocational skills to enhance employment opportunities among the differently abled, providing health and emergency care, and providing training to promote sports.

TMRVL sponsored the education of 50 children of Ek Prayas Educational Society, a Kolkata-based NGO. It covers their study materials, uniforms, and meals. Initiatives are also being undertaken to empower underprivileged youth with the skills required to upgrade themselves and secure good jobs.

We also joined hands with a Municipal school in Mumbai, Parel, named Saibaba Path School which

was a project under a trust named EDUCO. The objective lies under the fact that around 250 million children under age 5 suffer from stunting and extreme poverty and lack of proper education. This initiative, "Early Childhood Development Program" covering around 200 children in the 4-6 age group and focusing on quality, nutrition and behavioural change aims to develop linguistic, cognitive and social skills.

Being Human – The Salman Khan Foundation has helped hundreds of individuals, including children, procure treatment for conditions like congenital heart defects, cataract and craniofacial deformities. TMRVL has supported efforts to run the preventable blindness programme, generated voluntary bone marrow profiles to create a world-class stem cell registry in India, and several unaided schools in Mumbai, India.

Here are some initiatives that we undertake to make the world a better place:

- Most of the Being Human stores employ the differently abled, giving them the ability to hold their own in the society. Currently, we have 42 differently abled employees working in our Being Human stores across the country. Going forward, the brand plans to employ at least two differently-abled people at each of its 36 EBOs (Exclusive Business Outlets).



- Another initiative that we looked at was under Healthcare – helping cancer patients: "A nation's greatness is measured by how it treats its weakest members". Keeping this motto in mind, we connected with Friends of Max which was formed with a unique idea of conducting "Chai for Cancer" Adda, a fund raising and awareness session for Cancer patients, helping children/youngsters fight the dreadful disease and help them live a healthy and normal life. Through Friends of Max, we supported around 40 patients in 2018-19 for their therapies, treatment and other nutritional requirements.
- We also covered Stress Management which is affecting many youngsters, especially in the corporate sector and joined hands with the Yoga Vidya Pranik Healing Foundation which uses a scientific technique called Pranik Healing, to help cure various physical and mental diseases and caters to wellness at Corporates.
- TMRVL also supported the Deaf Cricket Association, Delhi which provides training to promote Cricket for Persons with Disabilities.





BOARD OF DIRECTORS AND THE EXECUTIVE OFFICE

OUR EMINENT LEADERSHIP

BOARD OF DIRECTORS



MR. PRADIP DUBHASHI
Chairman, Non-executive and Independent Director

Mr. Pradip Dubhashi was appointed as the Chairman, and Non-Executive and Independent Director of TMRVL's Board on October 7, 2016. He holds a Bachelor's degree in Electrical Engineering from the College of Engineering Pune (CoEP) and a Postgraduate Diploma in Management (PGDM) from the XLRI School of Management (Jamshedpur). He has 46 years of experience in the development banking industry and strategy consulting.



MR. RAMNATH PRADEEP
Non-executive and Independent Director

Mr. Ramnath Pradeep holds a Master's degree in Economics and Law. He has had an enriching experience with Corporation Bank, Central Bank of India, State Bank of India and Bank of India and was appointed as a legal adviser to ONGC Ltd. He was also on the Boards of IILFS, Centbank Financial Services Ltd., Centbank Home Finance Ltd., Corp Bank Security Ltd., Indian Institute of Banking and Finance Ltd. and Zen Advisors Pvt. Ltd.



MR. KIRAN VAIDYA
Non-executive and Independent Director

Mr. Kiran Vaidya was appointed as a Non-executive and Independent Director on our Board on October 7, 2016. He holds a Bachelor's degree in Commerce from Bangalore University and is an associate member of the Institute of Cost and Works Accountants of India (ICWAI). He has over 36 years of experience in various industries in the fields of finance, accounts, costing, budgeting and project finance.



MRS. SANGEETA MANDHANA
Managing Director & Chief Financial Officer

Mrs. Sangeeta Mandhana holds a Bachelor's degree in Commerce from Calcutta University. Mrs. Mandhana has also done International Montessori course from London Montessori Centre, Calcutta and was into teaching for few years. With her expertise in designing apparel and outfits, she was previously heading the Design department of Golden Seams Industries Pvt. Ltd. as its Vice-President – Design.



MR. PRIYAVRAT MANDHANA
Executive Director

Mr. Priyavrat Mandhana holds a Bachelor's degree in Commerce from Mumbai University. He has also completed 'Masters of Innovation and Entrepreneurship' from the University of Warwick, United Kingdom. He was previously associated with Mandhana Industries Limited as V.P. - Corporate Affairs. He plays an important role in strategising and monitoring the retail business of the Company.



MR. SACHIN JAJU
*Non-executive Director
(Upto 2nd June, 2019)*

Mr. Sachin Jaju holds a Bachelor's degree in Commerce and a Master's degree in Accounts from R.A. Poddar College, Mumbai. He also has a Master's degree in Marketing from the Narsee Monjee Institute of Management Studies (NMIMS), Vile Parle. He has hands-on experience of 19 years in business.

EXECUTIVE OFFICE



MR. MANISH MANDHANA
Chief Executive Officer

Mr. Manish Mandhana holds a Bachelor's degree in Commerce from Mumbai University and has about 26 years of experience in the textile industry. He has extensive and rich entrepreneurial experience in the diverse areas of marketing, design, merchandising, production and management. Mr. Mandhana has been instrumental in setting up the retail business for the Mandhana Group.



MR. JAGDISH PAMWANI
Vice President - Sales

Mr. Jagdish Pamwani holds a Bachelor's degree in Commerce from Mumbai University and has completed a Professional Development Programme from Cornell University, New York. He is Vice President - Sales with TMRVL and is handling sales in the following verticals: Large Format Stores (LFS), Multi Brand Outlets (MBOs), e-commerce and distribution.



MR. MUSTAFA KANCHWALA
Vice President - Operations & Business Development

Mr. Mustafa Kanchwala completed his Masters in Sales & Marketing from Mumbai and comes with a varied experience of over 20 years in the areas of Retail Store Operations, Sales & Marketing, Business Development, Client Relationship Management and Team Management. He is working in the capacity of Vice President - Operations & Business Development and has been instrumental in handling pan-India EBO and Franchisee Retail Operation. He also plays a major role in developing Annual Business Plan for the Current and Upcoming stores and mentors the BD team in analysing, identifying and finalising the best possible location for the brand.



MR. KARAN BERRY
Creative Director (Visual Merchandising, Projects & Marketing)

Mr. Karan Berry holds a Master's degree in Indian Aesthetics, Advanced Diploma in Cordwainers Footwear Design from the London College of Fashion, UK, Post-graduate Advanced Diploma in Fashion Technology and works in the capacity of Creative Director and handles the Marketing & Projects functions and has been instrumental in overseeing and providing his expertise with respect to Designing, be it Store design, Product design, Marketing creatives and overall designing for the organisation. He has played a significant role in shaping & strategising the Store Design Concept which includes creating window and in-store displays, Layout & Planning, Seasonal communications across all our formats pan-India. He has been taking care of the Design and Planning window concept in tandem with Marketing and Collection Concepts to help increase footfalls and sales. He has also been taking care of the Projects function which includes Sourcing, Planning, Designing and execution of end-to-end Project Completion ensuring optimal utilisation of resources and maximum allocation of retail space.



MS. VARSHA RAGHURAM
Vice President Sourcing

Ms. Varsha Raghuram completed her certification in Fashion Design and Merchandise from JD Institute, Mumbai. She is an Apparel Merchandise and Fashion Industry Expert with over 24 years of comprehensive experience in Indian and International market is associated with us as Vice President - Sourcing. She has hands on experience in Product Development, Sourcing and Product Quality and has been instrumental in deriving key insights through regular interactions and exchange of ideas / inputs with the customers on evolving trends / improvising on product, pricing and services. She has worked closely in coordination with the Design team on forecast / adapting to product cycles, client segments in accordance with the global macro-economic and social developments aligned with the Company's vision and short term goals.



MR. VIRENDRA VARMA
Company Secretary

Mr. Virendra Varma is an Associate Member of the Institute of Company Secretaries of India. He holds a Bachelor's degree in Commerce and in Law from Mumbai University. His association with the Mandhana Group has been since 2013. Prior to joining us, Mr. Varma was associated with Everest Kanto Cylinder Ltd., an Indian multi-national listed company. He has over nine years of experience in corporate governance, compliance, secretarial and administration of listed and unlisted companies in India and overseas.



MR. PRASHANT BOKIL
Head - IT

Mr. Prashant Bokil has rich experience of over 21 years in Information Technology and has been honoured with the Best CIO award for the last three consecutive years. He has also bagged various awards for Digital Transformation, Artificial Intelligence and Augmented Reality from renowned banners such as Economic Times, Retail Association of India, etc. Mr Bokil has also represented the Company as a speaker at all Retail and Information Technology forums. He joined TMRVL in 2015 as Head IT and plays a major role in the latest technology implementation and process enhancement.



MR. KALPESH VYAS
Head - Warehouse

Mr. Kalpesh Vyas is associated with us as Head – Warehouse and manages the entire Warehouse & Logistics Operations. He comes with a rich experience of around 10 years in Warehouse Operations, Stock Audits and Reconciliation of Physical Stock and is responsible for ensuring optimum inventory levels at all times. In his past assignment, he was associated with Agrawal Metal Works Private Ltd. and Power Build Ltd.



MS. DEEPALI MATHUR
Head - Human Resource

Ms. Deepali Mathur is a Human Resource Professional with a rich experience of around 11 years. Her varied experience in the HR sphere encompasses Talent Acquisition and Development, Succession Planning, Workforce Planning, Statutory Compliances, Compensation & Benefits, Performance Management, and Career & Leadership Development. Prior to joining TMRVL, she was associated with Trent Ltd. and Trent Hyper Market Ltd. Currently, she holds the position of Head – HR & Administration with TMRVL and is responsible for fostering a learning culture, handling and supervising the entire HR operations, including handling employee grievances and employee engagement. She is a member of the Trust for Retailers & Retail Association of India (TRRAIN) and has contributed as a speaker/jury member in various HR & manning conclaves organised by the Retailers Association of India.

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. PRADIP DUBHASHI
Chairman, Non-executive and Independent Director

MR. RAMNATH PRADEEP
Non-executive and Independent Director

MR. KIRAN VAIDYA
Non-executive and Independent Director

MRS. SANGEETA MANDHANA
Managing Director & Chief Financial Officer

MR. PRIYAVRAT MANDHANA
Executive Director

MR. SACHIN JAJU
*Non-executive Director
(Upto 2nd June, 2019)*

BOARD COMMITTEES

Audit Committee
MR. KIRAN VAIDYA
Chairman

MR. PRADIP DUBHASHI
Member

MR. RAMNATH PRADEEP
Member

MR. PRIYAVRAT MANDHANA
Member

Nomination & Remuneration Committee

MR. RAMNATH PRADEEP
Chairman

MR. PRADIP DUBHASHI
Member

MR. KIRAN VAIDYA
Member

Stakeholders Relationship Committee

MR. SACHIN JAJU
*Chairman
(Upto 2nd June, 2019)*

MR. PRIYAVRAT MANDHANA
Member

MR. RAMNATH PRADEEP
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

MR. SACHIN JAJU
*Member
(Upto 2nd June, 2019)*

Management Committee

MR. PRIYAVRAT MANDHANA
Chairman

MRS. SANGEETA MANDHANA
Member

MR. SACHIN JAJU
*Member
(Upto 2nd June, 2019)*

KEY MANAGERIAL PERSONNEL

MRS. SANGEETA MANDHANA
Managing Director & Chief Financial Officer

MR. MANISH MANDHANA
Chief Executive Officer

MR. VIRENDRA VARMA
Company Secretary

STATUTORY AUDITORS

M/s. BSR & CO. LLP
Chartered Accountants

SOLICITORS

M/s. CRAWFORD BAYLEY & CO.
Advocates & Solicitors

INTERNAL AUDITOR

ANEJA ASSURANCE
PRIVATE LIMITED
Chartered Accountants

SECRETARIAL AUDITOR

MR. NITIN R. JOSHI
Practicing Company Secretary

BANKERS

HDFC BANK LIMITED
AXIS BANK LIMITED
CORPORATION BANK
STATE BANK OF INDIA

REGISTRAR AND SHARE TRANSFER AGENT

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- 2525-697301 to 306

CORPORATE OFFICE

006-008, Peninsula Centre,
Dr. S. S. Rao Road,
Parel, Mumbai - 400 012
Tel: 91-22-4353 9126
E-mail: cs@mandhanaretail.com
Website: www.mandhanaretail.com



MR. SACHIN JAJU

combined incredible achievement
with great humility. He will always
be in our memories.





DIRECTORS' REPORT

Dear Shareholders,

The Directors have pleasure in presenting the 8th Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2019.

1. Financial Highlights

(₹ In Lakh)		
Particulars	2018-19	2017-18
Total Turnover	21,987.25	25,944.93
Other Income	216.87	128.78
Profit Before Interest, Depreciation and Taxation	641.85	2,095.74
Less: 1. Interest	(245.70)	(177.24)
2. Depreciation	(385.70)	(367.36)
Profit Before Taxation	10.45	1,551.14
Less: Provision for Taxation		
Current Tax	-	(181.00)
Deferred Tax	(44.35)	(380.08)
Net Profit for the Year	(33.9)	990.06
Less: Income Tax paid for earlier year	(25.01)	(87.34)
Profit after Taxation	(58.91)	902.72
Add : Other Comprehensive Income for the Year	0.73	10.38
Total Comprehensive Income for the year	(58.18)	913.10
Less: Transfer to General Reserve	0.00	0.00
Balance carried forward	(58.18)	913.10

Note: Figures in brackets represent negative number.

2. Company Performance and Business Overview

A detailed discussion of operations for the year ended 31st March, 2019 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 2018-19.

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

No material changes and commitments have occurred after the close of the financial year till the date of this report, which affect the financial position of the Company.

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 2018-19. 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 Company, Mrs. Sangeeta Mandhana retires by rotation and being eligible, offers herself for re-appointment. Brief details of Mrs. Sangeeta Mandhana as required under Regulation 36(3) of Listing Regulations are provided in the notice of the ensuing Annual General Meeting.

The Members of the Company in the 5th Annual General Meeting held on 7th September, 2016, have approved the appointment of Mrs. Sangeeta Mandhana and Mr. Priyavrat Mandhana as the Managing Director and Executive Director of the Company, respectively, for a period of 3 (three) years effective from 1st September, 2016 to 31st August, 2019. Further, in accordance with the Schedule V and other applicable provisions of the Companies Act, 2013, on the recommendation made by the Nomination and Remuneration Committee and the Audit Committee of the Company at its meeting held on 30th May, 2019, the Board of Directors of the Company at its meeting held on even date has approved the re-appointment of Mrs. Sangeeta Mandhana as Managing Director and Mr. Priyavrat Mandhana as Executive Director for a further period of 3 years commencing from 1st September, 2019 on terms and conditions as set out in the resolutions mentioned in the Notice convening the 8th Annual General Meeting of the Company.

The members' approval is being sought at the ensuing Annual General Meeting for the above appointment.

The Company has received declarations from all the

DIRECTORS' REPORT

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. Hemant Gupta has resigned from the office of Chief Financial Officer ('CFO') and Chief Operating Officer of the Company w.e.f. 15th December, 2018. Subsequent to his resignation, the Board of Directors at its meeting held on 16th March, 2019, delegated the additional duty/charge pertaining to the office of the CFO to Mrs. Sangeeta Mandhana, Managing Director of the Company, until the appointment of a suitable candidate for the post of CFO. During the year under review, none of the other 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 13th February, 2019 without the presence of Executive Directors or Members of the Management. All the Independent Directors attended the Meeting. The Board of Directors expressed its satisfaction with the evaluation process.

10. Number of Meetings of the Board of Directors

During the year 5 (Five) 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.

The Board has revised the Vigil Mechanism/Whistle-Blower policy to insert "reporting of incidents of leak or suspected leak of Unpublished Price Sensitive Information (UPSI)" in terms of Securities and Exchange Board of

India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. 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.mandhanaretail.com/investor-relations.php>

12. Audit Committee

As on 31st March, 2019, 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

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

13. Nomination and Remuneration Policy

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 along with the changes made therein are given under Annexure - 'A' to this Report and the detailed policy is available on the website of the Company at <https://www.mandhanaretail.com/investor-relations.php>.

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 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.



DIRECTORS' REPORT

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.mandhanaretail.com/investor-relations.php>. Your Directors draw attention of the members to Note No. 35 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 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 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2018-19 are as under:

Sr. No.	Name of Director /KMP and Designation	Remuneration of Director/ KMP for FY 2018-19 (₹ in Lakh)	% increase in remuneration in FY 2018-19	Ratio of remuneration of each Whole-Time Director to Median Remuneration of Employees
1	Mrs. Sangeeta Mandhana - Managing Director & Chief Financial Officer*	100.15	Nil	44.13
2	Mr. Priyavrat Mandhana - Executive Director	100.15	Nil	44.13
3	Mr. Sachin Jaju - Non-Executive Director	4.00**	N.A.	N.A.
4	Mr. Pradip Dubhashi - Non-Executive Chairman and Independent Director	6.25**	N.A.	N.A.
5	Mr. Ramnath Pradeep- Non-Executive and Independent Director	6.50**	N.A.	N.A.
6	Mr. Kiran Vaidya - Non-Executive and Independent Director	6.00**	N.A.	N.A.
7	Mr. Manish Mandhana - Chief Executive Officer	100.15	Nil	N.A.
8	Mr. Virendra Varma - Company Secretary	11.76	Nil	N.A.
9	Mr. Hemant Gupta - Chief Financial Officer & Chief Operating Officer®	61.26	N.A.	N.A.

*Subsequent to the resignation of Mr. Hemant Gupta, the Board of Directors at its meeting held on 16th March, 2019, delegated the additional duty/charge pertaining to the office of the CFO to Mrs. Sangeeta Mandhana, Managing Director of the Company, until the appointment of a suitable candidate for the post of CFO.

®Mr. Hemant Gupta resigned from the office of CFO & COO of the Company w.e.f. 15th December, 2018.

** Exclusive of taxes.

Note: 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.

- ii. The median remuneration of employees of the Company during FY 2018-19 was ₹ 2,26,912/- per annum;
- iii. In the financial year under review, there was an increase of 6.62% in the median remuneration of employees;
- iv. There were 537 permanent employees on the rolls of the Company as on 31st March, 2019 (excluding both the Executive Directors);

DIRECTORS' REPORT

- v. Average percentage increase in the salaries of employees other than the managerial personnel in the last financial year i.e. FY 2018-19 was 5.17% as compared to FY 2017-18. As regards comparison of Managerial Remuneration of FY 2018-19 over FY 2017-18, details of the same are given in the above table at sr. no. (i);
- 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 at the Registered Office of the Company during working hours upto the date of the Annual General Meeting and shall be made available to any shareholder on request. The said statement is also available on the website of the Company, the weblink to which is <https://www.mandhanaretail.com/>.

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 8th Annual General Meeting does not include the proposal seeking ratification of the appointment of the Statutory Auditors.

The Auditors Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended 31st March, 2019. 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.

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, the Company has appointed Mr. Nitin R. Joshi, Practising 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

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, 2019.

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, 2019, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;



DIRECTORS' REPORT

- 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, 2019 are provided under Annexure - 'D' to this report.

26. Extract of Annual Return

Pursuant to the provisions of Section 92(1) of the Companies Act, 2013 ('Act') as amended by the Companies Amendment Act, 2017, the extract of Annual Return in Form MGT-9 is provided under Annexure - 'E' to this Report. Further, pursuant to Section 134(3)(a) of the Act, a copy of the Annual Return is uploaded on the website of the Company and the web link of which is: <https://www.mandhanaretail.com/investor-relations.php>

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. Share Capital

During the year under review, the Members of the Company at its 7th Annual General Meeting ('said AGM') held on 25th August, 2018 had approved the increase in the Authorised Share Capital

of the Company from ₹ 30,00,00,000/- (Rupees Thirty Crore Only) divided into 3,00,00,000 (Three Crores) equity shares of ₹ 10/- (Rupees Ten Only) each to ₹ 40,00,00,000/- (Rupees Forty Crore Only) divided into 4,00,00,000 (Four Crores) equity shares of ₹ 10/- (Rupees Ten Only) each and consequently the Memorandum and Articles of Association of the Company were also amended in the said AGM to reflect the increased Authorized Share Capital of the Company.

29. 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 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 during the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

30. 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
Managing Director
& Chief Financial Officer
DIN: 06934972

Priyavrat Mandhana
Executive Director
DIN: 02446722

Place: Mumbai
Date: 30th May, 2019

ANNEXURE - 'A' TO DIRECTORS' REPORT**SALIENT FEATURES OF NOMINATION AND REMUNERATION POLICY ALONG WITH THE CHANGES MADE THEREIN**

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

During the year under review the Board of Directors of the Company in its meeting held on 28th May, 2018 had reviewed the Remuneration Policy for Directors, KMPs and other employees and modified the provision regarding evaluation of the officers of the Company which are two level below the Board by directing that the 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.

The Board further directed the Management to suitably amend the Nomination and Remuneration policy of the Company to incorporate the aforesaid modifications and any other incidental or ancillary modifications that may be required or deem necessary.

The Board of Directors of the Company in its meeting held on 30th May, 2019 further modified the Nomination and Remuneration 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.mandhanaretail.com/admin/Documents/DOC5b3473bf8b195.pdf>

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

Sangeeta Mandhana
Managing Director
& Chief Financial Officer
DIN: 06934972

Priyavrat Mandhana
Executive Director
DIN: 02446722

Place: Mumbai
Date: 30th May, 2019



ANNEXURE - 'B' TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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 31st March, 2019 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 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made under that Act;
- (ii) The Securities Contracts (Regulations) 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) 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) Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;
- (ii) The Equity Listing Agreement, to the extent applicable,

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

entered in to by 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 subject to the following observations:

During the period under review, the Company has spent only a part of the amount eligible to be spent on Corporate Social Responsibility.

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 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. Hemant Gupta has resigned from the office of Chief Financial Officer ('CFO') and Chief Operating Officer of the Company w.e.f. 15th December, 2018. Subsequent to his resignation, the Board of Directors delegated the additional duty/charge pertaining to the office of the CFO to Mrs. Sangeeta Mandhana, Managing Director of the Company, until the appointment of a suitable candidate for the post of CFO.

Date: 29th May, 2019

Place: Mumbai

(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.

Date: 29th May, 2019

Place: Mumbai

(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 2018-19

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 is interwoven in the three areas, i.e. Promoting education, Health care (including preventative health care) and Sports.

The CSR policy is placed on the website of the Company and link for the same is <http://www.mandhanaretail.com/investor-relations.php>

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

₹ 2,379.09 Lakh.

4. Prescribed CSR Expenditure

₹ 47.58 Lakh representing 2% of the Average Net Profit of the Company for the last three financial years.

5. Details of CSR Spent During the Financial Year

- (a) Total amount spent for the financial year - ₹ 27.18 Lakh
 (b) Amount unspent, if any - ₹ 20.40 Lakh
 (c) Manner in which the amount spent during the financial year –

(1) Sr. No.	(2) CSR Project / Activity identified	(3) Sector in which the Project is covered	(4) Locations	(5) Amount outlay (budget) project or program wise	(6) Amount spent on the projects or programs	(7) Cumulative expenditure up to the reporting period	(8) Amount spent directly or through Implementing Agency
1.	Education & Food for the children from economically backward families	Education & Health Care	Kolkata	Not Available	₹ 4.60 Lakh	₹ 9.20 Lakh	Implementing Agency - Ek Prayaas Educational Society
2.	Supporting cancer patients with the funds for Treatment & livelihood which includes the cost of their Medical Tests & Nutritional support	Health Care	Mumbai	Not Available	₹ 6.80 Lakh	₹ 6.80 Lakh	Implementing Agency - Friends of Max
3.	Training to promote Cricket for Person with Disability	Training to support nationally recognized sport	Delhi	Not Available	₹ 0.40 Lakh	₹ 0.40 Lakh	Implementing Agency - Deaf Cricket Association
4.	Wellness in Corporates through Pranic Healing	Health Care (including preventive health)	Mumbai	Not Available	₹ 3.38 Lakh	₹ 3.38 Lakh	Implementing Agency - Yoga Vidya Pranic Healing Foundation

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

5.	For Project "Early Childhood Development" to promote education of Jr Kg/Sr Kg children from the underprivileged sections of the society	Education	Mumbai	Not Available	₹ 12 Lakh	₹ 12 Lakh	Implementing Agency - Educo - Saibaba Path School
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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

The Company has incrementally added scale, increased scope and coverage of CSR projects. The scaling up of projects has come on the back of learning from earlier projects. This approach helps in assessing outcome in a community over a period of time and then set up efforts to help communities. In this Financial Year CSR projects were initiated in new geographies such as Delhi and Mumbai.

Apart from the funding the essential educational needs & health requirements and promoting sports, the Company is also considering some other initiatives and in this regard, the Company is in dialogue with several registered Trusts and Societies to further its CSR objectives.

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 & Chief Financial Officer
 DIN: 06934972

Priyavrat Mandhana
 Executive Director
 DIN: 02446722

Place: Mumbai
 Date: 30th May, 2019



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 : ₹ 2282.23 Lakh

Outgo : ₹ 655.78 Lakh

For and on behalf of the Board of Directors

The Mandhana Retail Ventures Limited

Sangeeta Mandhana

Managing Director & Chief Financial Officer

DIN: 06934972

Priyavrat Mandhana

Executive Director

DIN: 02446722

Place: Mumbai

Date: 30th May, 2019

ANNEXURE - 'E' TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2019

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

I. Registration & Other Details :

i. CIN	L52390MH2011PLC213349
Registration Date	12 th 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	006-008, Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai – 400 012 Tel.: 91-22-43539126 email : cs@mandhanaretail.com Web : www.mandhanaretail.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 (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change During the year [®]
	Demat	Physical	Total	% of Total Shares [®]	Demat	Physical	Total	% of Total Shares [®]	
A. Promoters									
(1) Indian :									
a) Individual/HUF	49,07,431	–	49,07,431	22.22	45,93,765	–	45,93,765	20.80	(1.42)
b) Central Government/ State Government	–	–	–	–	–	–	–	–	–
c) FI / Banks	–	–	–	–	–	–	–	–	–
d) Bodies Corporate	9,98,522	–	9,98,522	4.52	7,98,522	–	7,98,522	3.62	(0.9)
e) Any other – Relative of Promoters	24,30,590	–	24,30,590	11.01	21,30,590	–	21,30,590	9.65	(1.36)
Sub-Total (A)(1)	83,36,543	–	83,36,543	37.75	75,22,877	–	75,22,877	34.07	(3.68)



ANNEXURE - 'E' TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

Category of shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% 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	83,36,543	-	83,36,543	37.75	75,22,877	-	75,22,877	34.07	(3.68)
Gr.(A)=(A)(1)+(A)(2)									
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	6,58,374	-	6,58,374	2.98	6,67,775	-	6,67,775	3.02	0.04
f) Financial Institutions/ Bank	4,61,225	-	4,61,225	2.09	4,40,272	-	4,40,272	1.99	(0.10)
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
i) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	11,19,599	-	11,19,599	5.07	11,08,047	-	11,08,047	5.02	(0.05)
(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	29,30,116	2,213	29,32,329	13.28	33,57,642	1,514	33,59,156	15.21	1.93
Individual Shareholders holding Nominal share Capital in Excess of ₹ 1 lakh	56,90,675	-	56,90,675	25.77	54,61,646	-	54,61,646	24.73	(1.04)
b) NBFCs registered with RBI	-	-	-	-	10	-	10	0.00	0.00
c) Employees Trusts	-	-	-	-	-	-	-	-	-
d) Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
e) Any Other (Specify):	40,03,463	-	40,03,463	18.13	46,30,873	-	46,30,873	20.97	2.84
H.U.F.	4,62,228	-	4,62,228	2.09	5,46,304	-	5,46,304	2.47	0.38
NRI-Non-Repat	64,806	-	64,806	0.29	31,927	-	31,927	0.14	(0.15)
Other Directors	35,333	-	35,333	0.16	35,333	-	35,333	0.16	-
NRI-Repat	3,01,037	-	3,01,037	1.36	2,45,102	-	2,45,102	1.11	(0.25)
Clearing Member	2,02,680	-	2,02,680	0.92	2,39,062	-	2,39,062	1.08	0.16
Bodies Corporate	29,37,379	-	29,37,379	13.31	35,33,145	-	35,33,145	16.00	2.69
Sub-Total (B)(3)	1,26,24,254	2,213	1,26,26,467	57.18	1,34,50,171	1,514	1,34,51,685	60.92	3.74
Total Public shareholding	1,37,43,853	2,213	1,37,46,066	62.25	1,45,58,218	1,514	1,45,59,732	65.93	3.8
(B)=(B)(1)+(B)(2)+(B)(3)									
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total = (A + B + C)	2,20,80,396	2,213	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.

ANNEXURE - 'E' TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

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.

(ii) Shareholding of Promoters:

Sr. No.	Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the Year (31.03.2019)			% 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	10,56,333	4.78	87.38	10,09,333	4.57	86.79	(0.21)
2	Mr. Priyavrat P. Mandhana	11,19,894	5.07	62.78	11,19,894	5.07	62.78	-
3	Mr. Biharilal C. Mandhana	8,99,666	4.07	70.36	6,33,000	2.87	100.00	(1.20)
4	Mr. Manish B. Mandhana	11,48,206	5.20	82.58	11,48,206	5.20	82.58	-
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	10,56,333	4.78	10,56,333	4.78
	13.03.2019 - Invocation by Pledgee	(47,000)	(0.21)	10,09,333	4.57
	At the end of the year	-	-	10,09,333	4.57
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	8,99,666	4.07	8,99,666	4.07
	07.06.2018 - Transfer of shares as a Collateral for Credit facility availed	(2,66,666)	(1.20)	6,33,000	2.87
	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
	Changes during the year	-	-	-	-
	At the end of the year	-	-	11,48,206	5.20
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.

**ANNEXURE - 'E' TO DIRECTORS' REPORT**

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

(iv) Shareholding Pattern of Top 10 Shareholders as on 31.03.2019 (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.	Altura Capital Advisors LLP				
	At the beginning of the year	-	-	-	-
	*04.01.2019 Market Purchase	9,11,494	4.13	9,11,494	4.13
	At the end of the year	-	-	9,11,494	4.13
3.	Vayoo Nandan Finance Co. Pvt. Ltd.				
	At the beginning of the year	-	-	-	-
	07.06.2018 - Transfer of shares by Promoter as a Collateral for Credit facility availed	2,66,666	1.20	2,66,666	1.20
	03.10.2018 Transfer of shares by Promoter as a Collateral for Credit facility availed	3,00,000	1.36	5,66,666	2.56
	09.10.2018 Transfer of shares by Promoter Group as a Collateral for Credit facility availed	2,00,000	0.91	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	50,000	0.23	50,000	0.23
	*18.05.2018 Market Purchase	30,000	0.13	80,000	0.36
	*13.07.2018 Market Purchase	42,000	0.19	1,22,000	0.55
	*27.07.2018 Market Purchase	20,000	0.09	1,42,000	0.64
	*31.08.2018 Market Purchase	75,000	0.34	2,17,000	0.98
	*07.09.2018 Market Purchase	5,000	0.02	2,22,000	1.00
	*14.09.2018 Market Purchase	1,000	0.00	2,23,000	1.00
	*15.02.2019 Market Purchase	60,690	0.29	2,83,690	1.29
	*22.02.2019 Market Purchase	16,310	0.07	3,00,000	1.36
	*15.03.2019 Market Purchase	5,000	0.02	3,05,000	1.38
	At the end of the year	-	-	3,05,000	1.38
7.	Rajasthan Global Securities Pvt. Ltd.				
	At the beginning of the year	2,00,280	0.91	2,00,280	0.91
	*18.05.2018 Market Purchase	21,074	0.09	2,21,354	1.00
	*15.02.2019 Market Purchase	26,377	0.12	2,47,731	1.12
	*22.02.2019 Market Purchase	9,347	0.04	2,57,078	1.16
	*15.03.2019 Market Purchase	26,512	0.12	2,83,590	1.28
	At the end of the year	-	-	2,83,590	1.28
8.	Jamish Investment Pvt. Ltd.				
	At the beginning of the year	2,01,960	0.91	2,01,960	0.91
	*11.05.2018 Market Purchase	20,000	0.09	2,21,960	1.00
	*28.12.2018 Market Purchase	10,000	0.05	2,31,960	1.05
	At the end of the year	-	-	2,31,960	1.05
9.	Mr. Ramesh Damani				
	At the beginning of the year	2,17,732	0.99	2,17,732	0.99
	*06.04.2018 Market Sale	(10,780)	(0.05)	2,06,952	0.94
	At the end of the year	-	-	2,06,952	0.94

ANNEXURE - 'E' TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

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 [®]
10.	Mr. Nimish Chandulal Shah				
	At the beginning of the year	1,62,167	0.73	1,62,167	0.73
	At the end of the year			1,62,167	0.73

[®]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.

(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
	At the end of the year			79,820	0.36
3.	Mr. Sachin Jaju				
	At the beginning of the year	35,333	0.16	35,333	0.16
	At the end of the year			35,333	0.16
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
	At the end of the year			11,48,206	5.20
8.	Mr. Virendra Varma - Company Secretary				
	At the beginning of the year	-	-	-	-
	At the end of the year			-	-
9.	Mr. Hemant Gupta*				
	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. Hemant Gupta resigned from the position of CFO & COO of the Company w.e.f. 15th December, 2018.

**ANNEXURE - 'E' TO DIRECTORS' REPORT**

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

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	-	750.46	-	-	750.46
ii)	Interest due but not paid	-	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-	-
Total = (i+ii+iii)			750.46	-	-	750.46
Change in Indebtedness during the financial year						
Additions		-	-	200.00	-	200.00
Reduction		-	(104.56)	-	-	(104.56)
Net Change		-	(104.56)	200.00	-	95.44
Indebtedness at the end of the financial year						
i)	Principal amount	-	645.89	200.00	-	845.89
ii)	Interest due but not paid	-	-	-	-	-
iii)	Interest accrued but not due	-	-	-	-	-
Total = (i+ii+iii)		-	645.89	200.00	-	845.89

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole time Director and/ or Manager :**

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	₹ 336.00 (Being double the limit as specified under Item A of Section II of Part II of Schedule V to the Companies Act, 2013)		

B. Remuneration to other Directors:

Particulars of Remuneration	Name of the Directors				Total Amount
	Pradip Dubhashi	Ramnath Pradeep	Kiran Vaidya	Sachin Jaju	
Fees for Attending Board / Committee Meetings	6.25	6.50	6.00	4.00	22.75
Commission	-	-	-	-	-
Others-Specify	-	-	-	-	-
Total (B)	6.25	6.50	6.00	4.00	22.75
Total Managerial remuneration (A+B) [®]					192.00
Overall Ceiling as per the Act	₹ 336.00 (Being double the limit as specified under Item A of Section II of Part II of Schedule V to the Companies Act, 2013)				

[®]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.

ANNEXURE - 'E' TO DIRECTORS' REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

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. Hemant Gupta Chief Financial Officer & Chief Operating Officer*
1	Gross Salary			
a)	Salary as per provisions contained in Section 17(1) of the Income Tax, 1961	96.00	11.55	61.26
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	11.55	61.26

*Mr. Hemant Gupta resigned from the office of CFO & COO of the Company w.e.f. 15th December, 2018.

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 & Chief Financial Officer

DIN: 06934972

Priyavrat Mandhana

Executive Director

DIN: 02446722

Place: Mumbai

Date: 30th May, 2019



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

World economic activity moderated from 3.8% in 2017 to 3.6% in 2018. This slowdown can be attributed to weakening market sentiment, trade policy uncertainty and concerns regarding China's outlook. However, the US witnessed a boost due to the fiscal stimulus, while the Eurozone faced slow growth due to the reduction in net exports. Trade-related disputes dominated the markets during 2018, which slowed global trade growth significantly below the 2017 average. Certain other factors that contributed to the fall in economic growth are the trade dispute between the US and China, a stricter banking credit regime in China, stabilising monetary policies in some of the larger advanced economies, stress in some developing economies such as Argentina and Turkey and disruption in the automotive industry in Germany post the issuance of new emission norms.

Outlook

Global growth is expected to decline to 3.3% in 2019 before picking up slightly to 3.6% in 2020 [Source: International Monetary Fund (IMF) and World Economic Outlook, April 2019]. Higher trade policy uncertainties and sharp tightening of global financial conditions are likely to act as key risks to global economic growth in 2019. The slight boost to the economy in 2020 would be on the back of significant monetary policy accommodation in major economies due to the lack of inflationary pressures. In the US, fading effects of fiscal stimulus and increasing interest rates will control economic growth. China has also ramped up its policy stimulus to counter trade tariffs. Also, the prospect of the US-China trade tension is expected to improve.



Global Growth Rates

(in %)

FY20(P)	3.6	
FY19(P)	3.3	
FY18	3.6	
FY17	3.8	
FY16	3.2	

P: Projections | Source: The International Monetary Fund (IMF) and World Economic Outlook, April 2019

*The global economy figures based on calendar year

INDIAN ECONOMY

Despite marginal growth to 6.8% this fiscal, the Indian economy remains the fastest growing major economy in the world. Increased consumption, rising disposable income and subsequent increase in spending contributed to propelling India's economy. Government reforms such as the Goods and Services Tax (GST) led to the development of a more organised economy. The government's push to infrastructure, visible in projects such as metro rails, freight corridors and port development, has increased the Gross Fixed Capital (GFC) from 9.3% in FY18 to 10% in FY19. India improved its ranking in the World Bank's Ease of Doing Business index by 53 positions in the last two years, to now assume the 77th position among 190 countries.

Outlook

According to the International Monetary Fund (IMF), India is expected to grow at 7.3% in CY19 and 7.5% in CY20. Benign inflation expectations, reduction in repo rates and sustained policy reforms that boost investment, ease banking sector concerns and emphasise infrastructure development are expected to bode well for the economy.

India's Growth Rates

(in %)

FY19	7.0	
FY18	6.7	
FY17	7.1	
FY16	7.6	
FY15	7.3	

Source: The Central Statistics Office (CSO)



INDIAN RETAIL

India is Asia's third-largest retail destination and the world's fourth largest after the US, China and Japan. Retail accounts for ~8% of the total employment in India and over 10% of its Gross Domestic Product (GDP). As one of the fastest-growing major economies, India is experiencing high growth in the consumer and retail markets, thus generating large investment and business opportunities.

Indian retail market

– by value (USD billion)

2026F	1,750		7.8
2021F	1,200		10.8
2017E	795		13.9
2011	365		

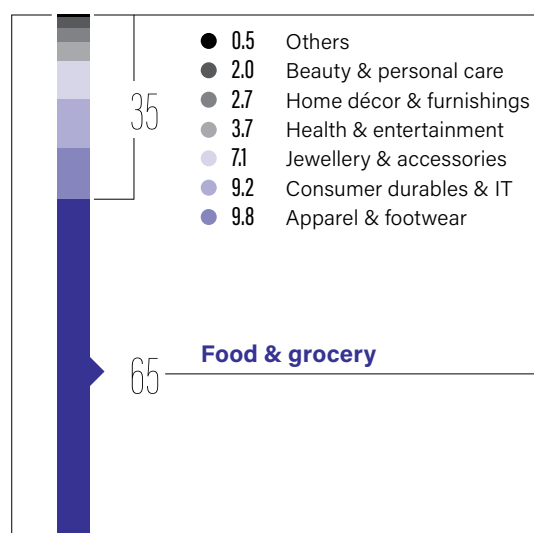
↑ CAGR (in %)

Source: Consumer LEADS, Deloitte, October 2018

Food and grocery drive the majority share of Indian retail, followed by the apparel and footwear, consumer durables and Information Technology (IT) segments.

Category-wise Breakup of Total Retail Market

(in %)

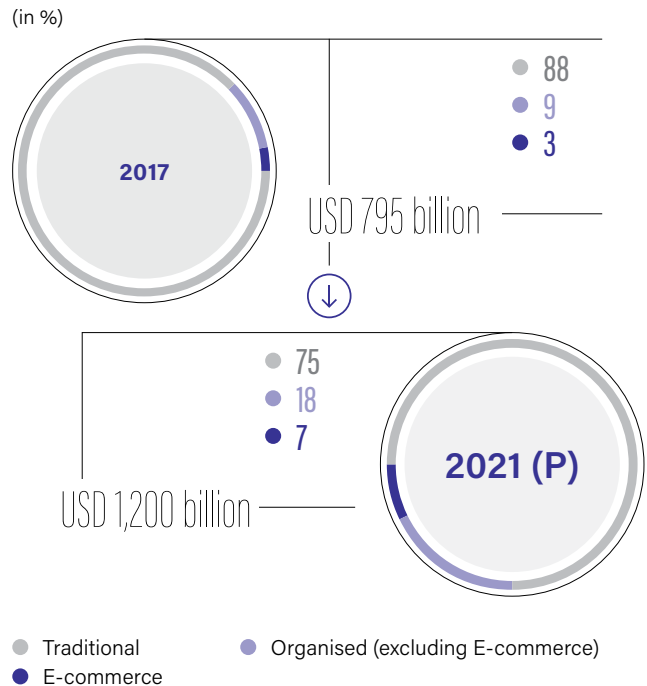


Source: KONECTED to consumers; Economist Intelligence Unit, accessed in April 2018.

Indian retail operates through various business models that are adapting to the evolving trends in preferences and the accelerated use of technology and the internet. There are four primary models: cash and carry (or wholesale trading), single-brand retail, multi-brand retail and e-commerce. That said, the market is highly fragmented, with traditional formats (or 'kirana' stores) dominating the conversation. Backed by growth in income, increased digital adoption and a significant demographic dividend, online shopping is witnessing a steady rise.

In January 2018, the Indian Government permitted 100% Foreign Direct Investment (FDI) in single-brand retailing under the automatic route. To strengthen regulation and competition, the government has amended the consolidated policy vis-à-vis FDI in e-commerce entities (applicable to all e-commerce marketplace entities w.e.f. February 1, 2019). The amendment prohibits equity participation by e-commerce players in the vendor entity, restricts ownership and control over the inventory of the vendor entity, and restricts the exclusive sale of products on the e-commerce platform of the marketplace player.

Contribution of Different Retail Formats



Source: *KONNECTED to consumers; Economist Intelligence Unit, accessed in April 2018; Media articles; Indian Retail industry: Growth, Trends, Challenges, and Opportunity, India Retailing, 16 November 2017; Deloitte analysis.*

Note*: E-commerce market here refers to sale of products and services through electronic transactions, home shopping is also considered a part of E-commerce.

GROWTH DRIVERS

- Expanding aspirational middle-class income groups
- Rapid pace of urbanisation and industrialisation
- Favourable demographics
- Rising internet penetration
- Evolving consumer profiles as well as attitudes
- Government-led structural reforms and policy initiatives



KEY TRENDS

- Rising share of millennial consumers
- Incorporating multi-channel retail strategies
- Leveraging social networks
- Personalising product experiences
- Emerging focus on wellness, convenience and comfort
- Imbibing digital and technology in every aspect of the value chain
- Adopting sustainable business practices that address the triple bottom line

Outlook

India is primarily a consumption-driven economy and its retail market is expected to touch \$1.2 trillion by 2021, wherein the share of organised retail is projected to grow from 9% in 2017 to 18% by 2021.

Consumer experience will be the key focus of retailers and technology will be a facilitator in that regard. McKinsey estimates India's apparel market to be worth \$59.3 Billion by 2022, making it the sixth largest in the world. In view of the rising appreciation, global trends awareness, growing aspirations and better purchasing power across the middle-class and upper middle-class, luxury apparel brands have the most advantage in the current scenario.

AN OVERVIEW OF TMRVL

Incorporated in 2011, The Mandhana Retail Ventures Limited (TMRVL) has swiftly emerged to be one of India's prominent branded apparel retailers. We are one of the leading men's apparel brands in India. We are the global exclusive brand licensee of 'Being Human – The Salman Khan Foundation' vis-à-vis designing, manufacturing, retailing and distribution of men's wear, women's wear and accessories. We primarily cater to the mid-level and premium segments, with the objective of attracting the new-age urban consumers.

We oversee functions of apparel design, quality, distribution and branding in-house, while outsourcing apparel production to select trusted vendors. We sell our apparel via Exclusive Brand Outlets (EBOs), Shop-in-Shops (SIS), franchisee outlets, distributors and e-commerce channels. We do not own any premises, but we take the same on lease for our EBOs. The premises for franchisee outlets are largely owned or leased by the franchisee partners themselves. The SIS counters operate in reputed multi-brand retail and department stores. Such an operating model allows us to remain 'asset light' and leverage a diversified distributor profile to maximise our reach.

Segment-wise Revenue

Point of Sale	EBOs	Franchisees	SIS	Distributors	E-Commerce	Others	Domestic	Export	(₹ in Lakh)
									Total
Net Sales	5,890	3,208	8,298	(88)	1,939	326	19,573	2,414	21,987
Gross Profit (GP)	3,685	1,887	4,883	(67)	1,141	(129)	11,400	974	12,374
GP (%)	62.56%	58.84%	58.84%	75.76%	58.84%	(39.50)%	58.24%	40.34%	56.28%
Profit Before Tax									10.45
Income Tax									(69.36)
Profit After Tax (PAT)									(58.91)

Operational Review

India is a confluence of tastes and preferences. It remains a complex market that presents challenges as well as opportunities. The apparel business is still largely unorganised. However, the country is increasingly becoming a focal point for the fashion industry. We are aggressively pursuing growth and widening our geographical reach by targeting the fashion consciousness with a strong value-for-money proposition.

Points of Sale (POS)

We are expanding our footprint in Tier II and III cities by tapping into the spending potential of the middle-income groups. During the year, we opened four new stores, of which three were EBOs and 1 was a franchisee. As of 31st March, 2019, we have a well-established network of 265 POS spread across the country.

Digital Footprint

Innovation is a business imperative to remain relevant. We are disrupting traditional business models and leveraging digital partnerships with start-ups in a dynamic retail landscape to stay ahead. Myntra is our largest e-commerce partner and we are actively exploring other opportunities to diversify our ecosystem.

Particulars

Net Sales	₹1,939 Lakh
Global Sales	8.82%
Domestic Sales	9.91%
GP	₹1141 lakh
GP	58.84%

Performance Review

During the year, we achieved sales ₹21,987.25 lakh, reflecting a decline of 15.25% over ₹25,944.93 Lakh in FY18. Our EBITDA margin decreased to 2.92%, from 8.08% in FY18. Net loss after tax stood at ₹58.91 Lakh, as compared to net profit of ₹902.72Lakh in FY18.

Particulars	Year ended		
	31.03.2019	31.03.2018	31.03.2017
Total Income	22,204.12	26,073.71	26,136.18
Net Profit for the Period before tax	10.45	1,551.14	2,282.14
Net Profit / (Loss) for the Period after tax	(58.91)	902.72	1,397.98
Total Comprehensive Income for the Period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after Tax)	(58.18)	902.72	1,407.25
Equity Share Capital	2,208.26	2,208.26	2,208.26





Strategic Review

As a responsible corporate, we are largely focused on generating long-term value for our shareholders. We appreciate the mosaic of Indian and international sensibilities which today dominates the domestic apparel trends. Our strategy mandates us to better understand how Indians consume, what colour they consume, what kinds of design they consume and what touch points and personalisation will benefit us. This involves a multi-pronged approach wherein we are innovating our business model and creating a strong pipeline of new products that appeal to the middle-income earners.

Human Assets

Our people are at the heart of everything we do and we implement a variety of initiatives to augment their operational capabilities. We strongly focus on training and development to enable the future growth of the organisation.

Trainings Conducted in the Year

Sr. No.	Details of Learning	Objective of Training	No. of Employees Covered
1.	Managerial Excellence	Fundamentals of coaching, mentoring, leadership, motivating the team and the art of giving constructive feedback to managers to help get the best out of their teams.	50
2.	Workshop on Music Learning	Pursuant to the Copyright Act of 1957, it is mandatory for all those who play pre-recorded music in the form of gramophone records, music cassettes, CDs, on radio, TV, audio-visual, etc. for non-private purposes or in public places and/or commercial establishments and/or non-commercial establishments to take prior licence from the copyright owner or licensing authority. Various music-licensing companies have been approaching for taking mandatory music licenses under the Copyright Act. There is a lot of confusion and lack of clarity in this regard. Hence, this workshop was organised by the Retailers Association of India to give guidelines on compliances to retailers on this point.	3
3.	Intelligent Visual Merchandising in Connected Retail	Connected retailing trends, the concept of unique experience propositions for retail, smart visual merchandising trends, Visual Merchandising (VM) data science, planning omni-channel VM, planning VM yield in sync with sales.	2
4.	Retail Technology Conclave	Advanced technologies such as Artificial Intelligence (AI), Virtual Reality (VR), Augmented Reality (AR), drones, advanced analytics, coupled with the Internet of Things (IoT), are helping make retail business smarter. Together, they are helping create magic at different touch points, gather insights rather than data, and connect with consumers to create something that is not just meaningful for them but also for the business. The Retail Technology Conclave (ReTechCon) 2018 focused on helping retailers understand all that is smart and cutting-edge in retail. Consumers are getting smarter by the day; this workshop enabled retailers to catch up with them.	2
5.	Excellence in Store Operations	Focused on the means of achieving great retail performance by virtue of enhancing the store productivity and profitability by adopting proven best practices.	3
6.	Manning Modern Retail (MMR 2019) - 12 th HR Conclave	RAI's HR Conclave, Manning Modern Retail (MMR), is the platform where various stakeholders of the retail industry come together to discuss the long-term road map with respect to HR strategy, not just for their own organisations but for the industry as a whole. It is also the forum for HR heads to collectively create an action plan and pledge their support in establishing practices and policies that would define retail industry as a preferred employer.	2
7.	Retail Leadership Summit (RLS) – 2019	The main theme of RLS 2019 was Customer Experience - Key to Mindshare and Market Share and various HR and marketing strategies that the Great Place to Work is following. By 2020, customer experience will overtake price and product as the key brand differentiator. It is the fulcrum on which a brand's success will be built. RLS 2019 aimed to assimilate people from various factions and formats of retail to talk about what could create new brand salience and experiences that helps increase mindshare and, thus, market share.	5
Total No. of Employees Trained			67

We recruit top talent from different backgrounds and take steady steps to nurture and retain them. We firmly believe in inclusive growth and being an employer of choice. Currently, we have 42 differently abled employees working in our Exclusive Business Outlets across the country. As on 31st March, 2019, our workforce strength is recorded at 537.

Risks and Mitigation

Key Risk	Description	Mitigative Action
Intense Pricing Rivalry	Various brands, both domestic and international, are entering the highly attractive Indian retail space and this is intensifying competition.	We are targeting the aspirational emerging city consumers with a strong focus on value-for-money.
Brand Continuity and Licensing Agreement	Our core strength lies in our exclusive deal with 'Being Human – The Salman Khan Foundation' and the extension of our agreement with it. The current licensing period extends until March 2020 and we face the risk of its discontinuance.	We enjoy a strong relationship with the Foundation and are in the process of renewing the licensing deal.
Procurement	We source our products for procurement and manufacturing from multiple vendors. Any disruption in procurement affects our business continuity.	We engage with stakeholders to efficiently source our products at competitive rates to maintain our gross margins and ensure timely execution.
Sensitivity to Consumer Spending	Consumer spending, a function of macroeconomic conditions, is critical to our business. Change in any of these conditions (growth rate, interest rates, inflation expectations, etc.) directly impact consumer sentiment.	Our core market is India whose economic outlook remains favourable on most counts.
Shift in Preferences	Sales levels and margins depend on our ability to foresee changes in fashion and respond swiftly. If our clothing line is not aligned with consumer preferences, our sales would be lower and such stock would have to be heavily discounted, affecting profitability.	We have a capable in-house team of product planners, designers and supply chain experts to identify changes and respond to them at the earliest.

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	31 st March, 2019	31 st March, 2018	Change (difference between the ratio as on 31 st March, 2019 and 31 st March, 2018)	Reasons for change in Ratios
Debtors Turnover	7.64%	11.71%	(35%)	Debtors' turnover representing credit sales divided by average debtors, have reduced on account of delay caused in realising the amount from the debtors.
Interest Coverage Ratio	1.04	9.75	(89%)	(i) Interest coverage represents earnings before interest expenses divided by interest expenses;
Net Profit Margin	(0.27%)	3.48%	(108%)	(ii) Net profit margin represents profit after tax divided by revenue from operations; and
Return on Net Worth	(0.88%)	13.39%	(107%)	(iii) Return on net worth represents profit after tax divided by Networth.
				The decrease in the aforesaid ratios is mainly attributable to the decline in the revenue of the Company and consequently leading to net loss in FY 2018-19 as compared to net profit in FY 2017-18.
				The trend of value retail is the primary reason for this slowdown. Another factor is the global value retail brands, which bring with them size, scale, variety and attractive prices because of their strong global presence and large-scale operations. However, we are undertaking prudent strategic measures to solve structural challenges and gain ground once again.

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 six Directors on the Board of the Company as on 31st March, 2019. 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 Chief Financial Officer 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 and Mr. Sachin Jaju, Non-Executive Director. The Non-Executive Directors are accomplished professionals in their respective fields of expertise.

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, 2019) 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	2	4	1. Vidli Restaurants Limited (Non-Executive and Independent) 2. Rolta India Limited (Non-Executive and Independent)

**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. Kiran Vaidya	Non - Executive and Independent	5	2	3	1. Dolphin Offshore Enterprises (India) Limited (Non-Executive and Independent) 2. Upsurge Investment and Finance Limited (Non-Executive and Independent)
Mrs. Sangeeta Mandhana	Executive	0	0	0	0
Mr. Priyavrat Mandhana	Executive	2	0	0	0
Mr. Sachin Jaju	Non - Executive	0	0	0	0

Note:

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 2018-19 along with the attendance of each of the Directors are as follows:

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

1. 28th May, 2018
2. 13th August, 2018
3. 2nd November, 2018
4. 13th February, 2019
5. 16th March, 2019

Attendance:

Sr. No.	Name of the Director	Number of meetings entitled to attend	Number of Meetings attended	Whether attended the last AGM (25.08.2018)
1.	Mr. Pradip Dubhashi	5	5	Yes
2.	Mr. Ramnath Pradeep	5	5	Yes
3.	Mr. Kiran Vaidya	5	5	Yes
4.	Mr. Sachin Jaju	5	5	Yes
5.	Ms. Sangeeta Mandhana	5	4	No
6.	Mr. Priyavrat Mandhana	5	4	Yes

c. Disclosure of Relationships between Directors inter-se:

1.	Mrs. Sangeeta Mandhana	Cousin Sister in Law of Mr. Priyavrat Mandhana and Mr. Sachin Jaju
2.	Mr. Priyavrat Mandhana	Cousin Brother in Law of Mrs. Sangeeta Mandhana & Cousin Brother of Mr. Sachin Jaju
3.	Mr. Sachin Jaju	Cousin Brother of Mr. Priyavrat Mandhana and 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:

Mr. Sachin Jaju, Non-executive Director, holds 35,333 equity shares of ₹ 10/- each of the Company as on 31st March, 2019. No other Non- Executive Director holds 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.mandhanaretail.com under the tab 'Familiarization Programme for Independent Directors'. The web link for the same is as follows: <https://www.mandhanaretail.com/admin/Documents/DOC58eb27a500b19.pdf>

- f. The Board has identified the following core skills/ expertise/ competencies fundamental for the effective functioning of the Company which are currently available with 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

CORPORATE GOVERNANCE REPORT (CONTD.)

Sr. No.	Particulars
7	Basic skills in numerate disciplines like mathematics and statistics
8	Costing
9	Pricing
10	Interpersonal Skills
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 et al
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 behaviour
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 2018-19.

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, 2019:

Mr. Kiran Vaidya	Chairman (Non-Executive Independent Director)
Mr. Pradip Dubhashi	Member (Non-Executive Independent Director)
Mr. Ramnath Pradeep	Member (Non-Executive Independent Director)
Mr. Priyavrat Mandhana	Member (Executive Director)

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:

- 1. The role of the Audit Committee includes the following:**
- 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;*
 - recommendation for appointment, remuneration and terms of appointment of auditors of the Company;*
 - approval of payment to statutory auditors for any other services rendered by the statutory auditors;*
 - reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:*
 - matters required to be included in the director's*

CORPORATE GOVERNANCE REPORT (CONTD.)

- 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

CORPORATE GOVERNANCE REPORT (CONTD.)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).*

B. Meetings and Attendance:

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

1. 28th May, 2018
2. 13th August, 2018
3. 2nd November, 2018
4. 13th February, 2019

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	4	4
2.	Mr. Pradip Dubhashi	Non – Executive Independent	4	4
3.	Mr. Ramnath Pradeep	Non – Executive Independent	4	4
4.	Mr. Priyavrat Mandhana	Executive	4	3

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, 2019:

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)

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 28th May, 2018.

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	1
3.	Mr. Kiran Vaidya	Non – Executive Independent	1	1

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, 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 2018-19:

Sr. No.	Name of the Non-Executive Director	Sitting fees paid (₹ in Lakh)
1.	Mr. Pradip Dubhashi	6.25
2.	Mr. Ramnath Pradeep	6.50
3.	Mr. Kiran Vaidya	6.00
4.	Mr. Sachin Jaju	4.00

Details of the remuneration paid to the Managing Director and the Executive Director of the Company for the financial year 2018-19:

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, 2019. It has been proposed in the ensuing Annual General Meeting of the Company to consider and approve their reappointment for a further term of 3 years w.e.f. 1st September, 2019 on such terms and conditions as recommended by the Nomination and Remuneration and Audit Committee of the Board of Directors. 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.

6. Stakeholders Relationship Committee:

The Board of Directors has constituted the Stakeholders Relationship Committee of the Board of Directors of the Company 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:

- 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.;
- Issue of duplicate/ split/ consolidated share certificates;
- Review of measures taken for effective exercise of voting rights by shareholders;
- 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.
- 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.
- Allotment and listing of shares; and
- Reference to statutory and regulatory authorities regarding investor grievances.

The Stakeholders Relationship Committee comprises of the following Directors as on 31st March, 2019:

i.	Mr. Sachin Jaju - Chairman (Non-Executive Director)
ii.	Mr. Priyavrat Mandhana - Member (Executive Director)
iii.	Mr. Ramnath Pradeep - Member (Non-Executive Independent Director)

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

B. Meetings and Attendance:

During the year under review, one Meeting of the Committee was held on 13th February, 2019.

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

CORPORATE GOVERNANCE REPORT (CONTD.)**C. Shareholders' Complaints during the Year:**

Number of complaints received during the period	1
Number of complaints resolved during the period	1
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, 2019.

There are no pending cases of share transfer as on 31st March, 2019.

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@mandhanaretail.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@mandhanaretail.com; Tel. No. 022-43539126.

7. Independent Directors:**Meeting of Independent Directors:**

The Company's Independent Directors met on 13th February, 2019 without the presence of Executive Directors or members of the Management. All the Independent Directors attended the Meeting.

At this meeting the Independent Directors reviewed the following:

1. Performance of the Non-Independent Directors;
2. Performance of the Chairman and 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 Directors expressed their satisfaction with the evaluation process.

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

Particulars	Date and Time	Venue	Details of Special Resolutions passed
7 th AGM (FY 2017-18)	25 th August, 2018 at 12 noon	Plot No. C-2, M.I.D.C., Tarapur Industrial Area, Boisar, Dist. Palghar - 401506	Alteration of Clause 3 of Articles of Association of the Company. Issue of Securities for an aggregate amount not exceeding ₹ 50 crore. 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. 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
6 th AGM (FY 2016-17)	20 th September, 2017 at 12 noon	Plot No. C-2, M.I.D.C., Tarapur Industrial Area, Boisar, Dist. Palghar - 401506	NIL
5 th AGM (FY 2015-16)	7 th September, 2016 at 11.00 a.m.	Plot No. E-132, M.I.D.C., Tarapur Industrial Area, Boisar, Dist. Palghar - 401506	Adoption of new set of Articles of Association containing regulations in accordance with the Companies Act, 2013 Alteration of Memorandum of Association in accordance with the Companies Act, 2013 Change in the name of the Company Increase in the borrowing powers of the Company To make investments, provide loans, Guarantees and securities beyond the prescribed limits

**CORPORATE GOVERNANCE REPORT (CONTD.)****B. Special Resolutions passed through Postal Ballot during the year under review:**

No Special Resolution was passed by the Company through Postal Ballot during the year under review.

C. 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.

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.mandhanaretail.com.

B. Newspapers wherein results normally published:

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

C. Website where the results are displayed:

www.mandhanaretail.com

D. Whether the website also displays official news releases:

The Company has maintained a functional website i.e. www.mandhanaretail.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://www.mandhanaretail.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.

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	: 29 th August, 2019 at 12 Noon
- Venue	: Sarovar Residency, P-180, Tarapur M.I.D.C. Area, Near Hotel Sarovar, Chitralya, Boisar (W), District Palghar - 401 506

B. Financial Year : 1st April, 2018 to 31st March, 2019**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.
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E. Security/Stock Code / Symbol

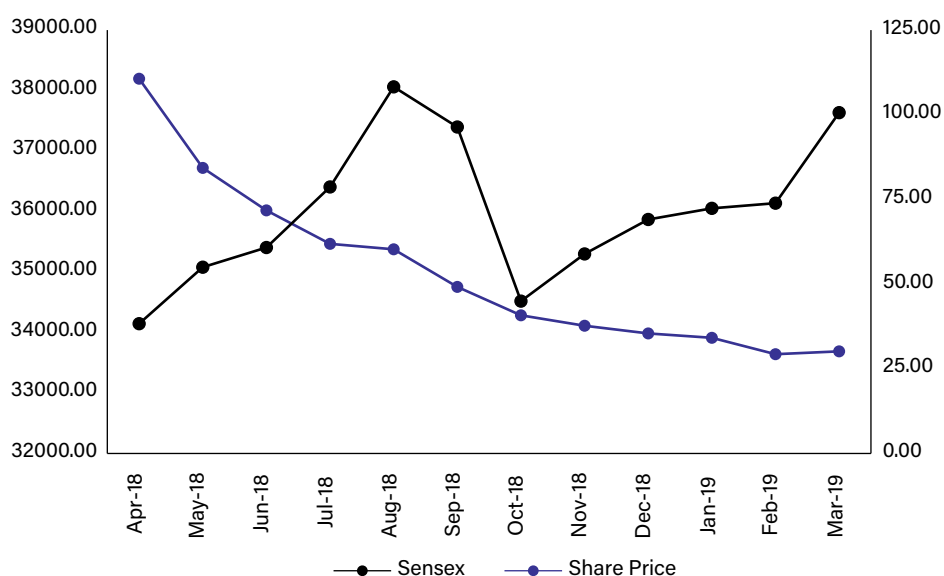
ISIN	: INE759V01019
Security/Stock Code for BSE	: 540210
Symbol for NSE	: TMRVL

CORPORATE GOVERNANCE REPORT (CONTD.)**F. The Market Price data during year is given below:**

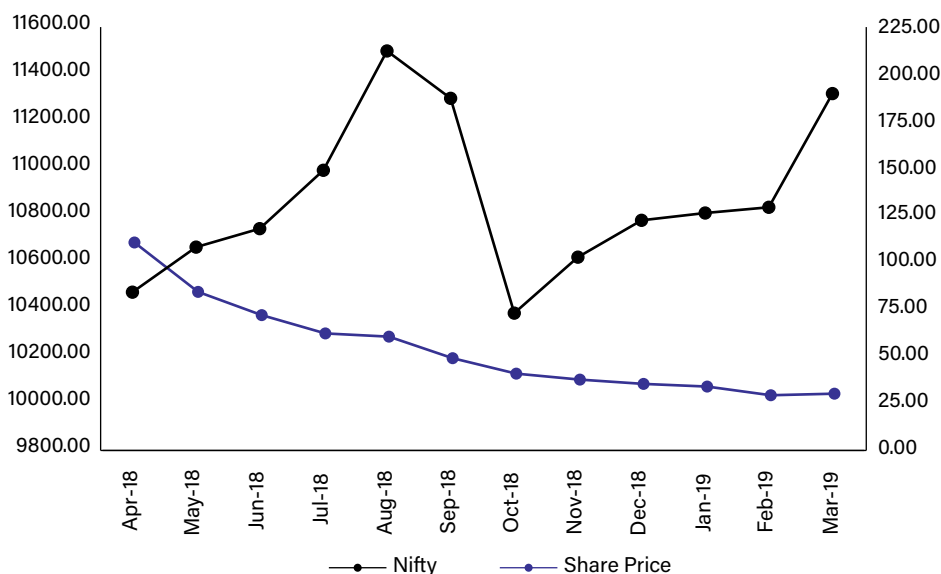
Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Traded Volume	High (in ₹)	Low (in ₹)	Traded Volume
April, 2018	132.25	101.00	1,74,565	136.20	101.05	8,11,825
May, 2018	111.30	71.15	2,52,985	105.95	71.15	12,38,771
June, 2018	89.50	61.15	68,764	84.60	60.50	3,31,366
July, 2018	70.00	53.00	58,933	73.90	51.20	2,57,067
August, 2018	78.90	52.90	1,51,602	73.00	52.55	5,72,258
September, 2018	55.45	35.00	55,304	58.00	35.50	2,52,328
October, 2018	47.60	34.20	74,441	49.50	34.00	4,03,927
November, 2018	43.90	33.40	59,947	42.70	33.10	3,07,450
December, 2018	42.90	31.35	1,91,066	40.80	31.15	8,86,047
January, 2019	42.30	30.00	10,99,575	38.75	30.20	3,88,633
February, 2019	34.95	23.30	1,68,614	34.10	23.00	5,67,927
March, 2019	33.50	27.50	1,36,314	33.70	27.60	6,59,113

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, 2018	110.64	34,145.68	110.52	10472.93
May, 2018	84.31	35,079.56	84.27	10664.45
June, 2018	71.77	35,405.14	71.92	10742.97
July, 2018	61.89	36,406.38	62.19	10991.16
August, 2018	60.28	38,061.53	60.48	11498.44
September, 2018	49.18	37,397.50	49.03	11297.06
October, 2018	40.79	34,518.84	40.82	10383.81
November, 2018	37.71	35,298.95	37.65	10621.79
December, 2018	35.44	35,868.71	35.37	10778.44
January, 2019	34.15	36,053.00	33.95	10809.46
February, 2019	29.31	36,138.34	29.34	10833.84
March, 2019	30.15	37,634.96	30.17	11317.24



CORPORATE GOVERNANCE REPORT (CONTD.)



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.

K.i. Distribution of Shareholding as on 31st March, 2019:

Shares range	No. of Shareholders	% of Shareholders	No. of Shares	% of total issued capital
1 – 500	8,069	82.24	9,91,211	4.49
501 – 1000	751	7.66	6,04,644	2.74
1001- 2000	432	4.40	6,54,630	2.96
2001 – 3000	155	1.58	3,92,894	1.78
3001 – 4000	85	0.87	3,05,815	1.39
4001 – 5000	57	0.58	2,63,604	1.19
5001 – 10000	104	1.06	7,53,126	3.41
10001 & Above	158	1.61	1,81,16,685	82.04
Total	9,811	100.00	2,20,82,609	100.00

CORPORATE GOVERNANCE REPORT (CONTD.)**ii. Shareholding pattern as on 31st March, 2019:**

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	75,22,877	34.07
(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	2	6,67,775	3.02
(f)	Financial Institutions/ Banks	3	4,40,272	1.99
(g)	Insurance Companies	0	0	0
(h)	Provident Funds / Pension Funds	0	0	0
	Sub Total (B) (1)	5	11,08,047	5.02
(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	8,871	40,51,019	18.34
ii.	Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	36	47,69,783	21.60
(b)	NBFC's registered with RBI	1	10	0
(c)	Employee Trusts	0	0	0
(d)	Overseas depositories (holding DRs)	0	0	0
(e)	Any other			
i.	Hindu Undivided Family	325	5,46,304	2.47
ii.	NRI (Non-repatriate)	46	31,927	0.14
iii.	Directors or Director's Relatives	1	35,333	0.16
iv.	NRI (Repatriate)	119	2,45,102	1.11
v.	Clearing Members	61	2,39,062	1.08
vi.	Bodies Corporate	145	35,33,145	16.00
	Sub Total (B) (3)	9,605	1,34,51,685	60.91
	Total Public Shareholding (B) = (B)(1) + (B)(2)+(B)(3)	9,610	1,45,59,732	65.93
	Total (A) + (B)	9,627	2,20,82,609	100.00
(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)	9,627	2,20,82,609	100.00

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.

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.

**CORPORATE GOVERNANCE REPORT (CONTD.)**

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, 2019.

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 2018-19, 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,
006-008, Peninsula Centre, Dr. S. S. Rao Road,
Parel, Mumbai – 400 012
Tel: 022 - 4353 9126
Email: cs@mandhanaretail.com

Q. Until financial year 2018-19, 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.mandhanaretail.com/investor-relations.php>.

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:

<http://www.mandhanaretail.com/admin/Documents/DOC58eb27c15fb83.pdf>

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 2018-19 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 2018-19, 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.

K. Total fees for all services paid by the listed entity and its subsidiaries, 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:

Details relating to fees paid to the Statutory Auditors are given in Note No. 38 to the Financial Statements.

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

CORPORATE GOVERNANCE REPORT (CONTD.)

- 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.mandhanaretail.com

C. Modified opinion(s) in audit report:

The financial statements of the Company do not contain any modified opinion.

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
& Chief Financial Officer
DIN: 06934972

Priyavrat Mandhana
Executive Director
DIN: 02446722

Place: Mumbai
Date: 30th May, 2019

**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 2018-19**

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 & Chief Financial Officer
DIN: 06934972

Priyavrat Mandhana
Executive Director
DIN: 02446722

Place: Mumbai
Date: 30th May, 2019

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:

- 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’];
- The Code of Conduct has been posted on the website of the Company;
- 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 2019.

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

Manish B. Mandhana
Chief Executive Officer

Place: Mumbai
Date: 30th May, 2019

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, 2019 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.

For The Mandhana Retail Ventures Limited

Manish Mandhana
Chief Executive Officer

Sangeeta Mandhana
Managing Director & Chief Financial Officer

Place: Mumbai
Date: 30th May, 2019



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 11th October 2018.
2. This report contains details of compliance of conditions of corporate governance by The Mandhana Retail Ventures Limited ('the Company') for the year ended 31st March 2019 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 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.

Auditors' 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 31st March 2019.
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/W-100022

Rishabh Kumar

Partner

Mumbai
30th May, 2019

Membership No.: 402877

ICAI UDIN: 19402877AAAAAC3413

INDEPENDENT AUDITORS' REPORT

To the Members of
The Mandhana Retail Ventures Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Mandhana Retail Ventures Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the matter was addressed in our audit
Recognition of revenue under Indian Accounting Standards (Ind AS) 115 Revenue from sale of goods is recognized when the control of the goods have passed to the customer which usually coincides with delivery to the end customer. There is a risk that revenue may be incorrectly recorded without transfer of control to customers or overstated due to management being under pressure to achieve pre-determined targets.	Our audit procedures included the following: Evaluated the appropriateness of the Company's accounting policy regarding revenue recognition; Evaluated the design and implementation of the Company's controls over revenue recognition; Tested the operating effectiveness of the Company's internal controls over recognition of revenue; For statistically selected samples, we inspected the invoices raised on the channel partners for primary dispatch of goods and inspected secondary sales reports from channel partners for revenue recognised during the year; For statistically selected samples, we inspected the sales made to distributors and through the exclusive brand outlets during the year; Performed analytics over channel wise sales for reasonableness of revenue recognized; and Inspected manual journal entries posted to revenue to identify any unusual or irregular transactions.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing



INDEPENDENT AUDITORS' REPORT (CONTD.)

so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government

INDEPENDENT AUDITORS' REPORT (CONTD.)

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.

(A) As required by section 143(3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;
- (e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
- (f) with respect to the adequacy of the internal financial controls with reference to 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 2019 - Refer note 40 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; and
- iv. the disclosures in the financial statements, 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 2019.

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

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) which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Rishabh Kumar

Partner

Membership No.: 402877

Mumbai
30 May 2019

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT - 31 MARCH 2019**

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 2019, 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 of 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 been substantially 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, income tax, goods and service tax, 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. 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 2019 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 2019 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

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT - 31 MARCH 2019 (CONTD.)

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.
- (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 given 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/W-100022

Rishabh Kumar

Partner

Membership No.: 402877

Mumbai
30 May 2019

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT - 31 MARCH 2019**

Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013

(Referred to in paragraph A(f) 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 2019 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 2019, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No. 101248W/W-100022

Rishabh Kumar

Partner

Membership No.: 402877

Mumbai
30 May 2019

**BALANCE SHEET**As at 31st March, 2019

		(₹ In Lakh)	
Particulars	Note	31 March 2019	31 March 2018
Assets			
Non current assets			
(a) Property, plant and equipment	3	2,230.96	2,564.72
(b) Capital work in progress	3	0.51	0.76
(c) Intangible assets	4	26.81	39.97
(d) Financial assets:			
(i) Loans	5	191.89	145.55
(e) Deferred tax assets (net)	31	911.11	955.85
(f) Other non current assets	6	95.60	129.20
(g) Income tax assets (net)		0.31	23.66
Total non current assets		3,457.19	3,859.71
Current assets			
(a) Inventories	7	4,022.68	5,484.68
(b) Financial assets:			
(i) Trade receivables	8	2,209.00	1,991.64
(ii) Cash and cash equivalents	9	40.87	145.01
(iii) Loans	10	1,975.56	1,531.27
(iv) Other financial assets	11	42.32	65.03
(c) Other current assets	12	304.28	355.92
Total current assets		8,594.71	9,573.55
Total assets		12,051.90	13,433.26
Equity and liabilities			
Equity			
(a) Equity share capital	13	2,208.26	2,208.26
(b) Other equity	14	4,475.60	4,533.78
Total equity		6,683.86	6,742.04
Non current liabilities			
(a) Financial liabilities:			
(i) Other financial liabilities	15	111.17	103.54
(b) Provisions	16	68.95	59.16
(c) Other non current liabilities	17	13.85	8.06
Total non current liabilities		193.97	170.76
Current liabilities			
(a) Financial liabilities:			
(i) Borrowings	18	845.89	750.46
(ii) Trade payables:	19		
- Total outstanding dues of micro enterprises and small enterprises		1,015.40	319.70
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,670.50	4,037.89
(iii) Other financial liabilities	20	422.27	1,065.82
(b) Other current liabilities	21	195.48	183.82
(c) Provisions	22	15.08	11.85
(d) Income tax liabilities (net)	23	9.45	150.92
Total current liabilities		5,174.07	6,520.46
Total liabilities		5,368.04	6,691.22
Total equity and liabilities		12,051.90	13,433.26
Significant accounting policies	2		
Notes to the financial statements	3-44		
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

Rishabh Kumar

Partner

Membership No: 402877

Sangeeta M. Mandhana

Managing Director & Chief Financial Officer

DIN: 06934972

Priyavrat Mandhana

Executive Director

DIN: 02446722

Manish Mandhana

Chief Executive Officer

Mumbai

30 May 2019

Virendra Varma

Company Secretary

Membership No: 30786

Mumbai

30 May 2019

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

Particulars	Note	(₹ In Lakh)	
		31 March 2019	31 March 2018
Income			
Revenue from operations	24	21,987.25	25,944.93
Other income	25	216.87	128.78
Total income		22,204.12	26,073.71
Expenses			
Purchase of stock in trade	26	8,151.18	10,434.30
Changes in inventories of stock in trade	27	1,462.00	647.30
Employee benefits expense	28	2,469.77	2,489.05
Finance costs	29	245.70	177.24
Depreciation and amortisation expense	3&4	385.70	367.36
Other expenses	30	9,479.32	10,407.32
Total expenses		22,193.67	24,522.57
Profit before tax		10.45	1,551.14
Tax expense:	31		
- Current Tax		-	181.00
- Deferred Tax		44.35	380.08
- Tax adjustment for earlier years		25.01	87.34
Total tax expense		69.36	648.42
(Loss) / profit for the year		(58.91)	902.72
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of post-employment benefit obligations	34	1.12	15.88
(ii) Income tax related to (i) above	31	(0.39)	(5.50)
Total other comprehensive income		0.73	10.38
Total comprehensive (loss) / income for the year		(58.18)	913.10
Earnings per equity share (Face value of ₹ 10 each)			
Basic and diluted (₹)	32	(0.27)	4.09

Significant accounting policies

2

Notes to the financial statements

3-44

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

Rishabh Kumar

Partner

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Sangeeta M. Mandhana

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Manish Mandhana

Chief Executive Officer

Mumbai

30 May 2019

Virendra Varma

Company Secretary

Membership No: 30786

Mumbai

30 May 2019

**STATEMENT OF CASH FLOWS**

for the year ended 31 March 2019

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
(A) Cash flows from operating activities		
Net profit before taxation	10.45	1,551.14
Adjustments for:		
Depreciation and amortisation expense	385.70	367.36
Sundry balances written back	138.99	-
Interest income on security deposits carried at fair value	(72.90)	(71.71)
Unrealised gain/loss on foreign currency translation	6.44	(21.89)
Interest income on fixed deposits with banks (at amortised cost)	(2.70)	(0.16)
Finance costs	245.70	177.24
Allowance for expected credit loss	169.81	-
Actuarial loss on remeasurement of post-employment benefit obligations	1.12	15.88
Loss on sale of PPE / PPE written off	120.07	27.83
Operating cash flows before working capital changes	1,002.68	2,045.68
Working capital adjustments		
(Decrease)/Increase in other financial liabilities	(601.62)	172.45
Increase in other liabilities	17.45	25.33
Increase in provisions	13.02	16.49
(Decrease)/increase in trade payables	(817.72)	240.25
Increase in loans	(417.73)	(11.35)
Decrease/(Increase) in other non-current assets	51.03	(271.52)
Decrease in inventories	1,462.00	647.30
Increase in trade receivables	(386.57)	(601.70)
Decrease in other current financial assets	23.44	29.39
Cash generated from operating activities	345.98	2,292.33
Income tax paid	(143.13)	(1,438.55)
Net cash flows from operating activities	202.85	853.78
(B) Cash flows from investing activities		
Purchase for property, plant and equipment incl. expenditure on capital WIP and capital advances	(158.84)	(529.70)
Proceeds from sale of property, plant and equipment	0.15	10.12
Interest received	1.97	0.16
Net cash used in investing activities	(156.72)	(519.42)
(C) Cash flows from financing activities		
Repayment of term loan borrowings	-	(216.95)
(Repayment of)/proceeds from bank overdraft	(104.57)	159.26
Proceeds from loans from corporate bodies	1,100.00	800.00
Repayment of loans to corporate bodies	(900.00)	(800.00)
Finance charges paid	(245.70)	(177.24)
Net cash used in financing activities	(150.27)	(234.93)
Net increase in cash and cash equivalents	(104.14)	99.43
Cash and cash equivalents at the beginning of the year	145.01	45.58
Cash and cash equivalents at the end of the year	40.87	145.01
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and Cash equivalents as per Balance Sheet (Refer note 9)	40.87	145.01
Cash and Cash equivalents as at the year end	40.87	145.01

Notes:

- The statement of cash flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7 "Statement of Cash Flows".
- 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 2019

3. Movement in borrowings:

Particulars	31 March 2018	Cash flows	31 March 2019
Short term borrowings	750.46	95.43	845.89
Total	750.46	95.43	845.89

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

Rishabh Kumar

Partner

Membership No: 402877

Sangeeta M. Mandhana

Managing Director & Chief Financial Officer

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Executive Director

DIN: 02446722

Mumbai

30 May 2019

Manish Mandhana

Chief Executive Officer

Mumbai

30 May 2019

Virendra Varma

Company Secretary

Membership No: 30786

**STATEMENT OF CHANGES IN EQUITY (SOCIE)**

for the year ended 31 March 2019

(a) Equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the year	22,082,609	2,208.26	22,082,609	2,208.26
Shares cancelled during the year (Refer note 13)	-	-	-	-
Issue of equity share capital (Refer note 13)	-	-	-	-
Balance at the end of the year	22,082,609	2,208.26	22,082,609	2,208.26

(b) Other equity

Particulars	Reserves and surplus		Other comprehensive income	Total
	Capital reserve	Retained earnings		
Balance as on 1 April 2017	5.00	3,606.41	9.27	3,620.68
Profit for the year	-	902.72	-	902.72
Other comprehensive income for the year (net of taxes)	-	-	10.38	10.38
Total comprehensive income for the year	-	902.72	10.38	913.10
Balance as at 31 March 2018	5.00	4,509.13	19.65	4,533.78
Profit for the year	-	(58.91)	-	(58.91)
Other comprehensive income for the year (net of taxes)	-	-	0.73	0.73
Total comprehensive income for the year	-	(58.91)	0.73	(58.18)
Balance as at 31 March 2019	5.00	4,450.22	20.38	4,475.60

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

Rishabh Kumar

Partner

Membership No: 402877

Sangeeta M. Mandhana

Managing Director & Chief Financial Officer

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Executive Director

DIN: 02446722

Manish Mandhana

Chief Executive Officer

Mumbai

30 May 2019

Virendra Varma

Company Secretary

Membership No: 30786

Mumbai

30 May 2019

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

1. Company overview

The Mandhana Retail Ventures Limited (formerly known as Mandhana Retail Ventures Limited) ("the Company") was incorporated under the Companies Act, 1956 ("the Act") on 12 February 2011. The Company has been 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. The Company is engaged in the business of designing, retailing, marketing and distributing men's wear, women's wear and accessories under "Being Human" trademark.

Pursuant to the approval of the scheme of demerger, the Company has acquired the demerged undertaking of Mandhana Industries Limited ("MIL") which was engaged in the above mentioned business under the global exclusive trademark license agreement with The Salman Khan Foundation.

2.A Basis of preparation of financial statements

a) Statement of compliance

These financial statements of the Company for the year ended 31 March, 2019 along with comparative financial information for the year 31 March, 2018 have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Indian Accounting Standards) Amendment Rules, 2016, and the relevant provisions and amendments, as applicable and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2019 have been prepared on accrual and going concern basis and in accordance with Indian Accounting Standards.

The Company has a license arrangement with Being Human - The Salman Khan Foundation ('the Foundation') which currently lasts up to 31 March 2020. As per terms of agreement, the license was due for renewal by 30 September 2018. While the license agreement has not been renewed as at 31 March 2019, the Management of the Company is in active discussion with the Foundation for renewal of the said license agreement. Subsequent to the year end, the Company has received a letter from the Foundation dated 29 May 2019 confirming that the Foundation is in discussions with the Company for renewal of the license agreement.

The financial statements of the Company for the year ended 31 March, 2019 were approved for issue in accordance with the resolution of the Board of Directors on 30 May 2019.

b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value.

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 (INR), 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 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



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for the year ended 31 March 2019

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.

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.

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 incentives are recognized in the year on the basis of claims submitted to the appropriate authorities provided

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for the year ended 31 March 2019

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 expenditures related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

iii. Depreciation

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

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for the year ended 31 March 2019

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.

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

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term (including the rent free period) unless the payments to lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs of leasehold improvement incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

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

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 period.

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

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for the year ended 31 March 2019

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).

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 derecognised (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
- iii. (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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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 derecognised 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 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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) Earnings per share ('EPS')

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.

k) 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 asset 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.

l) 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 management's 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 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.

m) 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.

n) 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

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for the year ended 31 March 2019

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.

o) 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.

p) Standards issued but not yet effective

Ind AS 116, is applicable for financial reporting periods beginning on or after 1 April 2019 and replaces existing lease accounting guidance, namely Ind AS 17 'Leases'. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The nature of expenses related to those leases will change as Ind AS 116 replaces the operating lease expense (i.e., rent) with depreciation charge for ROU assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. The Company is in the process of analysing the impact of new lease standard on its financial statements.

In addition to the above, the following amendments to existing standards have been issued, are not yet effective and are not expected to have a significant impact on the Company's financial statements:

- i. Amendments to Ind AS 103, Business Combinations, and Ind AS 111, Joint Arrangements: This interpretation clarifies how an entity accounts for increasing its interest in a joint operation that meets the definition of a business.
- ii. Amendments to Ind AS 109, Financial Instruments: amendments relating to the classification of particular pre-payable financial assets.

- iii. Amendments to Ind AS 12, Income Taxes, clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. Further Appendix C, uncertainty over income tax treatments has been added to clarify how entities should reflect uncertainties over income tax treatments, in particular when assessing the outcome a tax authority might reach with full knowledge and information if it were to make an examination.
- iv. Amendment to Ind AS 19, Employee Benefits: The amendment to Ind AS 19 clarifies that on amendment, curtailment or settlement of a defined benefit plan, the current service cost and net interest for the remainder of the annual reporting period are calculated using updated actuarial assumptions – i.e. consistent with the calculation of a gain or loss on the plan amendment, curtailment or settlement. This amendment also clarifies that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. The entity then determines the effect of the asset ceiling after plan amendment, curtailment or settlement. Any change in that effect is recognized in other comprehensive income (except for amounts included in net interest).
- v. Amendments to Ind AS 23, Borrowing Costs: The amendment clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction.
- vi. Amendments to Ind AS 28, Investments in Associates and Joint Ventures: The amendment clarify that when applying the equity method, a non-investment entity that has an interest in an investment entity associate or joint venture can elect to retain the fair value accounting applied by the associate or joint venture to its subsidiaries. Venture capital and other qualifying organizations can elect to measure investments in associates or joint ventures at fair value through profit or loss instead of applying the equity method. The amendments clarify that both these elections apply for each investment entity associate or joint venture separately.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

3. Property, plant and equipment and capital work in progress

(₹ In Lakh)

Particulars	Gross block			Balance as at 31 March 2019	Accumulated depreciation			Balance as at 31 March 2019	Balance as at 31 March 2019
	Balance as at 1 April 2018	Additions	Deductions / Adjustments		Balance as at 1 April 2018	Charge for the year	Deductions / Adjustments		
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

(₹ In Lakh)

Particulars	Gross block			Balance as at 31 March 2018	Accumulated depreciation			Balance as at 31 March 2018	Balance as at 31 March 2018
	Balance as at 1 April 2017	Additions	Deductions / Adjustments		Balance as at 1 April 2017	Charge for the year	Deductions / Adjustments		
Buildings	-	158.35	-	158.35	-	1.26	-	1.26	157.09
Leasehold improvements	1,407.32	106.79	45.36	1,468.75	158.08	164.72	20.12	302.68	1,166.07
Computers and accessories	46.93	6.00	0.34	52.59	25.64	16.89	0.34	42.19	10.40
Office equipments	93.86	28.46	2.82	119.50	25.46	28.76	2.45	51.77	67.73
Air conditioners	24.85	6.29	-	31.14	6.56	7.07	-	13.63	17.51
Furniture and fixtures	1,197.55	207.85	20.74	1,384.66	112.16	134.98	8.40	238.74	1,145.92
Total	2,770.51	513.74	69.26	3,214.99	327.90	353.68	31.31	650.27	2,564.72
Capital work in progress	4.06	3.26	6.56	0.76	-	-	-	-	0.76
Total	4.06	3.26	6.56	0.76	-	-	-	-	0.76

Note:

- The Company has not capitalized any borrowing cost during the current year. (31 March 2018: Nil)
- The Company has not recognized any impairment loss during the current year. (31 March 2018: Nil)

4. Intangible assets

(₹ In Lakh)

Particulars	Gross block			Balance as at 31 March 2019	Accumulated amortisation			Balance as at 31 March 2019	Balance as at 31 March 2019
	Balance as at 1 April 2018	Additions	Deductions / Adjustments		Balance as at 1 April 2018	Charge for the year	Deductions / Adjustments		
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

Particulars	Gross block			Balance as at 31st March 2018	Accumulated amortisation			Balance as at 31st March 2018	Balance as at 31st March 2017
	Balance as at 1 April 2017	Additions	Deductions / Adjustments		Balance as at 1 April 2017	Charge for the year	Deductions / Adjustments		
Computer Software	55.57	10.20	-	65.77	12.12	13.68	-	25.80	39.97
Total	55.57	10.20	-	65.77	12.12	13.68	-	25.80	39.97

Note:

- The Company has not capitalized any borrowing cost during the current year. (31 March 2018: Nil)
- The Company has not recognized any impairment loss during the current year. (31 March 2018: Nil)

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2019

5. Loans

(Unsecured, considered good)

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
Other than related parties:		
Security deposits	191.89	145.55
Total	191.89	145.55

6. Other non current assets

(Unsecured, considered good)

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
Other than related parties:		
Capital advances	65.97	100.18
Deposit with statutory authorities	8.31	8.31
Prepaid Expenses	21.32	20.71
Total	95.60	129.20

7. Inventories

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
Stock in trade:		
Garments	3,863.67	5,259.68
Accessories	159.01	225.00
Total	4,022.68	5,484.68

Note:

- During the year ended 31 March 2019, the Company recorded an inventory write down of ₹ 138.73 Lakh (31 March 2018: ₹ 82.13 Lakh).
- Mode of valuation of inventories is stated in note 2(e) of the significant accounting policies

8. Trade receivables

Unsecured

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
Trade receivables considered good	2,209.00	1,991.64
Trade receivables considered doubtful	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	169.81	-
	2,378.81	1,991.64
Allowance for expected credit loss	(169.81)	-
Total	2,209.00	1,991.64

Note:

- No debts are due by 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.
- Movement in the allowance for expected credit loss is as follows:

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
Balance at the beginning of the year	-	-
Additional provision made	169.81	-
Impairment loss reversed	-	-
Balance at the end of the year	169.81	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

9. Cash and cash equivalents

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Balance with banks :		
- in current account	22.44	21.69
- in fixed deposit account with original maturity of less than 3 months	-	114.49
Cash in hand	18.43	8.83
Total	40.87	145.01

10. Loans

(Unsecured, considered good)

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Security deposits:		
Other than related parties	1,087.02	624.60
To related parties (Refer note 35)	888.54	906.67
Total	1,975.56	1,531.27

11. Other financial assets

(Unsecured, considered good)

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Other than related parties:		
Insurance claim receivable	-	0.84
Duty drawback receivable	16.25	34.91
Advance against salary	1.31	3.13
Interest accrued on fixed deposits	0.75	0.02
To related parties:		
Advance against salary	24.01	-
Receivable from directors (Refer note 35)	-	26.13
Total	42.32	65.03

12. Other current assets

(Unsecured, considered good)

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Other than related parties:		
Prepaid expenses	36.92	49.56
Export benefits receivable	94.25	130.64
Statutory receivables	137.24	147.28
Advance to vendors	35.87	28.44
Total	304.28	355.92

13. Equity share capital

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Authorised:		
40,000,000 (31 March 2018: 30,000,000) 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 2018: 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 TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2019

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

Particulars	31 March 2019		31 March 2018	
	No. of shares held	Amount	No. of shares held	Amount
Shares outstanding at the beginning of the year	22,082,609	2,208.26	22,082,609	2,208.26
Addition during the year	-	-	-	-
Shares outstanding at the end of the year	22,082,609	2,208.26	22,082,609	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.

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

Particulars	31 March 2019		31 March 2018	
	No. of Shares	% holding	No. of Shares	% holding
Manish Mandhana	1,148,206	5.20%	1,148,206	5.20%
Priyavrat Mandhana	1,119,894	5.07%	1,119,894	5.07%
Rakesh Jhunjunwala	2,813,274	12.74%	2,813,274	12.74%
Total	5,081,374	23.01%	5,081,374	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.

14. Other equity

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
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	4,528.78	3,615.68
Add: (Loss)/ profit for the year	(58.91)	902.72
Add: Gain on remeasurement of post-employment benefit obligations	0.73	10.38
At the end of the year	4,470.60	4,528.78
Total	4,475.60	4,533.78

Nature of reserves:**Capital reserves**

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

15. Other financial liabilities

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
Deposits from franchisee	111.17	103.54
Total	111.17	103.54

16. Provisions

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
Provision for employee benefits:		
- Gratuity (Refer note 34)	68.95	59.16
Total	68.95	59.16

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

17. Other non current liabilities

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Income received in advance	13.85	8.06
Total	13.85	8.06

18. Borrowings

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Secured		
Cash credit facility from bank	645.89	750.46
Unsecured		
Other than related parties:		
Loans from corporate bodies	200.00	-
Total	845.89	750.46

Security details and terms of repayment:

- i) 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 plus margin and the facility is repayable on demand.
- ii) Loan from corporate bodies carries interest rates ranging from 13% to 13.5% and are for a tenure of 6 months.

19. Trade payables

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
- Total outstanding dues of micro enterprises and small enterprises (Refer note 36)	1,015.40	319.70
- Total outstanding dues of creditors other than micro enterprises and small enterprises	2,670.50	4,037.89
Total	3,685.90	4,357.59

20. Other financial liabilities

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Deposits received	247.81	809.61
Payable towards capital expenditure	8.95	43.25
Employee benefits payable	165.51	212.96
Total	422.27	1,065.82

21. Other current liabilities

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Statutory dues payables*	80.59	60.52
Income received in advance	15.81	23.36
Advances from customers	99.08	99.94
Total	195.48	183.82

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

22. Provisions

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Provision for employee benefits:		
- Gratuity (Refer note 34)	15.08	11.85
Total	15.08	11.85

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2019

23. Income tax liabilities (net)

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Provision for tax [Net off advance tax ₹ 180.19 Lakh (31 March 2018: ₹ 1,357.19 Lakh)]	9.45	150.92
Total	9.45	150.92

24. Revenue from operations (Refer note 42)

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Sale of products		
Traded goods:		
Domestic sales	19,573.41	22,517.58
Export sales	2,354.57	3,185.55
	21,927.98	25,703.13
Other operating revenue		
Export benefits and other incentives	59.27	241.80
	59.27	241.80
Total	21,987.25	25,944.93

25. Other Income

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Interest income on fixed deposits with banks (at amortised cost)	2.70	0.16
Sundry balances written back	138.99	-
Net gain on foreign currency transactions and translations	-	56.44
Interest income on security deposits carried at fair value	72.90	71.71
Miscellaneous income	2.28	0.47
Total	216.87	128.78

26. Purchase of stock in trade

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Purchase of stock in trade		
Garments and accessories	8,151.18	10,434.30
Total	8,151.18	10,434.30

27. Changes in inventories of stock in trade

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Opening stock:		
Garments	5,259.68	5,936.06
Accessories	225.00	195.92
Closing stock:		
Garments	3,863.67	5,259.68
Accessories	159.01	225.00
Total	1,462.00	647.30

28. Employee benefits expense

Particulars	31 March 2019	(₹ In Lakh) 31 March 2018
Salaries, wages and bonus	2,263.66	2,263.79
Contribution to provident and other funds	150.13	156.95
Gratuity expense (Refer note 34)	27.35	32.37
Staff welfare expenses	28.63	35.94
Total	2,469.77	2,489.05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

29. Finance costs

	(₹ In Lakh)	
Particulars	31 March 2019	31 March 2018
Interest Expense:		
- banks	46.12	60.96
- others	199.58	116.28
Total	245.70	177.24

30. Other expenses

	(₹ In Lakh)	
Particulars	31 March 2019	31 March 2018
Commission expenses	4,355.21	5,445.34
Travelling and conveyance	111.65	174.20
Directors sitting fees	22.75	18.53
Advertisement and sales promotion expenses	668.27	800.34
Auditors remuneration (Refer note 38)	19.92	19.97
Bank charges	63.39	59.62
Communication expenses	25.77	25.15
Electricity charges	102.94	93.82
Freight and transportation charges	129.97	145.76
Net loss on foreign currency transactions and translations	5.97	-
Housekeeping charges	29.80	26.16
Insurance charges	9.26	8.92
Legal charges	38.33	27.03
Loss on sale of PPE / PPE written off	120.07	27.83
Allowance for expected credit loss	169.81	-
License fees	1,000.00	1,105.42
Printing and stationery	20.94	15.06
Professional fees	216.16	246.47
Rates and taxes	11.71	26.64
Rent, CAM and utility charges (Refer note 37)	2,164.26	1,933.11
Repairs and maintenance	59.24	52.51
Subscription and membership fees	29.37	20.70
Watch and ward expenses	35.63	35.09
Corporate social responsibility expenses (Refer note 39)	27.18	4.60
Miscellaneous expenses	41.72	95.05
Total	9,479.32	10,407.32

31. Tax expense**(a) Amounts recognised in statement of profit and loss**

	(₹ In Lakh)	
Particulars	31 March 2019	31 March 2018
Current income tax	-	181.00
Tax adjustment for earlier years	25.01	87.34
Deferred tax	44.35	380.08
Total	69.36	648.42

(b) Amounts recognised in other comprehensive income

	31 March 2019			31 March 2018		
Particulars	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 of post-employment benefit obligations	1.12	(0.39)	0.73	15.88	(5.50)	10.38
Total	1.12	(0.39)	0.73	15.88	(5.50)	10.38

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2019

31. Tax expense (Contd.)**(c) Reconciliation of effective tax rate**

Particulars	31 March 2019	31 March 2018
Profit before tax	10.45	1,551.14
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.608%)	(3.65)	(536.82)
Reduction in tax rate		
Tax effect of:		
Non-deductible tax expenses	(47.59)	(24.68)
Adjustment of tax of earlier years	(25.01)	(87.34)
Others	6.89	0.42
Total	(69.36)	(648.42)

The Company's weighted average tax rates for the year ended 31 March 2019 and 31 March 2018 were 424.40% and 36.17%, respectively. Current year weighted average tax rate is higher than that of previous year because of non deductible tax expenses. Income tax expense was ₹ 69.36 Lakh for the year ended 31 March 2019 as compared to ₹ 648.42 Lakh for the year ended 31 March 2018.

(d) Movement in deferred tax balances

31 March 2019	Net balance 1 April 2018	Recognised in 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	-

31 March 2018	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2018	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Unabsorbed tax losses	-	493.04	-	493.04	493.04	-
Unabsorbed depreciation	-	103.66	-	103.66	103.66	-
Property, plant and equipment	(19.66)	33.18	-	13.52	13.52	-
Inventories*	(758.50)	695.54	-	(62.96)	-	(62.96)
Deferred income*	2,101.35	(1,927.43)	-	173.92	173.92	-
Provision for gratuity	18.87	11.21	(5.50)	24.58	24.58	-
Other items	(0.63)	29.72	-	29.09	29.09	-
MAT credit entitlement	-	181.00	-	181.00	181.00	-
Tax assets / (liabilities)	1,341.43	(380.08)	(5.50)	955.85	1,018.81	(62.96)
Set off tax	-	-	-	-	-	-
Deferred tax assets (net)	1,341.43	(380.08)	(5.50)	955.85	1,018.81	(62.96)

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.

*The Company had recognised deferred tax assets (DTA) on temporary differences arising on SOR revenue pertaining to earlier years, on adoption of Indian Accounting Standards (Ind AS) on 1 April 2016 as specified under Section 133 of the Companies Act, 2013. During the current year, the remaining balance of SOR revenue has been recognised and accordingly, DTA amounting to ₹ 110.96 Lakhs has been fully reversed.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

31. Tax expense (Contd.)**Tax losses carried forward**

Particulars			(₹ In Lakh)	
	31 March 2019	Expiry date	31 March 2018	Expiry date
Expire	1,146.96	31 March 2026	1,424.64	31 March 2026
Never Expire	299.52	N.A.	299.52	N.A.

32. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equityholders 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. Profit attributable to equity holders of the Company

Particulars	31 March 2019	31 March 2018
(Loss) / Profit attributable to equity holders of the Company (for basic EPS)	(58.91)	902.72
Effect of dilution	-	-
(Loss) / Profit attributable to equity holders of the Company adjusted for the effect of dilution	(58.91)	902.72

ii. Weighted average number of ordinary shares

Particulars	31 March 2019	31 March 2018
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

iii. Basic and diluted earnings per share:

Particulars	31 March 2019	31 March 2018
Basic earnings per share (₹)	(0.27)	4.09
Diluted earnings per share (₹)	(0.27)	4.09

33. 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.

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	-	-	-	-
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	-	-	-	-
	-	-	4,459.64	4,459.64	-	-	-	-
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	-	-	-	-
	-	-	5,065.23	5,065.23	-	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2019

33. Financial instruments - Fair values and risk management (Contd.)**A. Accounting classification and fair values (Contd.)**

(₹ In Lakh)

	Carrying amount				Fair value			
31 March 2018	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Loans- Non-current	-	-	145.55	145.55	-	-	-	-
Trade receivables	-	-	1,991.64	1,991.64	-	-	-	-
Cash and cash equivalents	-	-	145.01	145.01	-	-	-	-
Loans- Current	-	-	1,531.27	1,531.27	-	-	-	-
Other financial asset-Current	-	-	65.03	65.03	-	-	-	-
	-	-	3,878.50	3,878.50	-	-	-	-
Financial liabilities								
Other financial liabilities-Non-current	-	-	103.54	103.54	-	-	-	-
Borrowings-Current	-	-	750.46	750.46	-	-	-	-
Trade payables	-	-	4,357.59	4,357.59	-	-	-	-
Other financial liabilities-Current	-	-	1,065.82	1,065.82	-	-	-	-
	-	-	6,277.41	6,277.41	-	-	-	-

- (1) Assets that are not financial assets (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) amounting to ₹ 399.88 Lakh and ₹ 485.12 Lakh as of 31 March 2019 and 31 March 2018, respectively, are not included.
- (2) Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to ₹ 209.33 Lakh and ₹ 191.88 Lakh as of 31 March 2019 and 31 March 2018, respectively, are not included.

B. Measurement of fair values

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Items measured at amortised cost such as security deposits given and security deposits taken	Discounted cash flow approach: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate.	Not applicable	Not applicable

C. Financial risk management

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

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

33. Financial instruments - Fair values and risk management (Contd.)**C. Financial risk management (Contd.)**

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.

ii. 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 and other 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

Impairment

At 31 March 2019, the ageing of trade and other receivables that were not impaired was as follows.

Particulars	Carrying amount	
	31 March 2019	31 March 2018
Neither past due nor impaired	882.92	1,045.36
Past due 1-30 days	416.75	331.15
Past due 31-90 days	537.11	410.04
Past due 91-180 days	130.29	97.76
More than 180 days	241.93	107.33
Total	2,209.00	1,991.64

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 2019, the carrying amount of the Company's most significant single customer was ₹ 641.85 Lakh (31 March 2018: ₹ 417.26 Lakh).

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 40.87 Lakh as at 31 March 2019 (31 March 2018: ₹ 145.01 Lakh). The cash and cash equivalents are held with bank and financial institution counterparties, which have good credit ratings.

Security deposits given to lessors

The Company has given security deposit to lessors of ₹ 1,795.68 Lakh as at 31 March 2019 (31 March 2018: ₹ 1,675.47 Lakh) for premises leased to the Company. The credit worthiness of such lessors is considered to be good.

iii. 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

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

C. Financial risk management (Contd.)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

(₹ In Lakh)

(€ in EUR)						
31 March 2019	Carrying amount	Total	Contractual cash flows			
			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	422.27	34.43	76.74	-

31 March 2018	Carrying amount	Total	Contractual cash flows			
			0-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Borrowings	750.46	750.46	750.46	-	-	-
Trade and other payables	4,357.59	4,357.59	4,357.59	-	-	-
Other financial liabilities	1169.36	1169.36	1065.82	72.84	30.70	-

iv. 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 INR. 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 INR terms as at 31 March 2019 and 31 March 2018 are as below:

31 March 2019	(₹ In Lakh)	
	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
31 March 2018		
Financial assets		
Trade receivables	428.42	75.87
Financial liabilities		
Trade payables	228.74	-
Net Exposure	199.68	75.87

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR against US Dollar/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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

33. Financial instruments - Fair values and risk management (Contd.)**C. Financial risk management (Contd.)**

Particulars	Profit or loss	
	Strengthening	Weakening
31 March 2019		
1% movement		
USD	6.02	(6.02)
EURO	0.76	(0.76)
	6.77	(6.77)

Particulars	Profit or loss	
	Strengthening	Weakening
31 March 2018		
1% movement		
USD	2.00	(2.00)
EURO	0.76	(0.76)
	2.76	(2.76)

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.

Particulars	31 March 2019	31 March 2018
Fixed rate instruments		
Financial assets	886.11	765.90
Financial liabilities	(553.98)	(431.05)
	332.13	334.85
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(645.89)	(750.46)
	(645.89)	(750.46)
Total	(313.76)	(415.61)

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.

Particulars	Profit or loss	
	100 bp increase	100 bp decrease
31 March 2019		
Variable rate instruments	(6.46)	6.46
Cash flow sensitivity (net)	(6.46)	6.46
31 March 2018		
Variable rate instruments	(7.50)	7.50
Cash flow sensitivity (net)	(7.50)	7.50

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2019

33. Financial instruments - Fair values and risk management (Contd.)**D. 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 2019 and 31 March 2018 was as follows:

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
Borrowings	845.89	750.46
Less : Cash and cash equivalents	40.87	145.01
Adjusted net debt	805.02	605.45
Total equity	6,683.86	6,742.04
Adjusted net debt to total equity ratio	0.12	0.09

34. 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 ₹ 150.13 Lakh (31 March 2018: ₹ 156.95 Lakh)

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 plan assets and the present 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 2019. 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 Lakh)	
	31 March 2019	31 March 2018
Present value of obligations as at year end	84.03	71.01
Fair value of plan assets as at year end	-	-
Net liability recognised as at year end	84.03	71.01
Of the above:		
Non current	68.95	59.16
Current	15.08	11.85

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

34. Employee benefits (Contd.)**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 Lakh)	
	Defined benefit obligation	
	31 March 2019	31 March 2018
Opening balance	71.01	54.52
Included in profit or loss		
Current service cost	22.56	26.70
Past service cost	-	1.67
Interest cost (income)	4.79	4.00
	98.36	86.89
Included in OCI		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions	-	(2.53)
Financial assumptions	1.22	0.30
Experience adjustment	(2.34)	(13.65)
	(1.12)	(15.88)
Benefits paid	(13.21)	-
Closing balance	84.03	71.01

C. Defined benefit obligations**i. Actuarial assumptions**

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	31 March 2019	31 March 2018
Discount rate	6.95%	7.30%
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 (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	0.11%
40	0.18%
50	0.49%
60	1.15%

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.

	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(1.73)	1.81	(1.46)	1.53
Future salary growth (0.5% movement)	1.79	(1.62)	1.52	(1.46)

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.

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2019

34. Employee benefits (Contd.)

iii. Expected future cash flows

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

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2018					
Defined benefit obligations (Gratuity)	11.84	10.70	44.87	25.96	93.38
Total	11.84	10.70	44.87	25.96	93.38

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:

- 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).
- 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.
- 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:

- 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.
- 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.
- 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.

35. 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 & w.e.f. 16 March 2019 Chief Financial Officer
Shri Sachin Jaju	Non-Executive Director
Shri Manish B. Mandhana	Chief Executive Officer
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
Mr. Hemant Gupta (upto 15 December 2018)	Chief Financial Officer and Chief Operating Officer
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 Pvt Ltd	

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 2019

35. 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:

Particulars	Transaction values		Balances outstanding	
	for the year ended 31 March		as at 31 March	
	2019	2018	2019	2018
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	126.22	-	-
Purchase of property, plant and equipment				
Entities over which KMP and/or their relatives are able to exercise significant influence	-	150.00	-	-
Compensation paid to key managerial personnel				
Salary - Short term employee benefits	375.83	309.32	0.94	16.17
Post employee gratuity	3.58	2.37	6.81	3.23
Sitting Fees	22.75	18.53	-	-
Advance against salary given	155.23	-	24.01	-
Advance against salary recovered	(131.22)			
Recoverable from directors/ CEO	-	-	-	26.13
Deposit for rental premises				
Entities over which KMP and/or their relatives are able to exercise significant influence	-	-	888.54	906.67
Lease rent paid				
Entities over which KMP and/or their relatives are able to exercise significant influence	33.31	47.04	-	-
Key managerial personnel	64.62	56.68	-	0.09
Recovery of expenses				
Entities over which KMP and/or their relatives are able to exercise significant influence	0.17	6.25	0.12	-
Reimbursement of expenses				
Entities over which KMP and/or their relatives are able to exercise significant influence	3.26	51.43	-	-

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 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: ₹ 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.

36. 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 2019 based on the information received and available with the Company. Auditors have relied upon the information provided by the Company.

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2019

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
Principal amount remaining unpaid to any supplier at the year end	1,015.40	263.38
Interest due on the above mentioned principal amount remaining unpaid to any supplier at the year end	108.90	56.32
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	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	56.32
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	-	-

37. Operating lease obligations

The Company has entered in to non-cancelable operating lease. The tenure of such agreements ranges from thirty six month to one hundred eight months. There are no purchase option in these agreements. Lease agreements provide the option to Company to renew the lease period at the end of lease period. Future minimum lease payments under non-cancellable operating leases comprise:

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
Not later than one year	1,324.33	1,394.93
Later than one year and not later than five year'	3,683.04	3,383.87
Later than five year	104.43	1,131.12
Total	5,111.80	5,909.92
Operating lease rentals charged to statement of profit and loss	1,735.40	1,584.68
Operating lease capitalized to property, plant and equipment	Nil	Nil

38. Auditors remuneration (excluding taxes)

Particulars	(₹ In Lakh)	
	31 March 2019	31 March 2018
Statutory audit fees including limited reviews	19.00	19.00
Out of pocket expense	0.92	0.97
Total	19.92	19.97

39. Corporate social responsibility

The Company has spent ₹ 27.18 Lakh (31 March 2018: ₹ 4.60 Lakh) towards various schemes of corporate social responsibility as prescribed under section 135 of the Companies Act, 2013. The details are as under:

- Gross amount required to be spent by the Company during the year is ₹ 47.58 Lakh (31 March 2018: ₹ 63.99 Lakh)
- Amount spent during the year on:

Particulars	(₹ In Lakh)	
	31 March 2019 In Cash	31 March 2018 In Cash
Construction/acquisition of any asset	-	-
On purposes other than above	27.18	4.60
Total	27.18	4.60

40. Contingent liabilities and commitments

- Based on the internal assessment made by the management, the Company does not have any contingent liability as on balance sheet date (31 March 2018: ₹ Nil).
- The Hon'ble Supreme Court of India vide their order dated 28 February 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the Supreme Court for disposal. In view of the management, the liability for the period from date of the Supreme Court order to 31 March 2019 is not significant.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Further, pending decision on the subject review petition and directions from the EPFO, the management is of the view that the applicability of the decision is prospective and accordingly, no liability has been provided for the year ended 31 March 2019.

- iii) The estimated amount of contracts remaining to be executed on capital account to the extent not provided for is ₹ 3.62 Lakh (31 March 2018: ₹ 40.01 Lakh).

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.

41. 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. 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 :

Particulars	31 March 2019				31 March 2018			
	Domestic	Exports	Unallocable	Total	Domestic	Exports	Unallocable	Total
External revenues	19,573.41	2,413.84	-	21,987.25	22,574.02	3,370.91	-	25,944.93
Other allocable income	216.87	-	-	216.87	72.34	56.44	-	128.78
Total revenue	19,790.28	2,413.84	-	22,204.12	22,646.36	3,427.35	-	26,073.71
Less: Elimination	-	-	-	-	-	-	-	-
Net revenue	19,790.28	2,413.84	-	22,204.12	22,646.36	3,427.35	-	26,073.71
Segment result	(23.06)	279.21	-	256.15	1,226.44	501.94	-	1,728.38
Other non allocable income / (expenses):								
Finance cost	-	-	-	(245.70)	-	-	-	(177.24)
Tax expense	-	-	-	(69.36)	-	-	-	(648.42)
Net (loss) / profit	-	-	-	(58.91)	-	-	-	902.72
Other information:								
Total segment assets	6,474.58	827.94	2,417.48	9,720.00	7,824.55	670.17	2,236.12	10,730.84
Non current assets other than financial instruments and deferred tax assets	2,007.42	-	324.48	2,331.90	2,312.75	-	389.67	2,702.42
Total assets	8,482.00	827.94	2,741.96	12,051.90	10,137.30	670.17	2,625.79	13,433.26
Segment liabilities	496.67	-	4,871.37	5,368.04	987.82	-	5,703.40	6,691.22

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.

42. Revenue from contract from customers**A. Revenue streams:**

The Company is 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.

**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2019

Particulars	31 March 2019	31 March 2018
Revenue from contracts with customers		
Sale of products	21,927.98	25,703.13
Other operating revenue		
Export benefits and other incentives	59.27	241.80
Total revenue	21,987.25	25,944.93

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.

Particulars	Product Category				Total	
	Garments		Accessories		31 March 2019	31 March 2018
	31 March 2019	31 March 2018	31 March 2019	31 March 2018		
Primary geographical markets						
Domestic sales	19,264.73	21,857.31	308.68	660.27	19,573.41	22,517.58
Export sales	1,891.39	2,781.63	463.18	403.92	2,354.57	3,185.55
	21,156.12	24,638.94	771.86	1,064.19	21,927.98	25,703.13
Revenue types						
Sale of products	21,156.12	24,638.94	771.86	1,064.19	21,927.98	25,703.13
Export benefits and other incentives	59.27	241.80	-	-	59.27	241.80
	21,215.39	24,880.74	771.86	1,064.19	21,987.25	25,944.93
Timing of revenue recognition						
Products transferred at a point in time	21,215.39	24,880.74	771.86	1,064.19	21,987.25	25,944.93
Revenue from contracts with customers	21,215.39	24,880.74	771.86	1,064.19	21,987.25	25,944.93
External revenue as reported	21,215.39	24,880.74	771.86	1,064.19	21,987.25	25,944.93

C. Reconciliation of revenue from operations with contract price:

Particulars	31 March 2019	31 March 2018
Contract price	30,809.29	34,996.71
Less: Schemes and discounts	8,881.31	9,293.58
Total revenue from operations	21,927.98	25,703.13

D. Contract balances:

Particulars	31 March 2019	31 March 2018
Trade receivables	2,209.00	1,991.64
Advance from customers	99.08	99.94

43. There are no long-term contracts (including derivative contract) that are outstanding at the year end.

44. 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

For and on behalf of the Board of Directors of

The Mandhana Retail Ventures Limited

CIN: L52390MH2011PLC213349

Rishabh Kumar

Partner

Membership No: 402877

Sangeeta M. Mandhana

Managing Director & Chief Financial Officer

DIN: 06934972

Priyavrat Mandhana

Executive Director

DIN: 02446722

Manish Mandhana

Chief Executive Officer

Mumbai

30 May 2019

Virendra Varma

Company Secretary

Membership No: 30786

Mumbai

30 May 2019



Disclaimer

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.



The Mandhana Retail Ventures Limited
CIN: L52390MH2011PLC213349

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