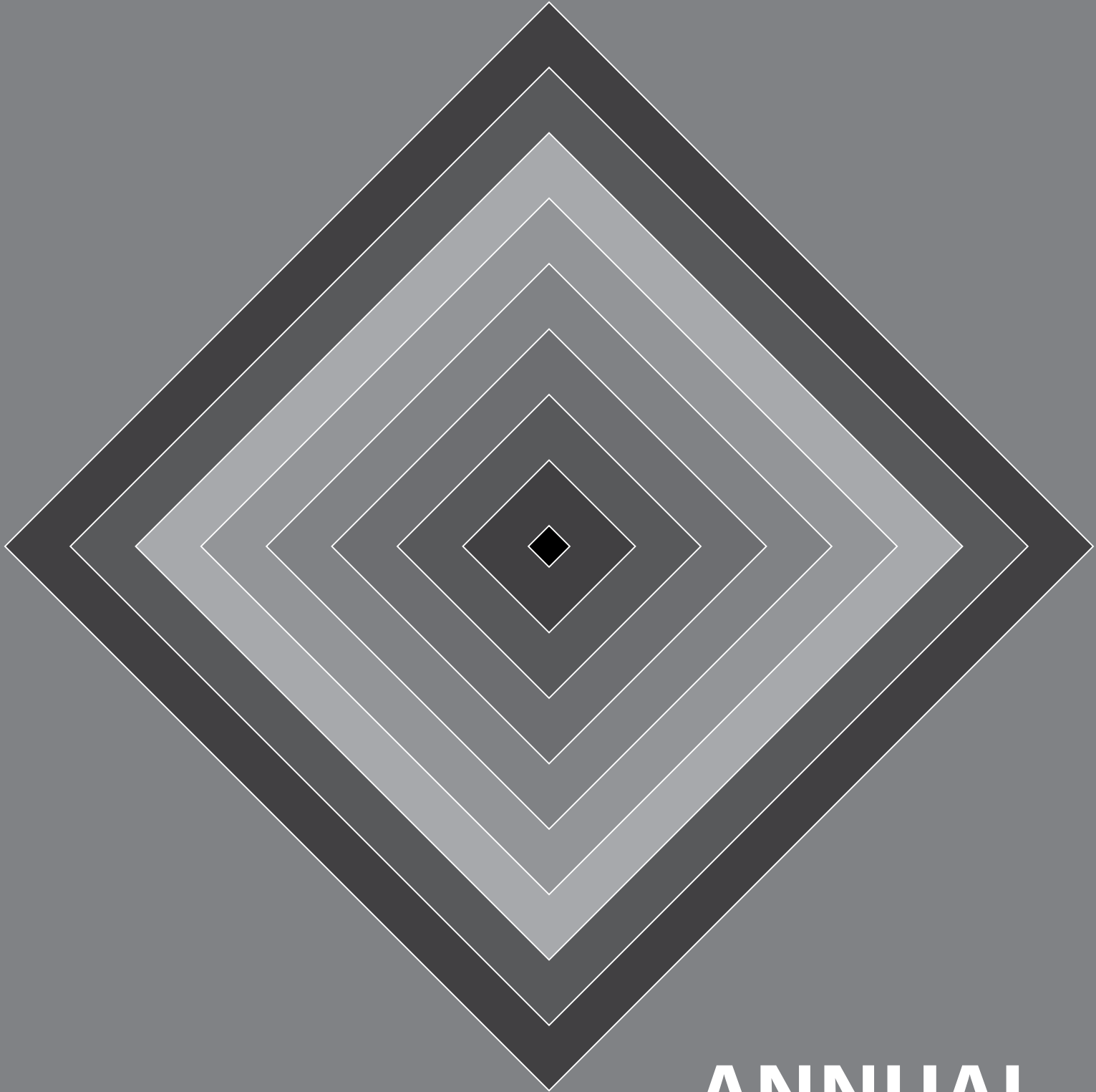




**MRVL**

MANDHANA RETAIL VENTURES LTD.



**ANNUAL  
REPORT**

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2020-2021

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## **Cautionary Statement:**

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.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Mr. Pradip Dubhashi\*

Non-executive and Independent Chairman

### Mr. Ramnath Pradeep\*

Non-executive and Independent Director

### Mr. Kiran Vaidya®

Non-executive and Independent Director

### Mrs. Sangeeta Mandhana

Managing Director

### Mr. Priyavrat Mandhana

Executive Director

### Mr. Mitesh Shah†

Non-executive and Independent Director

### Mr. M.V.P. Hanumantha Rao\*

Non-executive and Independent Director

### Mr. Pravin Navandar‡

Non-executive and Independent Director

### Mr. N. Venkateshwar Rao§

Non-executive and Independent Director

## BOARD COMMITTEES

### Audit Committee

#### Mr. Kiran Vaidya®

Chairman

#### Mr. Ramnath Pradeep\*

Chairman (appointed as Chairman on 14<sup>th</sup> September, 2020)

#### Mr. Pradip Dubhashi\*

Member

#### Mr. Mitesh Shah

Chairman (appointed as member on 20<sup>th</sup> October, 2020 and appointed as Chairman on 17<sup>th</sup> August, 2021)

#### Mr. MVP Hanumantha Rao§

Member

#### Mr. Pravin Navandar‡

Member

#### Mr. Priyavrat Mandhana

Member

### Nomination & Remuneration Committee

#### Mr. Ramnath Pradeep\*

Chairman

#### Mr. Pradip Dubhashi\*

Member

#### Mr. Kiran Vaidya®

Member

#### Mr. M.V.P. Hanumantha Rao

Chairman (appointed as member on 20<sup>th</sup> October, 2020 and appointed as Chairman on 17<sup>th</sup> August, 2021)

#### Mr. Pravin Navandar‡

Member

#### Mr. N. Venkateshwar Rao§

Member

## Stakeholders Relationship Committee

### Mr. Ramnath Pradeep\*

Chairman

### Mr. N. Venkateshwar Rao§

Chairman

### Mrs. Sangeeta Mandhana

Member

### Mr. Priyavrat Mandhana

Member

## Corporate Social Responsibility Committee

### Mr. Pradip Dubhashi\*

Chairman

### Mr. Ramnath Pradeep\*

Member

### Mr. Mitesh Shah§

Chairman

### Mr. M.V.P. Hanumantha Rao§

Member

### Mrs. Sangeeta Mandhana

Member

## Risk Management Committee

### Mr. Pradip Dubhashi\*

Chairman

### Mr. Ramnath Pradeep\*

Member

### Mr. Kiran Vaidya®

Member

### Mr. Pravin Navandar‡

Chairman

### Mr. Mitesh Shah§

Member

### Mr. M.V.P. Hanumantha Rao§

Member

### Mr. N. Venkateshwar Rao§

Member

### Mr. Priyavrat Mandhana‡

Member

## Management Committee

### Mrs. Sangeeta Mandhana§

Chairperson from 17<sup>th</sup> August, 2021

### Mr. Priyavrat Mandhana‡

Member from 17<sup>th</sup> August, 2021

### Mr. Mitesh Shah†

Member

## KEY MANAGERIAL PERSONNEL

### Mrs. Sangeeta Mandhana

Managing Director

### Mr. Priyavrat Mandhana

Executive Director

### Mr. Manish Mandhana

Chief Executive Officer

### Mr. Pankaj Gharat

Chief Financial Officer  
(till 22<sup>nd</sup> February, 2021)

### Mr. Vishal Parikh

Chief Financial Officer  
(From 20<sup>th</sup> August, 2021)

### Mr. Virendra Varma

Company Secretary

## STATUTORY AUDITORS

### M/s. BSR & Co. LLP

Chartered Accountants  
(Upto 12<sup>th</sup> November, 2020)

### M/s. Ram Agarwal & Associates

Chartered Accountants  
(From 11<sup>th</sup> December, 2020)

## SOLICITORS

### M/s. Crawford Bayley & Co.

Advocates & Solicitors

## SECRETARIAL AUDITOR

### Mr. Nitin R. Joshi

Practicing Company Secretary

## BANKERS

ICICI Bank Limited

HDFC Bank Limited

Axis Bank Limited

Corporation Bank

State Bank of India

## REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited  
(Unit: The Mandhana Retail Ventures Limited)

C-101, 247 Park, LBS Marg, Vikhroli (W),  
Mumbai 400 083

Tel: 91-22-49186000

Fax: 91-22-49186060

E-mail: [mumbai@linkintime.co.in](mailto:mumbai@linkintime.co.in)

## Registered Office

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

## Corporate Office

209, Peninsula Centre,  
Dr. S. S. Rao Road,  
Parel, Mumbai - 400 012  
Tel: 91-22-4353 9790

E-mail: [cs@tmrvl.com](mailto:cs@tmrvl.com)

Website: [www.mrvlindia.com](http://www.mrvlindia.com)

\* Upto 21<sup>st</sup> June, 2021

® Upto 18<sup>th</sup> May, 2020

† From 20<sup>th</sup> October, 2020

§ From 17<sup>th</sup> August, 2021



# DIRECTORS' REPORT

## Dear Shareholders,

Your Directors have pleasure in presenting the 10<sup>th</sup> Annual Report and the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2021.

### 1. FINANCIAL HIGHLIGHTS

(Rupees in Lakh)

Particulars	2020-2021	2019-2020
Total Turnover	44.15	15,189.54
Other Income	512.61	883.63
Profit/(Loss) Before Interest, Depreciation and Taxation	(253.80)	(77.30)
Less: 1. Interest	20.05	715.51
2. Depreciation	5.04	1,401.20
Profit/(Loss) Before Taxation	(278.89)	(2,193.91)
Less: Provision for Taxation		
Current Tax	-	-
Deferred Tax	-	(911.11)
Net Profit/(Loss) for the Year	(278.89)	(3,105.02)
Less: Income Tax paid for earlier year	-	-
Profit/(Loss) after Taxation	(278.89)	(3,105.02)
Add: Other Comprehensive Income /(Loss) for the Year	(7.69)	22.52
Total Comprehensive Income/ (Loss) for the year	(286.58)	(3,082.50)
Less: Transfer to General Reserve	-	-
Balance carried forward	(286.58)	(3,082.50)

Note: Figures in brackets represent negative number.

### 2. COMPANY PERFORMANCE AND BUSINESS OVERVIEW

A detailed discussion of operations for the year ended 31<sup>st</sup> March, 2021 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 2020-2021.

### 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

In March 2020, the World Health Organisation declared COVID-19 a global pandemic. Consequent to this, Government of India declared a nation-wide lockdown from 24<sup>th</sup> March, 2020. Subsequently, the nation-wide lockdown was lifted by the Government of India, but regional lockdowns continue to be implemented in areas with significant number of COVID-19 cases. The 'second wave' in March and April, 2021 further exacerbated the situation with Maharashtra suffering a high number of infections. Your Company has been continuously exploring various business prospects and in this regard, various meetings/visits were planned in the initial part of financial year 2021-22. However, with the statutory lockdown and various restrictions imposed by the State Government due to the second wave of the pandemic, the scheduled meetings/visits have been postponed and consequently the progress on the same has been slowed down.

Your Company is conscious of the significant disruption and impact of COVID-19 can have on its employees, prospective clients, partners, investors and the communities in which it is looking to operate. We are working hard to contain and mitigate its impact. The primary objectives of your Company's response to the pandemic are to ensure the safety and wellbeing of its employees and prospective partners, to deliver on its commitments to clients in the true spirit of partnership and to secure the financial and operational resilience of the Company.

As the situation is unprecedented, the Company is closely monitoring the situation as it evolves in the future.

### 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 2020-2021. 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.

**DIRECTORS' REPORT (Contd.)****8. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Sangeeta Mandhana retires by rotation and being eligible, offers herself for re-appointment at the ensuing Annual General Meeting (AGM). 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. Necessary details shall also be annexed to the notice of the meeting in terms of Section 102(1) of the said Act, to the extent applicable.

During the year under review, Mr. Kiran Vaidya, Non-Executive and Independent Director of the Company stepped down from the Board w.e.f. 18<sup>th</sup> May, 2020 in order to pursue some of his personal interests. Mr. Pradip Dubhashi has resigned from the directorship of the Company w.e.f. 21<sup>st</sup> June, 2021 due to his inability to attend the meetings of the Board and the Committees constituted by the Board on account of adverse circumstances caused by the COVID-19 pandemic. Mr. Ramnath Pradeep has resigned as a Director of the Company w.e.f. 21<sup>st</sup> June, 2021 due to his ill-health. The Board places on record the contributions made by Mr. Dubhashi, Mr. Pradeep and Mr. Vaidya during their tenure with the Company.

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

Mr. Pankaj Gharat has resigned from the office of Chief Financial Officer ('CFO') of the Company w.e.f. 22<sup>nd</sup> February, 2021. The Board places on record the contributions made by Mr. Gharat during his tenure with the Company. Mr. Vishal Parikh has been appointed as the CFO of the Company w.e.f. 20<sup>th</sup> August, 2021.

The Board has appointed Mr. Pravin R. Navandar (DIN 02810786) and Mr. N. Venkateshwar Rao (DIN 09261084) as Additional Directors to hold office as Non-Executive & Independent Directors on the Board of the Company with effect from 17<sup>th</sup> August, 2021, till the conclusion of ensuing Annual General Meeting. The Nomination and Remuneration Committee and the Board have considered and recommend to the Shareholders for the appointment of Mr. Pravin R. Navandar and Mr. N. Venkateshwar Rao as Non-Executive & Independent Directors as set out in the Notice of AGM. The resolutions seeking Shareholders' approval for their appointments form part of the Notice of AGM.

During the year under review, none of the other KMP of the Company has 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 Director 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 12<sup>th</sup> March, 2021 without the presence of Executive Directors or Members of the Management. All the Independent Directors attended the Meeting. The Independent Directors opined that the Executive Directors shall contribute more to the deliberations in the Board and Committee Meetings of the Company.

**10. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

During the year, 7 (Seven) Board Meetings (including 2 adjourned Meetings) were convened and held.

Details of meetings of the Board and its Committees along with the attendance of the Directors therein, have been disclosed in the Corporate Governance Report (annexed herewith).

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

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

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

**12. AUDIT COMMITTEE**

As on 31<sup>st</sup> March, 2021, the Audit Committee comprised of four members viz. 3 Independent Directors and 1 Executive Director, given as under:

1.	Mr. Ramnath Pradeep – Chairman
2.	Mr. Pradip Dubhashi
3.	Mr. Mitesh Shah
4.	Mr. Priyavrat Mandhana

Subsequent to resignation of Mr. Kiran Vaidya (erstwhile Chairman of the Audit Committee) w.e.f. 18<sup>th</sup> May, 2020, Mr. Ramnath Pradeep was appointed as Chairman of the Committee w.e.f. 14<sup>th</sup> September, 2020. Mr. Mitesh Shah was inducted in the Committee w.e.f. 20<sup>th</sup> October, 2020. Mr. Pradip Dubhashi and Mr. Ramnath Pradeep ceased to be member of the Committee on 21<sup>st</sup> June, 2021 owing to their resignation from directorship of the Company. W.e.f. 17<sup>th</sup> August, 2021, Mr. Pravin Navandar and Mr. MVPH Rao were inducted in the Committee as a Member and Mr. Mitesh Shah was appointed as the Chairman of the Committee.

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

**DIRECTORS' REPORT (Contd.)****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 are given under Annexure - 'A' to this Report and the detailed policy is available on the website of the Company at <https://www.mrvlindia.com/codes-of-conduct-policies>

**14. RISK MANAGEMENT POLICY**

The Company has an elaborate risk policy defining risk management governance model, risk assessment and Prioritization 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, in order 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**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are provided below:

Particulars of Investment made/ Guarantee given and loan given	Name of the Entity	Amount (₹ in Crores)	Purpose for which Loan, Guarantee is proposed to be utilised by the recipient
Inter Corporate Loan	Munas Investment Pvt. Ltd.	8.30	General Corporate Purpose

**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 under review, the Company had not entered into any contract/arrangement/ transaction with related parties which could be considered material under Regulation 23 of Listing Regulations. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form No. AOC - 2 is not applicable. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed through the following link: <https://www.mrvlindia.com/codes-of-conduct-policies>. Your Directors draw your attention to Note No. 34 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 2020-2021 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2020-2021 are as under:

Sr. No.	Name of Director /KMP and Designation	Remuneration of Director/ KMP for FY 2020-2021** (₹ in Lakh)	% increase in remuneration in FY 2020-2021	Ratio of remuneration of each Whole-Time Director to Median Remuneration of Employees
1	Mrs. Sangeeta Mandhana - Managing Director	65.60	-34.50%	14.36
2	Mr. Priyavrat Mandhana - Executive Director	65.60	-34.50%	14.36
4	Mr. Pradip Dubhashi - Non-Executive Chairman and Independent Director	6.50	N.A.	N.A.
5	Mr. Ramnath Pradeep® - Non-Executive and Independent Director	1.75	N.A.	N.A.
6	Mr. Kiran Vaidya® - Non-Executive and Independent Director	0.00	N.A.	N.A.



**DIRECTORS' REPORT (Contd.)**

Sr. No.	Name of Director /KMP and Designation	Remuneration of Director/ KMP for FY 2020-2021** (₹ in Lakh)	% increase in remuneration in FY 2020-2021	Ratio of remuneration of each Whole-Time Director to Median Remuneration of Employees
7	Mr. Mitesh Shah <sup>@</sup>	Nil	N.A.	N.A.
8	Mr. MVPH Rao <sup>@</sup>	Nil	N.A.	N.A.
9	Mr. Manish Mandhana - Chief Executive Officer	75.60	-24.51%	N.A.
10	Mr. Virendra Varma - Company Secretary	11.24	-25.05%	N.A.
11	Mr. Pankaj Gharat <sup>#</sup> - Chief Financial Officer	18.18	N.A.	N.A.

\* Mr. Kiran Vaidya resigned from the position of Non-Executive and Independent Director of the Company w.e.f. 18<sup>th</sup> May, 2020.

# Mr. Pankaj Gharat has resigned from the office of Chief Financial Officer of the Company w.e.f. 22<sup>nd</sup> February, 2021

@ Mr. Mitesh Shah & Mr. MVPH Rao were appointed as the Non-Executive & Independent Directors of the Company w.e.f. 20<sup>th</sup> October, 2020. In view of prevailing business conditions of the Company, both, Mr. Shah & Mr. Rao, have waived the sitting fees payable to them during the FY 2020-21 and Mr. Ramnath Pradeep had also waived off the sitting fees payable to him for the Board and Committee Meetings attended by him during the FY 2020-21 except for the Board and Committee Meetings held on 9<sup>th</sup> February, 2021.

\*\* Exclusive of taxes.

## Notes:

(1) Remuneration paid to each Whole-Time Director and KMP includes Salary, allowances, company's contribution to provident fund and monetary value of perquisites, if any. The remuneration paid to Non-Executive and/or Independent Directors comprises of sitting fees only. (2) Mr. Pradip Dubhashi and Mr. Ramnath Pradeep ceased to be a director of the Company w.e.f. 21<sup>st</sup> June, 2021 and Mr. Pravin Navandar and Mr. N. Venkateshwar Rao have been inducted on the Board w.e.f. 17<sup>th</sup> August, 2021. (3) Mr. Vishal Parikh has been appointed as Chief Financial Officer of the Company w.e.f. 20<sup>th</sup> August, 2021.

- ii. The median remuneration of employees of the Company during FY 2020-2021 was ₹ 4.57 Lakh per annum;
- iii. In the financial year under review, there was a decline of 16.94% in the median remuneration of employees;
- iv. There were 28 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2021;
- v. Average percentage decrease in the salaries of employees other than the managerial personnel in the last financial year i.e. FY 2020-2021 was 18.27% as compared to FY 2019-2020. As regards comparison of Managerial Remuneration of FY 2020-2021 over FY 2019-2020, 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 in terms of Section 136 of the Act and other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, this report is being sent to the Members excluding the said statement. The said statement is available for inspection of member upto the date of the Annual General Meeting and shall be made available to any shareholder on request made to the Company at [cs@tmrvl.com](mailto:cs@tmrvl.com).

**18. STATUTORY AUDITORS AND AUDITORS' REPORT**

M/s. BSR & Co. LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022), have, due to lack of consensus over the proposal of reduction in audit fees for the FY 2020-21, resigned from the office of Statutory Auditors w.e.f. 12<sup>th</sup> November, 2020, resulting into a casual vacancy in the office of Statutory Auditors of the company as envisaged under section 139(8) of the Companies Act, 2013 ("Act"). As per the recommendation of the Audit Committee and the Board of Directors, the Members of the Company has through postal ballot process appointed M/s. Ram Agarwal & Associates, Chartered Accountants, (Firm Registration No. 140954W) as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. BSR & Co. LLP and who holds office from 11<sup>th</sup> December, 2020 up to the conclusion of the ensuing 10<sup>th</sup> Annual General Meeting of the Company.

In accordance with section 139 of the Companies Act, 2013, the Board of Directors on recommendation of Audit Committee, in its meeting held on 25<sup>th</sup> August, 2021 has recommended the appointment of M/s. Ram Agarwal & Associates, Chartered Accountants, (Firm Registration No. 140954W), as the Statutory Auditors of the Company for a period of 5 years to hold office until the conclusion of the 15<sup>th</sup> Annual General Meeting of the Company to be held in calendar year 2026. M/s. Ram Agarwal & Associates, Chartered Accountants, have consented to act as the Statutory Auditors of the Company.

The Statutory Auditor has given a disclaimer opinion on the financial statements of the Company for the financial year 2020-2021 for the going concern status of the Company on account of loss of 'Being Human' Trademark and lack of sufficient appropriate evidences about the future business plans and operations of the



## DIRECTORS' REPORT (Contd.)

Company and the materialisation of alternatives that are being considered by the Management.

With regard to the aforesaid opinion of the Statutory Auditor, the Management hereby states that the Management has responded with speed to rework its business strategy to meet the uncertainty arising out of the aforesaid event. The Management believes its business plan is amply supported by the core team that it has nurtured over the years and liquidity, inter alia, arising out of the transaction with the Being Human-The Salman Khan Foundation and its new licensee. The Management has held back the roll out of the plan given the disruption caused in the economy and its target markets by the pandemic. Given the current indication, it would be reasonable to expect helpful conditions for roll out during the FY 2021-22. The Management, therefore, is of the opinion that there are reasonable grounds to believe that there is no material impact due to the aforesaid disclaimer on 'going concern' status by the Auditors.

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

The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any further 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, Practicing Company Secretary (Certificate of Practice No. 1884 and Membership No. FCS- 3137) as the Secretarial Auditor of the Company. The Secretarial Audit Report is annexed as Annexure - 'B' and forms an integral part of this Report. The Company has complied with all the applicable secretarial standards.

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

### 20. CORPORATE SOCIAL RESPONSIBILITY

The Company is not falling under any of the applicability criterion of CSR as mentioned under the provisions of Section 135 of the Companies Act, 2013 as amended. 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 31<sup>st</sup> March, 2021.

### 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 31<sup>st</sup> March, 2021, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/loss of the Company for the year under review;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;



**DIRECTORS' REPORT (Contd.)**

- 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 31<sup>st</sup> March, 2021 are provided under Annexure - 'D' to this report.

**26. ANNUAL RETURN**

Pursuant to the provisions of Section 92(1) read with Rule 12 of Companies (Management & Administration) Rules, 2014 and Section 134(3)(a) of the Companies Act, 2013 ('Act') as amended, the Annual Return in Form MGT-7 is uploaded on the website of the Company and the web link of which is: <https://www.mrvlindia.com/codes-of-conduct-policies-copy-3>

**27. COST RECORDS AND COST AUDIT**

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

**28. OTHERS**

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

1. The details relating to deposits, covered under Chapter V of the Act, since neither the Company has accepted deposits during the year under review nor there were any deposits outstanding during the year.
2. Details relating to issue of sweat equity shares, stock options, and shares with differential rights as to dividend, voting or otherwise, since there was no such issue of shares.
3. None of the Whole-Time Directors of the Company received any remuneration or commission from any of its subsidiaries.

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

**29. ACKNOWLEDGEMENT**

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

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

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

**Sangeeta Mandhana**  
Managing Director  
DIN: 06934972

**Priyavrat Mandhana**  
Executive Director  
DIN: 02446722

Place: Mumbai  
Date : 25<sup>th</sup> August, 2021



## ANNEXURE - 'A' TO DIRECTORS' REPORT

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

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

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

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

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

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

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

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

**Sangeeta Mandhana**  
Managing Director  
DIN: 06934972

**Priyavrat Mandhana**  
Executive Director  
DIN: 02446722

Place: Mumbai  
Date : 25<sup>th</sup> August, 2021

## ANNEXURE - 'B' TO DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[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.**

209, 2<sup>nd</sup> Floor, Peninsula Centre,

Dr. S.S. Rao Road, Parel,

Mumbai-400012.

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, to the extent the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI) warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March, 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made under that Act;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable to Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);
- (v) The following Regulations and Guidelines prescribed under the SEBI Act, 1992:
  - (a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The SEBI (Prohibition of Insider Trading) Regulations, 2015;

- (c) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
  - (d) The SEBI (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
  - (e) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
  - (f) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The SEBI (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
  - (h) The SEBI (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**
- (vi) I further report that, having regard to the compliance system prevailing in the Company, considering and relying upon representation made by the Company and its officers for system and mechanism formed by the Company, I am of the opinion that the Company has complied with the following laws applicable specifically to the Company:

- I. The Legal Metrology Act, 2009
- II. The Trade Mark Act, 1999

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

- (i) Applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Equity Listing Agreement, to the extent applicable, entered into by the Company with National Stock Exchange of India Limited and BSE Limited; and SEBI (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 except to the extent of observations mentioned below:

**ANNEXURE - 'B' TO DIRECTORS' REPORT (Contd.)**

- I. Whereas under Regulation 44(3) of SEBI (LODR) Regulations, 2015, the Company could not submit voting results within forty-eight hours of conclusion of Postal Ballot, due to Covid-19 related restrictions imposed by the Government of Maharashtra, after written submissions made by the Company for waiver of penalty on account of non-compliance of Regulation 44(3) to both the stock exchange(s), the NSE has waived the fine and similar waiver is expected from BSE.
- II. Whereas under Regulation 17(1) of SEBI (LODR) Regulations, 2015, the Board composition was not in-line with the said regulation (minimum number of directors on the Board) for a period between April 1, 2020 to October 20, 2020, hence National Stock Exchange (NSE) levied penalty, after written submissions made by the Company for waiver of penalty on account of non-compliance of Regulation 17(1), the NSE has waived the penalty.
- III. Whereas under Regulation 33 of SEBI (LODR) Regulations, 2015, the Company could not submit Audited Financial Results for FY 2020-21 in time, after written submissions made by the Company for waiver of penalty on account of non-compliance of Regulation 33 to both the Exchanges, the NSE has waived the fine and similar waiver is expected from BSE.
- IV. Whereas under Regulation 23(9) of SEBI (LODR) Regulations, 2015, the Company was in delay in submission of details of Related Party Transactions for the half year ended September 30, 2020 and the Company complied with the said requirement and paid the fine of ₹ 10,000/- plus taxes to both the Exchanges.
- V. Whereas under Regulation 29 of SEBI (LODR) Regulations, 2015, the Company called the adjourned Board Meeting at a shorter notice period than prescribed, for declaration of audited financial results for the quarter and financial year ended March 31, 2020. After written submission made by the Company, both the Stock Exchanges have waived the fine imposed for non-compliance of Regulation 29 of the Listing Regulations.
- VI. The Company is required to appoint Internal Auditor of the Company pursuant to the provisions of section 138 of the Companies Act, 2013, after vacation of the said position on 11.12.2020.
- VII. During the year, the Company has given Inter-Corporate Loan of ₹ 8.30 crores to Munas Investment Pvt. Ltd., which is covered under section 186 of the Companies Act, 2013, however the approval of the Board to the said loan as required under section 186, was obtained subsequently.

**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 the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting 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 Committees of the Board, as the case may be.

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

**I further report that** during the audit period;

- i. Mr. Pankaj Gharat resigned from the post of Chief Financial Officer ('CFO') of the Company w.e.f. 22<sup>nd</sup> February 2021.

**(NITIN R. JOSHI)**

Date : August 25, 2021

FCS No. 3137 C.P. No 1884

Place : Mumbai

**UDIN No. F003137C000826894**

Note: This report is to be read with my 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.  
209, 2<sup>nd</sup> Floor, Peninsula Centre,  
Dr. S.S. Rao Road, Parel,  
Mumbai - 400 012

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

- Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records of the Company based on the audit.
- I 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. I believe that the processes and practices that were followed provide a reasonable basis for the opinion.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

- Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**(NITIN R. JOSHI)**

FCS No. 3137 C.P. No 1884

Date : August 25, 2021

Place : Mumbai

**ANNEXURE - 'C' TO DIRECTORS' REPORT**

Annual Report on Corporate Social Responsibility activities for the financial year 2020-2021

**1. A BRIEF OUTLINE OF THE COMPANY'S CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:**

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

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

- Education;
- Health care (including preventative health care);
- Employment enhancing vocational skills;
- Livelihood enhancement; and
- Environment sustainability projects.

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

**2. COMPOSITION OF THE CSR COMMITTEE**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Pradip Dubhashi	Chairman/ Non - Executive and Independent Director	2	2
2.	Mr. Ramnath Pradeep	Member/ Non - Executive and Independent Director	2	2
3.	Mrs. Sangeeta Mandhana	Member/ Executive Director	2	0

Note: Mr. Pradip Dubhashi and Mr. Ramnath Pradeep ceased to be members of the Committee w.e.f. 21<sup>st</sup> June, 2021 consequent to their resignation as a Director of the Company and thereby Mr. Mitesh Shah and Mr. MVP Hanumantha Rao were inducted in the Committee as Chairman and Member respectively w.e.f. 17<sup>th</sup> August, 2021.



3. **Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company:**
- The web-link, where Composition of CSR Committee is disclosed on the website of the Company is: <https://www.mrvlindia.com/codes-of-conduct-policies-copy-5>
  - The web-link, where CSR Policy of the Company is disclosed on the website of the Company is: <https://www.mrvlindia.com/codes-of-conduct-policies>
  - As the provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company for the FY 2020-21, the requirement of identifying the CSR projects by the CSR Committee and the Board of Directors of the Company is not applicable to the Company for the FY 2020-21. Therefore, the requirement of disclosure of the same on the website of the Company is not applicable.
4. **Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:** Not applicable (N.A.)
5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** N.A.
6. **AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5):** N.A.
7. (a) **Two percent of average net profit of the company as per section 135(5):** N.A.
- (b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL
- (c) **Amount required to be set off for the financial year, if any:** N.A.
- (d) **Total CSR obligation for the financial year (7a+7b-7c):** N.A.
8. (a) **CSR amount spent or unspent for the financial year:** N.A.
- (b) **Details of CSR amount spent against ongoing projects for the financial year:** N.A.
- (c) **Details of CSR amount spent against other than ongoing projects for the financial year:** N.A.
- (d) **Amount spent in Administrative Overheads:** N.A.
- (e) **Amount spent on Impact Assessment, if applicable:** N.A.
- (f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** N.A.
- (g) **Excess amount for set off, if any:** N.A.

Sl. No.	Particular	Amount (In ₹)
1	Two percent of average net profit of the company as per section 135(5)	N.A.
2	Total amount spent for the Financial Year	N.A.
3	Excess amount spent for the financial year [(ii)-(i)]	N.A.
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	N.A.

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** NIL
- (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** NIL
10. **In case of creation or acquisition of capital asset, the details relating to the asset so created or acquired through CSR spent in the financial year:** N.A.
11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):** N.A.

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

**Sangeeta Mandhana**  
Managing Director  
DIN: 06934972

**Mitesh Shah**  
Chairman, CSR Committee  
DIN: 07202696

Date: 25<sup>th</sup> August, 2021  
Place: Mumbai



**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 : ₹ 6.15 Lakh.

Outgo : ₹ 1.58 Lakh.

For and on behalf of the Board of Directors

**The Mandhana Retail Ventures Limited**

**Sangeeta Mandhana**

Managing Director

DIN: 06934972

**Priyavrat Mandhana**

Executive Director

DIN: 02446722

Place: Mumbai

Date : 25<sup>th</sup> August, 2021



# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMY

FY 2020-21 was one of the most challenging years for the world battling with a once-in-a-century kind of pandemic event of Covid-19. The global economy contracted for the first time in last many years with the world output de-growth at -3.5 percent since the global economic crisis in 2009. When the contraction was -1.7% (source - IMF World economic outlook 26<sup>th</sup> January, 2021), Global lock downs, trade freeze, stretched healthcare systems and economic activity coming to a standstill in large geographies, created further stress on already stretched economies of emerging markets, including India. Most countries, including India, saw a halt in manufacturing activities ranging from 60-120 days in the calendar year in an unprecedented move necessitated by outbreak of Covid-19 and migration of labor. A period of stabilization was seen in second half of 2020 before 2<sup>nd</sup> wave of Covid-19 started sweeping across the geographies again. The McKinsey Global Fashion Index (MGFI) predicted global fashion industry contraction of 27 to 30 percent in 2020 y-o-y with potentially a strong recovery to pre pandemic levels in 2021. The global fashion Industry saw a steep decline in FY 2020-21 with profits declining by ~93% from 2019 levels.

## Indian Economy

A strong rebound in economic activity is likely in India soon. India's GDP was initially anticipated to fall by 8%, which ended up declining by 7.3% in FY 2020-21. India's focus on implementing stringent measures towards saving lives and livelihoods has helped the Indian economy rebound faster than the other emerging markets. In FY 2020-21, monetary easing, supportive financial regulation and fiscal support were deployed to counter the recessionary effects of the lockdown. CPI Inflation was expected to touch 5% in Q4 FY21 but ended up crossing the 5.5% mark and is expected to stabilize at 5.3% in Q4 FY22.

## Indian Retail

The Indian textiles and apparel industry is the 6<sup>th</sup> most prominent globally, with an estimated size of USD 70 Billion, and contributing nearly 4% to the global pie. It employs over 45 million people and is the 5<sup>th</sup> largest exporter of textile and apparel in the world with exports worth USD 36.4 billion. The pandemic has accelerated many trends in this space. The apparel retail industry's shift from unorganised to organised has become quicker, as aspirations for better fashion and brands is being coupled with wider and deeper supplies.

The Indian apparel market is the 2<sup>nd</sup> largest retail market after food and grocery. Domestic apparel players are expected to start seeing recovery towards the latter part of FY22. Growth in all apparel segments such as athleisure, active wear, casual wear and innerwear will gain aggressive momentum and provide opportunities to scale branded play.

India has the largest youth population, with the lowest median age across developed and developing nations. This, aided with a general propensity towards healthier lifestyles and engagement with activities related to fitness, athleisure and active wear have emerged as a new apparel category across segments and price points. The category has also gained prominence due to the new "work from home" setting brought upon by the impact of the pandemic. The growth in this category will continue long after the impact of the pandemic recedes and hence it's a permanent shift that way.

## REVIEW OF COMPANY'S BUSINESS OPERATIONS

During the FY 2020-21, the Management has been meticulously forecasting to venture into new business segment. Rigorous planning, estimating and undertaking various calculation for launch of the new product has been the routine of the Management. However, the unprecedented Covid-19 pandemic, which is continuously emerging into new and more deadly variant has significantly impacted the launch of the new product by the Company.

Nevertheless, with the core talented and dedicated workforce working diligently with the experienced and skilled Key Management employees of the Company, the Management is confident and firm on recovering and improving the financial and operating position of the Company with the expeditious launch of new product which would give the necessary thrust to revive the Company.

## Opportunities and Threats/Risks and Its Mitigation

The Company has been constantly exploring various business alternatives and has been scrutinizing various business avenues. On account of the outbreak of Covid-19 pandemic and consequent lockdown imposed globally and in India, the speed of exploring the alternative business has been drastically impacted. However, upon gradual relaxation in the Lock down and restoration of normalcy, the Management has initiated the process of exploring the business avenues and necessary intimations will be submitted to the Stock Exchanges upon finalization of any business proposal. As the Company is exploring new business alternative, an inherent risk of new business operations becoming futile is the ultimate risk which the Company is facing. However, with the core talent team having extensive experiences in handling the challenges associated while starting new business operations, the Management is assertive that the Company would be able to achieve the same success level which it has previously achieved while starting the operations under the Being Human trademark. As there were no business operations, the details pertaining to segment-wise revenue could not be provided.

## MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

### Performance Review

During the year, we achieved sales of ₹ 44.15 lakh, reflecting a (decline) of 99.72% over ₹ 15,189.54 Lakh in FY20. Our EBITDA margin decreased to (574.88) %, from (0.51)% in FY20. Net loss after tax stood at ₹ 278.89 Lakh in FY21, as compared to net loss of ₹ 3,105.02 Lakh in FY20.

(₹ in lakh, except earnings per share)

Particulars	Year ended		
	31.03.2021	31.03.2020	31.03.2019
Total Income	556.76	16,073.17	22,204.12
Net Profit/(Loss) for the Period before tax	(278.89)	(2,193.91)	10.45
Net Profit / (Loss) for the Period after tax	(278.89)	(3,105.02)	(58.91)
Total Comprehensive Income for the Period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after Tax)	(286.58)	(3,082.50)	(58.18)
Equity Share Capital	2,208.26	2,208.26	2,208.26

Note: Figures in brackets represent negative number.

### Human Assets

Our people are at the heart of everything we do and we implement a variety of initiatives to augment their operational capabilities. As on 31<sup>st</sup> March, 2021, our workforce strength is recorded at 28 (excluding the Executive Directors of the Company).

### INTERNAL CONTROLS AND THEIR ADEQUACY

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

### Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed Ind AS referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

### 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 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	Change (difference between the ratio as on 31 <sup>st</sup> March, 2021 and 31 <sup>st</sup> March, 2020)	Reasons for change in Ratios
Debtors Turnover	0.107	7.42	-98.65%	Debtors turnover representing credit sales divided by average debtors. Debtors turnover has reduced due to limited operations, lockdown caused by covid -19 pandemic, reduced turnover, delay in realising the amounts from debtors.
Interest Coverage Ratio	-12.91	-2.07	-523.67%	Interest coverage represents earnings before interest expenses divided by interest expenses. In absolute terms interest expenses have reduced significantly to INR 20.05 lakhs (INR 715.41 lakhs). Significant change in the ratio is due to lower interest expenses incurred.

**MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)**

<b>Ratio</b>	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2020</b>	<b>Change (difference between the ratio as on 31<sup>st</sup> March, 2021 and 31<sup>st</sup> March, 2020)</b>	<b>Reasons for change in Ratios</b>
Net Profit Margin	-631.72%	-20.44%	-2990.60%	Net profit margin represents profit after tax divided by revenue from operations. In absolute terms the net loss has reduced significantly to INR -278.90 lakhs (INR -2193.91 lakhs), significant change in ratio is due to low revenue caused by limited operations.
Return on Net Worth	-8.41%	-86.22%	90.24%	Return on net worth represents profit after tax divided by Net worth. In absolute terms the net loss has reduced significantly to INR -278.90 lakhs (INR -2193.91 lakhs), however no material change in the net worth.
Current Ratio	4.21	2.64	59.46%	Current ratio represent current assets to current liabilities. There is significant improvement due to repayment of creditors.
Operating Profit Margin (%)	-117.61%	5.26%	-2335.93%	Operating profit margin represents gross profit as reduced by operating expenses divided by revenue from operations. Due to limited operations, lockdown resulting in very low turnover due to which operating loss incurred in the previous year.

Figures in brackets represent last year figures.

Note: The above ratios are not comparable to the extent of the size of business operations being significantly impacted in the FY 2020-21 vis-a-vis FY 2019-20.

# 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 31<sup>st</sup> March, 2021. The Board of Directors comprises of Executive Directors and Non-Executive & Independent Directors including a Woman Director. The Board was headed by Mr. Pradip Dubhashi, Chairman, Non-Executive and Independent Director upto 21<sup>st</sup> June, 2021. Mrs. Sangeeta Mandhana is the Managing Director and Mr. Priyavrat Mandhana is an Executive Director.

The Board also comprises of Mr. Ramnath Pradeep (upto 21<sup>st</sup> June, 2021), Mr. Mitesh Shah and Mr. MVPH Rao, Mr. Pravin Navandar (w.e.f. 17<sup>th</sup> August, 2021) and Mr. N. Venkateshwar Rao (w.e.f. 17<sup>th</sup> August, 2021), who are Non-Executive and Independent Directors. 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 31<sup>st</sup> March, 2021) 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	7	1	2	Rolta India Limited (Non-Executive and Independent)
Mr. Mitesh Shah	Non - Executive and Independent	-	-	-	-

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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. MVPH Rao	Non - Executive and Independent	-	-	-	-
Mrs. Sangeeta Mandhana	Executive	-	-	-	-
Mr. Priyavrat Mandhana	Promoter and Executive Director	1	-	-	-

\* Mr. Pradip Dubhashi and Mr. Ramnath Pradeep have resigned from the Board w.e.f. 21<sup>st</sup> June, 2021.

**Notes:**

- Mr. Mitesh Shah and Mr. MVPH Rao have been appointed as Additional Directors on 20<sup>th</sup> October, 2020 and members have approved their appointment at the 9<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> November, 2020.
- Mr. Pravin R. Navandar and Mr. N. Venkateshwar Rao have been appointed as Additional Directors (Non-Executive and Independent) w.e.f. 17<sup>th</sup> August, 2021.
- The Directorship relates to the Directorships of the Directors in other public/ private limited companies (excluding The Mandhana Retail Ventures Limited).
- 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 2020-2021 along with the attendance of each of the Directors are as follows:**

The Board met seven times (including 2 Adjourned Board Meetings) during the financial year under review on the following dates:

- 14<sup>th</sup> September, 2020
- 18<sup>th</sup> September, 2020  
(adjourned from 14<sup>th</sup> September, 2020)
- 20<sup>th</sup> October, 2020
- 6<sup>th</sup> November, 2020
- 12<sup>th</sup> November, 2020
- 15<sup>th</sup> December, 2020  
(adjourned from 12<sup>th</sup> November, 2020)
- 9<sup>th</sup> February, 2021

**Attendance:**

Sr. No.	Name of the Director	Number of meetings entitled to attend	Number of Meetings attended	Whether attended the last AGM (28.11.2020)
1.	Mr. Pradip Dubhashi <sup>@</sup>	7	7	Yes
2.	Mr. Ramnath Pradeep <sup>@</sup>	7	7	Yes
3.	Mr. Mitesh Shah <sup>#</sup>	4	2	Yes
4.	Mr. MVPH Rao <sup>#</sup>	4	4	Yes
5.	Mrs. Sangeeta Mandhana	7	5	Yes
6.	Mr. Priyavrat Mandhana	7	7	Yes
7.	Mr. Kiran Vaidya <sup>@</sup>	Nil	N.A.	N.A.

<sup>#</sup> Mr. Mitesh Shah and Mr. MVPH Rao appointed as additional Directors w.e.f. 20<sup>th</sup> October, 2020.

<sup>@</sup> Mr. Kiran Vaidya resigned w.e.f. 18<sup>th</sup> May, 2020 and Mr. Pradip Dubhashi & Mr. Ramnath Pradeep resigned w.e.f. 21<sup>st</sup> June, 2021.

**c. Disclosure of Relationships between Directors inter-se:**

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

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

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

None of the Non- Executive Directors hold any equity shares of the Company except Mr. Mitesh Shah who holds 259 equity shares of the Company as of 31<sup>st</sup> March, 2021. The Company has not issued any convertible instruments.

e. The Company had imparted familiarization programme for the Independent Directors of the Company to get acquainted with the nature of business of the company. The details of the same are provided on the website of the Company at [www.mrvlindia.com](http://www.mrvlindia.com) under the tab 'Familiarization Programme for Independent Directors'. The web link for the same is <https://www.mrvlindia.com/codes-of-conduct-policies>

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

Sr. No.	Particulars
	<b>Skills</b>
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



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Sr. No.	Particulars
5	Skill to handle gender diversity at the board and management level
6	Ability to read financial statements and comfort with financial business terms
7	Basic skills in numerate disciplines like mathematics and statistics
8	Costing
9	Pricing
10	Interpersonal Skills
<b>Expertise</b>	
1	SWOT analysis
2	Financial analysis including cash flow. Ratio Analysis and their interpretations
3	Marketing with specific expertise in: <ul style="list-style-type: none"> <li>▪ Consumer Behaviour w.r.t. fashion garments and apparels</li> <li>▪ Product Marketing of consumer products</li> <li>▪ Merchandising and Display</li> <li>▪ Retailing</li> <li>▪ Forecasting</li> <li>▪ Franchising</li> <li>▪ Brand building</li> <li>▪ Advertising</li> <li>▪ Market Research</li> <li>▪ Fashion Trends</li> </ul>
4	Product Costing and Pricing
5	Envisioning value chain and analysis
6	Supply Chain analysis
7	Textile markets operations and impact on sourcing
8	Licensing of brands
9	Managing creativity; managing and motivating young and creative workforce
10	People Management, Performance Systems, Incentive planning
11	Statutory matters regarding stock markets, exchanges and financial markets in general
12	Sources of Finance and capital structuring
13	Contracts Law and other laws pertaining to taxation, labour.
14	Stock planning, logistics and control
15	Accounting Standards, Ind AS provisions
16	Companies Act and SEBI regulations and direct and Indirect Taxation and transfer pricing
<b>Competencies</b>	
1	Strategy including Competitive Strategy
2	Business Strategy in the Apparel Market
3	Visualise and integrate cost-competition-consumer for a profitable value proposition

Sr. No.	Particulars
4	Ability to take on board interests of diverse stakeholders 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 stakeholders for achieving collective good
7	Competence to integrate societal good to firm's wellbeing by influencing managerial actions and behavior
8	Ability to read and discern long term trends
9	Competence to help management combat chaos and inevitable periodic disruptions in a fickle consumer market for fashion apparels
g.	Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and that they are independent of the management and the independent directors fulfill the conditions specified in the Listing Regulations.
h.	Mr. Kiran Vaidya resigned w.e.f. 18 <sup>th</sup> May, 2020 to pursue some of his personal interests. Mr. Mitesh Shah and Mr. MVPH Rao have been appointed as Non-Executive and Independent Directors of the Company w.e.f. 20 <sup>th</sup> October, 2020. Mr. Pradip Dubhashi and Mr. Ramnath Pradeep have resigned w.e.f. 21 <sup>st</sup> June, 2021. Mr. Pradip Dubhashi has resigned due to his inability to attend the meetings of the Board and Committees constituted by the Board due to adverse circumstances caused by Covid-19 pandemic and Mr. Ramnath Pradeep has resigned due to his ill-health. Mr. Vaidya, Mr. Dubhashi and Mr. Pradeep have also confirmed that there exist no other material reasons other than those provided in their respective resignation letter. Mr. Pravin R. Navandar and Mr. N. Venkateshwar Rao have been appointed as Non-Executive Independent Directors w.e.f. 17 <sup>th</sup> August, 2021.

**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.

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The Audit Committee comprised of the following Directors as on 31<sup>st</sup> March, 2021:

1. Mr. Ramnath Pradeep (upto 21 <sup>st</sup> June, 2021)	Chairman (Non-Executive Independent Director)
2. Mr. Pradip Dubhashi (upto 21 <sup>st</sup> June, 2021)	Member (Non-Executive Independent Director)
3. Mr. Mitesh Shah (From 20 <sup>th</sup> October, 2020)	Chairman (Non-Executive Independent Director)
4. Mr. Priyavrat Mandhana	Member (Executive Director)

Note: Subsequent to resignation of Mr. Kiran Vaidya (erstwhile Chairman of the Audit Committee) w.e.f. 18<sup>th</sup> May, 2020, Mr. Ramnath Pradeep was appointed as Chairman of the Committee w.e.f. 14<sup>th</sup> September, 2020. Mr. Mitesh Shah was inducted in the Committee w.e.f. 20<sup>th</sup> October, 2020. Mr. Pradip Dubhashi and Mr. Ramnath Pradeep ceased to be a member of the Committee on 21<sup>st</sup> June, 2021 owing to their resignation from directorship of the Company. W.e.f. 17<sup>th</sup> August, 2021, Mr. Pravin Navandar and Mr. MVPH Rao were inducted in the Committee as a Member and Mr. Mitesh Shah was appointed as the Chairman of the Committee.

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

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

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

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

- 1) oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;

- (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- 5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  - 6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
  - 7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - 8) approval or any subsequent modification of transactions of the Company with related parties;
  - 9) scrutiny of inter-corporate loans and investments;
  - 10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
  - 11) evaluation of internal financial controls and risk management systems;
  - 12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - 13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - 14) discussion with internal auditors of any significant findings and follow-up thereon;
  - 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;

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- 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.
  - 23) to consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc. on company and its shareholders.
- II. The audit committee mandatorily reviews the following information:
- 1) management discussion and analysis of financial condition and results of operations;
  - 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - 3) management letters / letters of internal control weaknesses issued by the statutory auditors;
  - 4) internal audit reports relating to internal control weaknesses;
  - 5) the appointment, removal and terms of remuneration of the chief internal auditor are subject to review by the audit committee; and
  - 6) statement of deviations:
    - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
    - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**B. Meetings and Attendance:**

Six Audit Committee Meetings (including 2 adjourned meetings) were held during the year under review. The dates on which the meetings held are as follows:

1. 14<sup>th</sup> September, 2020
2. 18<sup>th</sup> September, 2020  
(adjourned from 14<sup>th</sup> September, 2020)
3. 6<sup>th</sup> November, 2020
4. 12<sup>th</sup> November, 2020
5. 15<sup>th</sup> December, 2020  
(adjourned from 12<sup>th</sup> November, 2020)
6. 9<sup>th</sup> February, 2021

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	6	6
2.	Mr. Pradip Dubhashi §	Non - Executive Independent	6	6
3.	Mr. Mitesh Shah #	Non - Executive Independent	4	4
4.	Mr. Priyavrat Mandhana	Executive	6	6
5.	Mr. Kiran Vaidya @	Non - Executive Independent	Nil	N.A.

\* Designated as Chairman w.e.f. 14<sup>th</sup> September, 2020.

# Appointed w.e.f. 20<sup>th</sup> October, 2020.

@ Resigned w.e.f. 18<sup>th</sup> May, 2020.

§ Resigned w.e.f. 21<sup>st</sup> June, 2021.

**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 are in conformity with the Companies Act, 2013 and the Listing Regulations.

The Nomination and Remuneration Committee comprised of the following Directors as on 31<sup>st</sup> March, 2021:

1.	Mr. Ramnath Pradeep	Chairman (Non-Executive & Independent Director)
2.	Mr. Pradip Dubhashi	Member (Non-Executive & Independent Director)
3.	Mr. MVPH Rao	Member (Non-Executive & Independent Director)

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Note: Mr. MVPH Rao was inducted in the Committee w.e.f. 20<sup>th</sup> October, 2020 due to resignation of Mr. Kiran Vaidya (erstwhile member of the Committee) as a Director of the Company w.e.f. 18<sup>th</sup> May, 2020. Mr. Pradip Dubhashi and Mr. Ramnath Pradeep ceased to be member of the Committee on 21<sup>st</sup> June, 2021 consequent to their resignation from directorship of the Company and w.e.f. 17<sup>th</sup> August, 2021, Mr. Pravin Navandar and Mr. N Venkateshwar Rao were inducted in the Committee as a Member and Mr. MVPH Rao was appointed as the Chairman of the Committee.

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 6<sup>th</sup> November, 2020.

Sr. No.	Name of the Member	Category	Number of Meetings entitled to attend	Number of Meetings attended
1.	Mr. Ramnath Pradeep (Chairman) <sup>@</sup>	Non – Executive Independent	1	1
2.	Mr. Pradip Dubhashi <sup>@</sup>	Non – Executive Independent	1	1
1.	Mr. MVPH Rao <sup>#</sup>	Non – Executive Independent	1	1
3.	Mr. Kiran Vaidya <sup>@</sup>	Non – Executive Independent	Nil	N.A.

<sup>#</sup> Appointed w.e.f. 20<sup>th</sup> October, 2020.

<sup>@</sup> Mr. Kiran Vaidya resigned w.e.f. 18<sup>th</sup> May, 2020 and Mr. Ramnath Pradeep & Mr. Pradip Dubhashi ceased to be a member of the Committee on 21<sup>st</sup> June, 2021 consequent to their resignation from their Directorship with the Company.

**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 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. Mr. Ramnath Pradeep has waived off the sitting fees payable to him for the Board and Committee Meetings attended by him during the financial year 2020-21 except for the Board and Committee Meetings held on 9<sup>th</sup> February, 2021. Mr. Mitesh Shah and Mr. MVPH Rao have waived off the sitting fees payable to them for the Board and Committee Meetings attended by them during the financial year 2020-21.

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

The sitting fees for FY 2020-21, payable to Non-Executive and Independent Directors is ₹ 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, Corporate Social Responsibility Committee and Risk Management Committee, which is within the limits prescribed under the provisions of the Act.

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

Details of sitting fees paid to the Non-executive Directors for the financial year 2020-2021:

Sr. No.	Name of the Non-Executive Director	Sitting fees paid (₹ in Lakh)
1.	Mr. Pradip Dubhashi <sup>§</sup>	₹ 6.50
2.	Mr. Ramnath Pradeep <sup>§</sup>	₹ 1.75
3.	Mr. Mitesh Shah <sup>*</sup>	NIL
4.	Mr. MVPH Rao <sup>*</sup>	NIL
5.	Mr. Kiran Vaidya <sup>@</sup>	N.A.

<sup>\*</sup> Appointed w.e.f. 20<sup>th</sup> October, 2020.

<sup>@</sup> Resigned w.e.f. 18<sup>th</sup> May, 2020.

<sup>§</sup> Resigned w.e.f. 21<sup>st</sup> June, 2021.

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

Details of the remuneration paid to the Managing Director and the Executive Director of the Company for the financial year 2020-2021:

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Sr. No.	Name of the Director	Remuneration paid/payable (₹ in Lakh)	Perquisites (₹ in Lakh)	Total (₹ in Lakh)
1.	Mrs. Sangeeta Mandhana	61.45	4.15	65.60
2.	Mr. Priyavrat Mandhana	61.45	4.15	65.60

### 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 31<sup>st</sup> August, 2022. The notice period for termination of appointment is determinable as per company's policy. While there is no specific provision for payment of performance linked incentives and severance fees to any of the Executive Directors, the Board is empowered to consider the same at its discretion, taking into account attendant facts and circumstances.
- b. The Company has not provided any Stock Options to its Directors or employees.
- c. In view of the COVID-19 outbreak in India, which has exacted a huge toll on the societal, economic and industrial health of the nation and its impact on performance of the Company, Mrs. Sangeeta Mandhana and Mr. Priyavrat Mandhana, have waived over 30% of their salary from April 2020 onwards.

## 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. The terms of reference and scope of activities of the Stakeholders Relationship Committee are in conformity with the Companies Act, 2013 and 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 31<sup>st</sup> March, 2021:

i.	Mr. Ramnath Pradeep * - Chairman (Non-Executive Independent Director)
ii.	Mrs. Sangeeta Mandhana - Member (Managing Director)
iii.	Mr. Priyavrat Mandhana - Member (Executive Director)

\*Resigned w.e.f. 21<sup>st</sup> June, 2021.

Note: Mr. N. Venkateshwar Rao was inducted in the Committee w.e.f. 17<sup>th</sup> August, 2021 and has been appointed as the Chairman of the Committee.

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 9<sup>th</sup> February, 2021.

Sr. No.	Name of the Member	Category	Number of meetings entitled to attend	Number of Meetings attended
1.	Mr. Ramnath Pradeep <sup>®</sup>	Chairman-Non-Executive Independent	1	1
2.	Mrs. Sangeeta Mandhana	Executive	1	0
3.	Mr. Priyavrat Mandhana	Executive	1	1

<sup>®</sup> Resigned w.e.f. 21<sup>st</sup> June, 2021.

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

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

The SCORES website of SEBI for redressing grievances of the investors is being visited at regular intervals by the Company and there are no pending complaints registered with SCORES as on 31<sup>st</sup> March, 2021.

There are no pending cases of share transfer as on 31<sup>st</sup> March, 2021.

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

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

**CORPORATE GOVERNANCE REPORT (Contd.)****7. Independent Directors:****Meeting of Independent Directors:**

The Company's Independent Directors met on 12<sup>th</sup> March, 2021 without the presence of Executive Directors or members of the Management. All the Independent Directors attended the Meeting.

At the meeting held on 12<sup>th</sup> March, 2021, the Independent Directors *inter-alia* reviewed the following:

1. Performance of the Non-Independent Directors;
2. Performance of the Chairman and Independent Directors and noting the performance assessments received from Non-Independent Directors; and
3. Assessed 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

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

Particulars	Date and Time	Venue	Details of Special Resolutions passed
9 <sup>th</sup> AGM (FY 2020-21)	28 <sup>th</sup> November, 2020 at 11.30 a.m.	Through Video Conferencing/ Audio Visual Means without physical presence of the members at a common venue	No special resolutions were passed.
8 <sup>th</sup> AGM (FY 2019-20)	29 <sup>th</sup> August, 2019 at 12 noon	Sarovar Residency, P-180, Tarapur M.I.D.C. Area, Near Hotel Sarovar, Chitralaya, Boisar (W), Dist. Palghar - 401 506	<ol style="list-style-type: none"> <li>1. Re-appointment of Mrs. Sangeeta Mandhana as Managing Director of the Company and remuneration payable to her.</li> <li>2. Re-appointment of Mr. Priyavrat Mandhana as Executive Director of the Company and remuneration payable to him.</li> </ol>
7 <sup>th</sup> AGM (FY 2018-19)	25 <sup>th</sup> August, 2018 at 12 noon	Plot No. C-2, M.I.D.C., Tarapur Industrial Area, Boisar, Dist. Palghar - 401506	<ol style="list-style-type: none"> <li>1. Alteration of Clause 3 of Articles of Association of the Company.</li> <li>2. Issue of Securities for an aggregate amount not exceeding ₹ 50 crore.</li> <li>3. Revision in terms and conditions of remuneration payable to Mrs. Sangeeta Mandhana in alignment with the amended provisions of Schedule V to the Companies Act, 2013.</li> <li>4. Revision in terms and conditions of remuneration payable to Mr. Priyavrat Mandhana in alignment with the amended provisions of Schedule V to the Companies Act, 2013</li> </ol>

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

The following special resolution was passed through Postal Ballot during the financial year ended 31<sup>st</sup> March, 2021:

A Special Resolution was passed with requisite majority through Postal Ballot during the year under review for sale of the select inventories and store assets pertaining to the Trademark License Agreement executed between the Company and Being Human - The Salman Khan Foundation to Four Aces Fashion House Private Limited.

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 and circulated after 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.

In view of the Covid-19 pandemic and termination of the brand license agreement with the Being Human - The Salman Khan Foundation without alternative contingency plan in place, the Independent Directors expressed their concern on the status of business affair and market scenario. The Independent Directors observed that Executive Directors need to show more pro-activeness on Company affairs. The Independent Directors applauded the performance of Chief Executive Officer and Company Secretary.

**C. Person who conducted the Postal Ballots exercise:**

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

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

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

**E. Procedure for Postal Ballot:**

Pursuant to Section 110 of the Companies Act, 2013 and



## CORPORATE GOVERNANCE REPORT (Contd.)

all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification, amendments or re-enactment thereof for the time being in force), Listing Regulations and other applicable laws & regulations, the Company had provided to its members the facility to cast their votes by way of postal ballot process (including e-voting) on the resolutions as set out in the Postal Ballot Notice dated 7<sup>th</sup> March, 2020. The Company had availed the services of Central Depository Services (India) Limited ('CDSL') for facilitating e-voting for the postal ballot. The resolution was passed with requisite majority. Postal Ballot Notice, Postal Ballot Form and results of the Postal Ballot Voting are available on the Company's website: [www.mrvlindia.com](http://www.mrvlindia.com).

### 9. Means of Communications:

#### A. Quarterly Results:

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

#### 10. General Shareholder information:

The Company was incorporated on 12<sup>th</sup> 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. 26<sup>th</sup> 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 14<sup>th</sup> December, 2016.

#### A. Annual General Meeting

- Date and Time	Wednesday, 29 <sup>th</sup> September, 2021 at 2.30 p.m. (IST)
- Venue	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM")

#### B. Financial Year

1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021

#### C. Dividend payment date

N.A.

#### D. The name and address of Stock Exchange(s) at which the Company's equity shares are listed and a confirmation about payment of annual listing fee to each of the stock exchanges

BSE Limited  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001  
National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E)  
Mumbai - 400 051  
The Company has paid the listing fees to the Stock Exchanges within the prescribed time frame.

#### E. Security/Stock Code / Symbol

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

[www.mrvlindia.com](http://www.mrvlindia.com).

#### B. Newspapers wherein results normally published:

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

#### C. Website where the results are displayed:

[www.mrvlindia.com](http://www.mrvlindia.com)

#### D. Whether the website also displays official news releases:

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

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

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

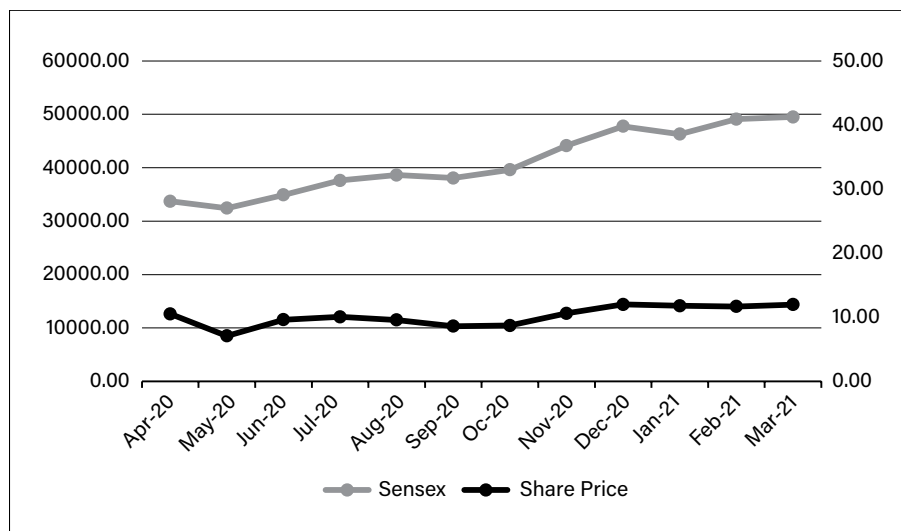
**CORPORATE GOVERNANCE REPORT (Contd.)****F. The Market Price data of the Company during the year under review is given below:**

Month	BSE			NSE		
	High (in ₹)	Low (in ₹)	Traded Volume	High (in ₹)	Low (in ₹)	Traded Volume
April 2020	11.50	6.12	59,510	12.95	6.15	5,91,522
May 2020	10.01	6.16	3,79,325	10.65	6.25	11,62,100
June 2020	11.40	7.10	3,98,403	10.90	7.15	19,72,119
July 2020	13.02	9.10	3,42,780	13.00	9.25	17,65,494
August 2020	10.35	9.30	2,67,657	10.30	9.35	17,41,313
September 2020	9.99	8.21	1,42,740	10.10	8.20	12,08,946
October 2020	9.83	8.20	97,081	9.65	8.05	4,42,695
November 2020	10.80	7.75	2,21,745	10.90	8.05	12,64,829
December 2020	13.50	10.21	5,72,213	13.35	10.50	19,20,662
January 2021	12.60	10.80	2,49,736	12.50	10.85	12,20,643
February 2021	12.85	11.30	2,21,694	12.65	11.40	10,69,599
March 2021	16.13	11.60	3,84,341	16.00	11.35	14,02,732

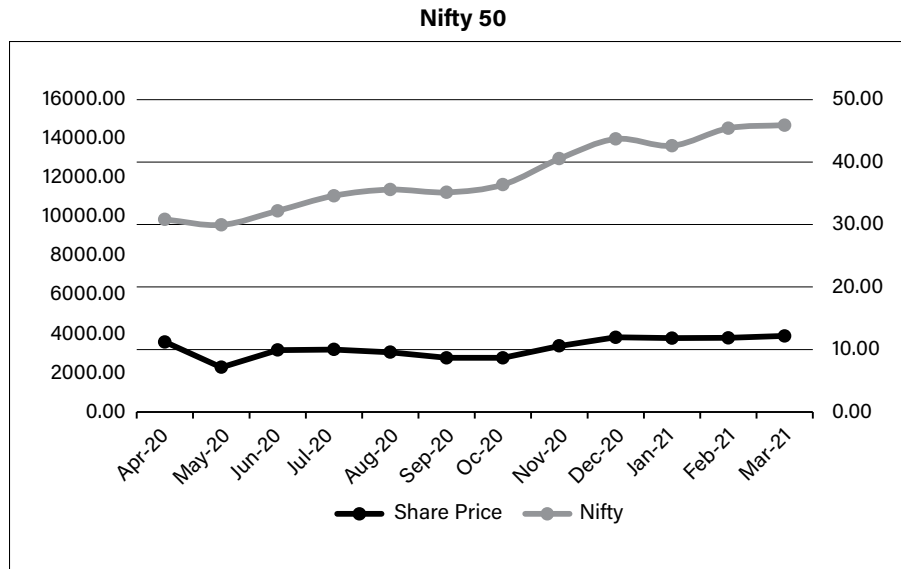
**G. Performance in comparison to broad-based indices such as BSE Sensex / NSE Nifty 50 (Average closing):**

(Share Price in ₹ and Indices in Points)

Month	BSE (Average closing price)		NSE (Average closing price)	
	Share Price	BSE Sensex	Share Price	Nifty 50
April 2020	8.63	30,966.01	9.22	9,063.58
May 2020	7.59	31,294.25	7.86	9,192.01
June 2020	9.42	34,262.88	9.46	10,116.45
July 2020	10.38	37,030.64	10.40	10,897.70
August 2020	9.86	38,346.59	9.82	11,318.57
September 2020	9.14	38,378.98	9.16	11,336.70
October 2020	8.84	40,115.39	8.82	11,789.71
November 2020	8.75	43,011.38	8.74	12,602.32
December 2020	11.83	46,211.84	11.82	13,550.44
January 2021	11.80	48,580.33	11.78	14,284.60
February 2021	11.96	50,782.82	11.94	14,956.84
March 2021	12.93	50,100.65	12.92	14,835.10

**BSE Sensex**

## 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 during the year.

**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:**

In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from 1<sup>st</sup> April, 2019, transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions.

**K.****i. Distribution of Shareholding as on 31<sup>st</sup> March, 2021:**

Shares range	No. of Shareholders	% of Shareholders	No. of Shares	% of total issued capital
1 - 500	11530	81.65	1379571	6.25
501 - 1000	1167	8.26	980793	4.44
1001- 2000	685	4.85	1051848	4.76
2001 - 3000	221	1.57	567862	2.57
3001 - 4000	107	0.76	388749	1.76
4001 - 5000	96	0.68	453129	2.05
5001 - 10000	151	1.07	1116090	5.06
10001 & Above	164	1.16	16144567	73.11
<b>Total</b>	<b>14121</b>	<b>100</b>	<b>22082609</b>	<b>100.00</b>

**ii. Shareholding pattern as on 31<sup>st</sup> March, 2021:**

Sr. No.	Category of Shareholder	No. of Shareholders <sup>#</sup>	Total no. of Shares	Total Shareholding as a percentage of total no. of Shares
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group(A)*</b>	<b>16</b>	<b>73,24,641</b>	<b>33.17</b>
<b>(B)</b>	<b>Public Shareholding</b>			
<b>(1)</b>	<b>Institutions</b>			
(a)	Mutual Funds	0	0	0
(b)	Venture Capital Funds	0	0	0

**CORPORATE GOVERNANCE REPORT (Contd.)**

Sr. No.	Category of Shareholder	No. of Shareholders <sup>#</sup>	Total no. of Shares	Total Shareholding as a percentage of total no. of Shares
(c)	Alternate Investment Funds	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0
(e)	Foreign Portfolio Investor (Corporate)	1	93,126	0.42
(f)	Financial Institutions/ Banks	2	4,38,947	1.99
(g)	Insurance Companies	0	0	0
(h)	Provident Funds / Pension Funds	0	0	0
	<b>Sub Total (B) (1)</b>	<b>3</b>	<b>5,32,073</b>	<b>2.41</b>
<b>(2)</b>	<b>Central Government/ State Government(s)/ President of India</b>	0	0	0
	<b>Sub Total (B) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(3)</b>	<b>Non-Institutions</b>			
(a)	Individuals			
i.	Individual shareholders holding nominal share capital upto ₹ 2 Lakhs	13,255	62,21,768	28.17
ii.	Individual shareholders holding nominal share capital in excess of ₹ 2 Lakhs	45	48,69,339	22.05
(b)	NBFC's registered with RBI	0	0	0
(c)	Employee Trusts	0	0	0
(d)	Overseas depositories (holding DRs)	0	0	0
(e)	Any other:			
i.	Hindu Undivided Family	323	5,45,165	2.47
ii.	NRI (Non-repatriate)	46	43,447	0.20
iii.	NRI (Repatriate)	118	1,59,829	0.72
iv.	Independent Director	1	259	0.00
v.	Clearing Members	32	99,055	0.45
vi.	Bodies Corporate	92	22,87,033	10.36
	<b>Sub Total (B) (3)</b>	<b>13,912</b>	<b>1,42,25,895</b>	<b>64.42</b>
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)+(B)(3)</b>	<b>13,915</b>	<b>1,47,57,968</b>	<b>66.83</b>
	<b>Total (A) + (B)</b>	<b>13,931</b>	<b>2,20,82,609</b>	<b>100</b>
<b>(C)</b>	<b>Non Promoter - Non Public</b>			
(1)	Shares Underlying DRs	0	0	0
(2)	Shares Held By Employee Trust	0	0	0
	<b>Grand Total (A)+(B)+(C)</b>	<b>13,931</b>	<b>2,20,82,609</b>	<b>100</b>

<sup>#</sup> 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 19<sup>th</sup> December, 2017.

\* On account of sad demise of Mr. Vinay B. Mandhana, during the end of FY 2020-21, and pending the necessary transmission process of his shareholding of 46,000 equity shares in the Company which was held by him jointly with his father, Mr. Biharilal C. Mandhana, the Shareholding of Mr. Biharilal C. Mandhana includes those 46,000 equity shares held by him jointly with late Mr. Vinay B. Mandhana.

**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 (LIPL) to offer depository services to its shareholders and has paid respective charges for the benefit of the Members.

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

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

Out of the total 2,20,82,609 equity shares of the Company, 2,20,81,095 equity shares representing 99.99% are in dematerialized form as on 31<sup>st</sup> March, 2021.

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

## CORPORATE GOVERNANCE REPORT (Contd.)

NIL

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

The Company's operation does not involve dealings in traded commodities and hence the disclosure pursuant to SEBI Circular dated 15<sup>th</sup> November, 2018 is not applicable. During the financial year 2020-2021, 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,  
209, Peninsula Centre, Dr. S. S. Rao Road, Parel,  
Mumbai - 400 012  
Tel: 022 - 4353 9790  
Email: cs@tmrvl.com

Q. During financial year 2020-2021, the 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:

During the financial year 2020-21, on account of Corona Virus (Covid-19) Pandemic, there were certain delays in compliances under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which are enumerated hereinbelow:

- 1) Notices received from Stock Exchanges for non-compliance of Regulation 44(3) of the Listing Regulations pertaining to delay in submission of Postal Ballot Results. Basis the representations made to the Stock Exchanges by the Company for waiver of penalty, National Stock Exchange of India Ltd. (NSE) has waived the fine and similar waiver is expected from BSE Ltd. (BSE).
- 2) Notices received from NSE for non-compliance of Regulation 17(1) of the Listing Regulations pertaining to non-compliance with minimum number of directors on the Board of the Company. Based on the submissions made by the Company for waiver of penalty, NSE has waived the penalty imposed on the Company.
- 3) Notices received from Stock Exchanges for non-compliance of Regulation 33 of the Listing Regulations for non-submission/delayed submission

of Audited Financial Results for FY 2019-20. Basis the representations made by the Company to the Stock Exchanges, the NSE has waived the fine and similar waiver is expected from BSE.

4) Notices received from Stock Exchanges for non-compliance of Regulation 23(9) of the Listing Regulations for delay in submission of details of Related Party Transactions for the half year ended 30<sup>th</sup> September, 2020. The Company has paid the fine to both the Stock Exchanges.

5) Notices received from Stock Exchanges for non-compliance of Regulation 29 of the Listing Regulations viz., calling the Board Meeting at shorter notice period than provided under the aforesaid Regulation for declaration of audited financial results for the quarter and financial year ended 31<sup>st</sup> March, 2020. Basis the representations made by the Company, both the Stock Exchanges have waived the fine imposed on Company.

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

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

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

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

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

Not applicable as Company does not have any Subsidiary Company.

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

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

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

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

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



## CORPORATE GOVERNANCE REPORT (Contd.)

Not applicable as during the financial year 2020-21, the Company did not raise funds through preferential allotment or qualified institutional placement.

- I. A certificate has been received from Mr. Nitin R. Joshi, Practicing 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 2020-2021, 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, if any, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.
- Total fees of ₹ 17.96 Lakh (exclusive of taxes) paid during the FY 2020-21, to the existing Statutory Auditor, M/s. Ram Agarwal & Associates and the erstwhile Statutory Auditor, M/s. BSR & Co. LLP.
- L. **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**
- Number of complaints filed during the financial year : NIL
  - Number of complaints disposed of during the financial year : NIL
  - 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 (upto 21<sup>st</sup> June, 2021). No separate office is provided to the Chairman. The Non-Executive Chairman is provided secretarial and other assistance whenever needed to enable him to discharge his responsibilities effectively.

**B. Shareholder Rights:**

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

are displayed on the website of the Company i.e. [www.mrvlindia.com](http://www.mrvlindia.com)

**C. Modified opinion(s) in audit report:**

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

**D. Separate posts of chairperson and chief executive officer**

Mr. Pradip Dubhashi, Non- Executive Independent Director, had been the Chairman of the Board upto 21<sup>st</sup> June, 2021. Mr. Manish Mandhana is the Chief Executive Officer of the Company.

**E. Reporting of internal auditor**

As there was no significant business activity carried out by the Company in the financial year 2020-21, the Company was in process of evaluating the internal audit functions which would be commensurate with the size of the business activity of the Company in order to enable the Board to decide upon the appointment of an Internal Auditor.

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 except as stated at Sr. No.11(b) above.

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

**Sangeeta Mandhana**  
Managing Director  
DIN: 06934972

**Priyavrat Mandhana**  
Executive Director  
DIN: 02446722

**Place :** Mumbai  
**Date :** 25<sup>th</sup> August, 2021



**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 2020-2021**

1.	Aggregate no. of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	Shareholders – 4 Outstanding Equity Shares – 139
2.	No. of shareholders who approached the issuer for transfer of shares from the Suspense Account during the year	-
3.	No. of shareholders to whom shares were transferred from Suspense account during the year	-
4.	Aggregate no. of shareholders and the outstanding shares lying in the Suspense Account at the end of the year	Shareholders – 4 Outstanding Equity Shares – 139

The voting rights on the aforesaid shares lying in the Suspense Account shall remain frozen till the rightful owners of such shares claims the shares.

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

**Sangeeta Mandhana**  
 Managing Director  
 DIN: 06934972

**Priyavrat Mandhana**  
 Executive Director  
 DIN: 02446722

**Place :** Mumbai  
**Date :** 25<sup>th</sup> August, 2021



## CORPORATE GOVERNANCE REPORT (Contd.)

### **Declaration by the CEO under Schedule V (D) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 regarding adherence to the Code of Conduct:**

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

- a. The Board of Directors has laid down a Code of Conduct, Ethics and Business Principles for all Board Members and Senior Management of the Company [‘the Code of Conduct’];
- b. The Code of Conduct has been posted on the website of the Company;
- c. All the Board Members and Senior Management Personnel have affirmed their compliance and adherence with the provisions of the Code of Conduct for the financial year ended 31<sup>st</sup> March 2021.

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

**Manish Mandhana**  
**Chief Executive Officer**

**Place :** Mumbai

**Date :** 25<sup>th</sup> August,, 2021

### **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 31<sup>st</sup> March, 2021 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**

**Vishal Parikh**  
**Chief Financial Officer**

**Place :** Mumbai

**Date :** 25<sup>th</sup> August, 2021

## CORPORATE GOVERNANCE REPORT (Contd.)

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

#### To the Members of The Mandhana Retail Ventures Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 11<sup>th</sup> December, 2020.
2. This report contains details of compliance of conditions of corporate governance by The Mandhana Retail Ventures Limited ('the Company') for the year ended 31 March 2021 as stipulated in regulations 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with the National Stock Exchange of India Limited and the BSE Limited (collectively referred to as the 'Stock exchanges').

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

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

#### Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31<sup>st</sup> March, 2021.
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 except the delays caused due to the restrictions imposed owing to Covid-19 pandemic.
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.

#### Restrictions 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 **Ram Agarwal & Associates**  
Chartered Accountants  
Firm Registration No. 140954W

**Rammahesh Agarwal**  
Partner  
Membership No. 110146  
ICAI UDIN: 21110146AAAAAF3829

Place: Mumbai  
Date : 25<sup>th</sup> August, 2021



# INDEPENDENT AUDITOR'S REPORT

**To the Members of  
The Mandhana Retail Ventures Limited**

## **Report on the Audit of the Financial Statements**

### **Disclaimer of Opinion**

We were engaged to audit the accompanying financial statements of The Mandhana Retail Ventures Limited ("the Company"), which comprise the balance sheet as at 31 March 2021 and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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

### **Basis for Disclaimer of Opinion**

We draw attention to Note No. 42 of the financial statements regarding preparation of the financial statements on going concern basis. The revenue generating operations of the Company was arising solely from retailing of men's and women's wear under a well-known trademark under a license agreement. The aforesaid license has been foreclosed by the trademark owner in 5<sup>th</sup> March, 2020 with effect from 31<sup>st</sup> January, 2020. Management has stated that the Company has explored new alternatives including identifying new contracts for retailing in India and is taking steps to address the situation. However, in the current pandemic situation i.e. from March-20 till date, majority of these alternatives / proposed business plans could not be progressed to the required commercial levels. The Company has lost a major market and it has also liquidated its inventories and transferred its retail outlets. Therefore, there is a material uncertainty regarding the future prospects of the business that cast significant doubt on the Company's ability to continue as a going concern. However, the Company has cash surplus and positive net worth. The Management and the Board of Directors have prepared the financial statements on a going concern basis since they have a reasonable expectation that the Company will be able to meet all its contractual obligations and liabilities as they fall due in near future and that the Company will be able to procure new contracts for carrying on its operations. However, we were unable to obtain sufficient appropriate evidences about the

future business plans and operations of the Company post 31 March 2021 and materialization of alternatives that are being considered by the Management. Accordingly, we are unable to conclude whether the Company will be able to continue as a going concern and the consequential implications arising therefrom on the financial statements of the Company.

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

**INDEPENDENT AUDITOR'S REPORT (Contd.)**

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by section 143(3) of the Act, read with the paragraph related to Basis for Disclaimer of Opinion, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) Due to the possible effects of the matter described in the Basis of Disclaimer Opinion paragraph, we are unable to state whether the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act.
  - e) The matter described in Basis for Disclaimer of Opinion paragraph could have an adverse effect on the functioning on the Company.
  - f) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act.
  - g) The reservation relating to maintenance of accounts and other matters connected there with are as stated in the Basis for Disclaimer of Opinion paragraph section above.
  - h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company doesn't have any pending litigations which would impact its financial position as at 31 March 2021 – Refer Note 44 to the financial statements.
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d) The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:
 

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.
3. With vacation of Internal Auditor from Office on 18<sup>th</sup> December 2020, the board is yet to appoint new Internal Auditor of company as on 31<sup>st</sup> March 2021. The same has led to contravention of Section 138 of the Companies Act, 2013 ('Act').

For **Ram Agarwal & Associates**  
Chartered Accountants  
Firm Registration No. 140954W

**Rammahesh Agarwal**  
Partner  
Membership No. 110146  
UDIN: 21110146AAAAAG7187

Place: Mumbai  
Date : 25<sup>th</sup> August, 2021



## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE MANDHANA RETAIL VENTURES LIMITED FOR THE YEAR ENDED 31 MARCH 2021

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 2021, we report the following:

- (i) In respect of Fixed Assets:
- (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) As explained to us, 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 Company does not have any immovable property as on 31<sup>st</sup> March, 2021 and hence, clause 3 (i) (c) of the Order is not applicable to the Company.
- (ii) On the basis of explanation and working provided to us, procedure followed for recording of inventory it is observed that as on Balance sheet date there is no physical inventory. All inventory has been sold out during the year.
- (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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of Loans given. The Company has not made any Investments, nor given guarantee or security as covered by the provisions of sections 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the products of the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, profession tax, duty of customs, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. However, in respect of Income Tax (TDS) and Goods and Service Tax there have been significant delays (1 to 15 days) in certain instances. As explained to us, the Company did not have any dues on account of duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, profession tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2021 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, dues of income tax, goods and service tax and duty of customs which have not been deposited as on 31 March 2021 with the appropriate authorities on account of any dispute are as under:

Name of Statute	Nature of Dues	Initial Demand (In ₹)	Amount Deposited (In ₹)	Amount Outstanding (In ₹)	Period to which amount relates	Forum Where Dispute is Pending
Income Tax Act, 1961	Income Tax	663,410	415,800	247,610	A.Y. 2017-18	Commissioner of Income tax (Appeals)-14, Mumbai
Income Tax Act, 1961	Income Tax	38,058,220	18,000,000	20,058,220	A.Y. 2018-19	Commissioner of Income tax (Appeals), Mumbai

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT (Contd.)**

Name of Statute	Nature of Dues	Initial Demand (In ₹)	Amount Deposited (In ₹)	Amount Outstanding (In ₹)	Period to which amount relates	Forum Where Dispute is Pending
Central Goods and Services Tax Act, 2017 and State Goods and Services Tax Act, 2017	Excess availment of ITC	6,610,951	-	6,610,951	F.Y. 2017-18	Assistant Commissioner CGST Audit-III, Mumbai.
Central Goods and Services Tax Act, 2017 and State Goods and Services Tax Act, 2017	Excess availment of ITC	18,478,560	-	18,478,560	F.Y. 2018-19	Assistant Commissioner CGST Audit-III, Mumbai.

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to bank. The Company did not have any dues to financial institutions or government nor it has issued any debentures during the year. Accordingly, paragraph 3 (viii) of the Order is not applicable to that extent to the Company.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported, during the year nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (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 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.
- (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 made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. 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 Ram Agarwal & Associates**  
Chartered Accountants  
Firm Registration No. 140954W

**Rammahesh Agarwal**  
Partner  
Membership No. 110146  
UDIN: 21110146AAAAAG7187

Place: Mumbai  
Date : 25<sup>th</sup> August, 2021





## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE MANDHANA RETAIL VENTURES LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

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

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

### **Opinion**

We have audited the internal financial controls with reference to financial statements of The Mandhana Retail Ventures Limited ("the Company") as of 31 March 2021 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 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial controls with Reference to Financial Statements**

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

**ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT (Contd.)****Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

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

For **Ram Agarwal & Associates**  
Chartered Accountants  
Firm Registration No. 140954W

**Rammahesh Agarwal**  
Partner  
Membership No. 110146  
UDIN: 21110146AAAAAG7187

Place: Mumbai  
Date : 25<sup>th</sup> August, 2021

**BALANCE SHEET**

as at 31 March 2021

₹ in Lakhs

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
(a) Property, plant and equipment	3	15.26	169.62
(b) Financial assets:			
(i) Loans		-	
(ii) Other financial assets	6	8.31	8.31
(c) Income tax assets (net)	7	0.41	0.41
<b>Total non current assets</b>		<b>23.98</b>	<b>178.34</b>
<b>Current assets</b>			
(a) Inventories	8	-	15.75
(b) Financial assets:			
(i) Trade receivables	9	197.62	630.56
(ii) Cash and cash equivalents	10	1,706.33	544.81
(iii) Loans	11	1,821.32	1,718.66
(iv) Other financial assets	12	34.12	2,269.45
(c) Other current assets	13	622.22	390.60
<b>Total current assets</b>		<b>4,381.61</b>	<b>5,569.83</b>
<b>Total assets</b>		<b>4,405.59</b>	<b>5,748.17</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	14	2,208.26	2,208.26
(b) Other equity	15	1,106.51	1,393.10
<b>Total equity</b>		<b>3,314.77</b>	<b>3,601.36</b>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
(a) Provisions	16	28.52	37.66
<b>Total non current liabilities</b>		<b>28.52</b>	<b>37.66</b>
<b>Current liabilities</b>			
(a) Financial liabilities:			
(i) Lease liabilities			
(ii) Borrowings	17	-	228.84
(iii) Trade payables:			
- Total outstanding dues of micro enterprises and small enterprises	18	6.77	341.57
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18	100.30	902.98
(iv) Other financial liabilities	19	907.00	519.86
(b) Other current liabilities	20	30.39	70.84
(c) Provisions	21	8.39	35.61
(d) Income tax liabilities (net)	22	9.45	9.45
<b>Total current liabilities</b>		<b>1,062.30</b>	<b>2,109.15</b>
<b>Total liabilities</b>		<b>1,090.82</b>	<b>2,146.81</b>
<b>Total equity and liabilities</b>		<b>4,405.59</b>	<b>5,748.17</b>

The accompanying notes 1-45 are an integral part of these financial statements

As per our report of even date attached

**For Ram Agarwal & Associates**

Chartered Accountants

Firm's Registration No: 140954W

Rammahesh Agarwal

Partner

Membership No: 110146

Mumbai

25 August 2021

**For and on behalf of the Board of Directors of  
The Mandhana Retail Ventures Limited****Sangeeta M. Mandhana**

Managing Director

DIN: 06934972

**Manish Mandhana**

Chief Executive Officer

Mumbai

25 August 2021

**Vishal Parikh**

Chief Financial Officer

Membership No. 132586

**Priyavrat Mandhana**

Executive Director

DIN: 02446722

**Virendra Varma**

Company Secretary

Membership No: F10520

**STATEMENT OF PROFIT AND LOSS**

For the year ended March 31, 2021

Particulars	Note No.	₹ in Lakhs	
		Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from operations	23	44.15	15,189.54
Other income	24	512.61	883.63
<b>Total income</b>		<b>556.76</b>	<b>16,073.17</b>
<b>Expenses</b>			
Purchase of stock in trade	25	10.16	4,503.76
Changes in inventories of stock in trade	26	15.75	2,717.81
Employee benefits expense	27	404.52	2,065.66
Finance costs	28	20.05	715.41
Depreciation and amortisation expense	3	5.04	1,401.20
Other expenses	29	380.13	6,863.24
<b>Total expenses</b>		<b>835.65</b>	<b>18,267.08</b>
<b>Profit/(loss) before Exceptional Items and Tax</b>			
<b>Exceptional Items</b>			
Loss on sale of PPE / PPE written off			
<b>Profit/(Loss) before tax</b>		<b>(278.89)</b>	<b>(2,193.91)</b>
<b>Tax expense:</b>			
- Current tax			
- Deferred tax	30		911.11
- Tax adjustment for earlier years			
Less: MAT credit entitlement			
<b>Total tax expense</b>		<b>-</b>	<b>911.11</b>
<b>Profit/(Loss) for the year</b>		<b>(278.89)</b>	<b>(3,105.02)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(i) Remeasurement gains/(loss) arising on defined benefit plan		(7.69)	22.52
(ii) Income tax related to (i) above			
<b>Total other comprehensive income</b>		<b>(7.69)</b>	<b>22.52</b>
<b>Total comprehensive income for the year</b>		<b>(286.58)</b>	<b>(3,082.50)</b>
<b>Earnings per share (Face value of ₹ 10 each) (not annualised)</b>			
Basic and diluted (₹)	31	(1.26)	(14.06)

The accompanying notes 1-45 are an integral part of these financial statements

As per our report of even date attached

**For Ram Agarwal & Associates**Chartered Accountants  
Firm's Registration No: 140954WRammahesh Agarwal  
Partner  
Membership No: 110146Mumbai  
25 August 2021**For and on behalf of the Board of Directors of  
The Mandhana Retail Ventures Limited****Sangeeta M. Mandhana**  
Managing Director  
DIN: 06934972**Manish Mandhana**  
Chief Executive OfficerMumbai  
25 August 2021**Priyavrat Mandhana**  
Executive Director  
DIN: 02446722  
  
**Vishal Parikh**  
Chief Financial Officer  
Membership No. 132586**Virendra Varma**  
Company Secretary  
Membership No: F10520

**STATEMENT OF CASH FLOWS**

For the year ended 31 March 2021

₹ in Lakhs

Particulars	31.03.2021	31.03.2020
<b>Cash flows from operating activities</b>		
Net loss before tax	(278.89)	(2,193.91)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	5.04	1,401.20
Sundry balances written back (net)	3.92	(75.84)
Interest income on security deposits initially recognised at fair value	-	(123.11)
Unrealised gain on foreign currency translation (net)	(4.56)	(2.08)
Interest income on fixed deposits with banks	(55.46)	(0.76)
Finance costs	20.05	715.41
Allowance for expected credit loss	26.10	41.47
Profit on sale of property	(9.11)	1,242.50
PPE, CWIP and Intangible assets written off / Loss on sale of PPE and Intangible assets	-	33.97
<b>Operating cash flows before working capital changes</b>	<b>(292.91)</b>	<b>1,038.85</b>
<b>Working capital adjustments :</b>		
(Decrease)/Increase in other financial liabilities	387.14	(4.61)
Decrease in other liabilities	(40.45)	(99.92)
(Decrease)/Increase in provisions	(44.04)	11.73
Decrease in trade payables	(1,147.91)	(2,365.51)
Decrease in loans	(102.66)	533.33
Increase in other current assets	(231.62)	(65.00)
Decrease in inventories	15.75	4,006.93
Decrease in trade receivables	411.41	1,539.05
Decrease in other current financial assets	2,264.96	(2,226.44)
<b>Cash generated from operating activities</b>	<b>1,219.66</b>	<b>2,368.41</b>
Taxes paid (net of refunds)	0.00	(0.10)
<b>Net cash flows from operating activities</b>	<b>1,219.66</b>	<b>2,368.31</b>
<b>Cash flows from investing activities</b>		
Purchase for property, plant and equipment including capital work in progress and capital advances	(1.58)	(531.98)
Sale for property, plant and equipment including capital work in progress and capital advances	159.99	-
Investment in Fixed Deposit	(1,699.00)	-
Interest received	25.83	0.07
<b>Net cash used in investing activities</b>	<b>(1,514.74)</b>	<b>(531.91)</b>
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	(228.84)	(417.05)
Proceeds of loan from corporate bodies	-	150.00
Repayment of loan to corporate bodies	-	(350.00)
Finance charges paid	(13.54)	(715.41)
<b>Net cash used in financing activities</b>	<b>(242.38)</b>	<b>(1,332.46)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(537.48)</b>	<b>503.94</b>
Cash and cash equivalents at the beginning of the year	544.81	40.87
<b>Cash and cash equivalents at the end of the period</b>	<b>7.33</b>	<b>544.81</b>
<b>Reconciliation of cash and cash equivalents with the balance sheet</b>		
Cash and Cash equivalents as per Balance Sheet	7.33	544.81
<b>Cash and Cash equivalents as at the period end</b>	<b>7.33</b>	<b>544.81</b>

The accompanying notes 1-45 are an integral part of these financial statements

As per our report of even date attached

**For Ram Agarwal & Associates**  
Chartered Accountants  
Firm's Registration No: 140954W

**Rammahesh Agarwal**  
Partner  
Membership No: 110146

Mumbai  
25 August 2021

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

**Sangeeta M. Mandhana**  
Managing Director  
DIN: 06934972

**Manish Mandhana**  
Chief Executive Officer

Mumbai  
25 August 2021

**Priyavrat Mandhana**  
Executive Director  
DIN: 02446722

**Vishal Parikh**  
Chief Financial Officer  
Membership No. 132586

**Virendra Varma**  
Company Secretary  
Membership No: F10520

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

For the year ended 31 March 2021

**(a) Equity share capital (Refer note 14)**

₹ in Lakhs

Particulars	As at 31 March 2021		As at 31 March 2020	
	No. of Shares	Amount	No. of Shares	Amount
<b>Balance at the beginning of the year</b>	<b>2,20,82,609</b>	<b>2,208.26</b>	2,20,82,609	2,208.26
Shares cancelled during the year	-	-	-	-
Issue of equity share capital	-	-	-	-
<b>Balance at the end of the year</b>	<b>2,20,82,609</b>	<b>2,208.26</b>	<b>2,20,82,609</b>	<b>2,208.26</b>

**(b) Other equity (Refer note 15)**

₹ in Lakhs

Particulars	Reserves and surplus		Total
	Capital reserve	Retained earnings	
<b>Balance as on 1 April 2019</b>	<b>5.00</b>	<b>4,470.60</b>	<b>4,475.60</b>
Loss for the year	-	(3,105.02)	(3,105.02)
Other comprehensive income for the year (net of taxes) - Remeasurement gain arising on defined benefit plans	-	22.52	22.52
<b>Total comprehensive income for the year</b>	<b>5.00</b>	<b>1,388.10</b>	<b>1,393.10</b>
<b>Balance as at 31 March 2020</b>	<b>5.00</b>	<b>1,388.10</b>	<b>1,393.10</b>
Loss for the year	-	(278.89)	(278.89)
Other comprehensive income for the year (net of taxes) - Remeasurement gain arising on defined benefit plans	-	(7.69)	(7.69)
<b>Balance as at 31 March 2021</b>	<b>5.00</b>	<b>1,101.51</b>	<b>1,106.51</b>

The accompanying notes 1-45 are an integral part of these financial statements

As per our report of even date attached  
**For Ram Agarwal & Associates**  
Chartered Accountants  
Firm's Registration No: 140954W

**Rammahesh Agarwal**  
Partner  
Membership No: 110146

Mumbai  
25 August 2021

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

**Sangeeta M. Mandhana**  
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**Vishal Parikh**  
Chief Financial Officer  
Membership No. 132586

**Virendra Varma**  
Company Secretary  
Membership No: F10520



## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

### 1. Company overview

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

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

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

#### a) Statement of compliance

These financial statements of the Company for the year ended 31 March 2021 are prepared in accordance with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('Act'), amendments thereto and other relevant provisions of the Act.

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

Basis the facts referred above, the financial statements of the Company for the year ended 31 March 2021 have been prepared on accrual and going concern basis and do not include any adjustments relating to recoverability and classification of recorded assets or to amounts and classification of liabilities that may be necessary, if the Company is unable to continue as a going concern.

The financial statements of the Company for the year ended 31 March 2021 were approved for issue in accordance with the resolution of the Board of Directors on 25 August 2021.

#### b) Historical cost convention

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

#### c) Functional and presentation currency

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

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

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

The areas involving critical estimates and judgments are:

#### i. Property, plant and equipment

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

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

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

### ii. Valuation of inventories

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

### iii. Defined benefit obligations

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

### iv. Impairment of non-financial assets

Impairment exist when the carrying value of an assets exceeds its recoverable amount, which is higher of its fair value less cost of disposal and its value in use. The value in use is determined based upon discounted cash flow model which is derived from the budget determined by the Company. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used.

### v. Deferred tax assets

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

### vi. Provisions and contingencies

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

### vii. Financial instruments

All financial instruments are required to be measured at fair value on initial recognition.

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

### viii. Leases

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

### e) Classification of assets and liabilities

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

#### Assets

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

- i. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realized within twelve months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include the current portion of noncurrent financial assets.

All other assets are classified as non-current.





## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

### **Liabilities**

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

- i. it is expected to be settled in the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within twelve months after the reporting date; or
- iv. the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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

All other liabilities are classified as non-current.

### **Operating cycle**

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

## **B. Summary of significant accounting policies**

### **a) Revenue recognition**

#### **Sale of goods**

The Company derives revenues primarily from sale of traded goods.

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

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

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

#### **Export Benefits**

Export incentives (i.e. duty drawback and DEPB license) are recognized in the year on

the basis of claims submitted to the appropriate authorities provided there is no uncertainty to expect ultimate collection at the time of making the claim.

### **Interest income**

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

## **b) Property, plant and equipment**

### **i. Recognition and measurement**

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

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

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

### **ii. Subsequent expenditure**

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

### **iii. Depreciation**

Depreciation is provided on a pro-rata basis on the straight line method ('SLM') as per the useful life prescribed under Schedule II of the Companies Act, 2013, which, in management's opinion, reflect the estimates useful economic lives of fixed assets.

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

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
Desktops/laptops and accessories	3 years
Motor Car	6 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 useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a

revision, the unamortized depreciable amount is charged over the revised remaining useful life.

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

#### iv. De-recognition

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

#### v. Impairment of intangible assets

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

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

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.



## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

### d) Leases

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

- i. the contract involves the use of identified asset;
- ii. the Company has substantially all of the economic benefits from the use of the asset through the period of lease; and
- iii. the Company has the right to direct the use of the asset.

#### As a lessee

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

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

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

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

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

payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

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

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

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

#### Short-term leases and leases of low-value assets

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

#### Under Ind AS 17

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

#### As a Lessee

##### Operating Leases

Lease rentals are charged or recognised in the Statement of Profit and Loss on a straight-line basis over the lease term, except where the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase.

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

### Finance Leases

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

### e) Inventories

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

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

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

### f) Foreign currency transactions and translations

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

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

### g) Financial instruments

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

#### i. Financial assets

##### Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through

other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

### Initial recognition and measurement

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

### Measurement of fair values

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market of the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

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

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



## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

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

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

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

### Subsequent measurement

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

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

### Amortised cost

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

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

### De-recognition

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

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

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

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

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

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

### Impairment of financial assets

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

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value Through Profit or Loss. Expected credit losses

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are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest. For Trade receivables, the Company measures loss allowance at an amount equal to lifetime expected credit losses. The Company computes expected credit loss allowance based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

### ii. Financial liabilities

#### Classification

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

#### Initial recognition and measurement

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

#### Loans and borrowings

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

#### De-recognition

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

the respective carrying amounts is recognised in the Statement of Profit and Loss.

#### Offsetting of financial instruments

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

### h) Employee benefits

#### Short-term employee benefits

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

#### Post-employment benefits

##### Defined contribution plans

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

##### Defined Benefit Plan

The Company's gratuity benefit scheme is a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods;



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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.

#### **Deferred tax**

Deferred tax is provided, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Tax relating to items recognised directly in equity or OCI is recognised in equity or OCI and not in the Statement of Profit and Loss. A deferred tax asset is

recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that future taxable profits will be available.

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

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

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

### **k) Earnings per share**

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

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

- i. the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- ii. the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### **l) Borrowing costs**

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

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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.

### **m) Provisions, Contingent liabilities and Contingent assets**

Provisions are recognized when the Company recognizes that it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated. Provisions are measured at the present value of 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.

### **n) Cash and Cash equivalents**

Cash and cash equivalents comprise cash-in-hand and cash on deposits with banks and financial institutions. The Company considers all highly liquid investments

with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amount of cash to be cash equivalents.

### **o) Segment reporting**

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

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

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

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

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

### **p) Events after the reporting date**

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



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

Particulars	Gross block			Accumulated depreciation				₹ in Lakhs Net block	
	Balance as at 1 April 2020	Additions	Deductions / Adjustments (Refer note below)	Balance as at 31 March 2021	Balance as at 1 April 2020	Charge for the year	Deductions / Adjustments (Refer note below)	Balance as at 31 March 2021	Balance as at 31 March 2021
Buildings	158.35	-	158.35	0.00	6.26	1.20	7.46	0.00	0.00
Leasehold improvements	-	-	-	-	-	-	-	-	-
Computers and accessories	2.85	-	-	2.85	0.39	0.90	-	1.30	1.55
Office equipments	-	1.58	-	1.58	-	0.19	-	0.19	1.39
Air conditioners	-	-	-	-	-	-	-	-	-
Motor Vehicles	17.33	-	-	17.33	2.26	2.74	-	5.01	12.32
Furniture and fixtures	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>178.53</b>	<b>1.58</b>	<b>158.35</b>	<b>21.77</b>	<b>8.92</b>	<b>5.04</b>	<b>7.46</b>	<b>6.49</b>	<b>15.26</b>
<b>Capital work in progress</b>	<b>0.51</b>	<b>-</b>	<b>0.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>0.51</b>	<b>-</b>	<b>0.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	Gross block			Accumulated depreciation				₹ in Lakhs Net block	
	Balance as at 1 April 2019	Additions	Deductions / Adjustments	Balance as at 31 March 2020	Balance as at 1 April 2019	Charge for the year	Deductions / Adjustments	Balance as at 31 March 2020	Balance as at 31 March 2020
Buildings	158.35	-	-	158.35	3.76	2.50	-	6.26	152.09
Leasehold improvements	1,491.60	76.16	1,567.76	-	454.80	144.64	599.44	-	-
Computers and accessories	57.77	2.85	57.77	2.85	50.36	2.84	52.81	0.39	2.46
Office equipments	136.17	12.92	149.09	-	85.16	17.03	102.19	-	-
Air conditioners	32.63	-	32.63	-	21.59	3.51	25.10	-	-
Motor Vehicles	-	17.33	-	17.33	-	2.26	-	2.26	15.07
Furniture and fixtures	1,307.78	39.56	1,347.34	-	337.67	117.29	454.96	-	-
<b>Total</b>	<b>3,184.30</b>	<b>148.82</b>	<b>3,154.59</b>	<b>178.53</b>	<b>953.34</b>	<b>290.07</b>	<b>1,234.50</b>	<b>8.91</b>	<b>169.62</b>
Capital work in progress	0.76	0.51	0.76	0.51	-	-	-	-	0.51
<b>Total</b>	<b>0.76</b>	<b>0.51</b>	<b>0.76</b>	<b>0.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.51</b>

**Note:**

- The Company has not capitalized any borrowing cost during the current year. (31 March 2020: Nil)
- Title deed of the immovable property (i.e. building) is in the name of the Company.
- Capital work in progress amounting to ₹ 0.51 Lakhs is written off.

**4 Right of use (ROU) asset**

Particulars	Gross block			Accumulated amortisation				₹ in Lakhs Net block*		
	Balance as at 1 April 2020	ROU asset created on transition to Ind AS 116	Additions	Deductions / Adjustments	Balance as at 31 March 2021	Balance as at 1 April 2020	Charge for the year	Deductions / Adjustments	Balance as at 31 March 2021	Balance as at 31 March 2021
Right of use asset	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Particulars	Gross block			Accumulated amortisation				₹ in Lakhs Net block*		
	Balance as at 1 April 2019	ROU asset created on transition to Ind AS 116	Additions	Deductions / Adjustments	Balance as at 31 March 2020	Balance as at 1 April 2019	Charge for the year	Deductions / Adjustments	Balance as at 31 March 2020	Balance as at 31 March 2020
Right of use asset	-	4,630.76	1064.46	5695.22	-	1094.07	1094.07	-	-	-
<b>Total</b>	<b>-</b>	<b>4,630.76</b>	<b>1064.46</b>	<b>5695.22</b>	<b>-</b>	<b>1094.07</b>	<b>1094.07</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Refer note 36

**NOTES TO THE FINANCIAL STATEMENTS**

as at 31 March 2021

**5 Intangible assets**

Particulars	Gross block				Accumulated amortisation			Net block	
	Balance as at 1 April 2020	Additions	Deductions / Adjustments (Refer note below)	Balance as at 31 March 2021	Balance as at 1 April 2020	Charge for the year	Deductions / Adjustments (Refer note below)	Balance as at 31 March 2021	Balance as at 31 March 2021
	₹ in Lakhs								
Computer Software	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-

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

**Note:**

- The Company has not capitalized any borrowing cost during the current year (31 March 2020: Nil)

**6 Other non current financial assets**

(Unsecured, considered good unless otherwise stated)

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Fixed deposit with statutory authorities*	8.31	8.31
<b>Total</b>	<b>8.31</b>	<b>8.31</b>

\* Fixed deposits are on lien with statutory authorities

**7 Non-current tax assets**

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
IT Refund receivable	0.41	0.41
<b>Total</b>	<b>0.41</b>	<b>0.41</b>

**8 Inventories**

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Stock in trade:		
Garments	-	15.75
<b>Total</b>	<b>-</b>	<b>15.75</b>



## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

### 9 Trade receivables

Unsecured

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Trade receivables considered good	406.02	647.06
Trade receivables considered doubtful	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	165.92
	406.02	812.98
Allowance for expected credit loss	(208.41)	(182.42)
<b>Total*</b>	<b>197.62</b>	<b>630.56</b>

\*Also Refer note no.32

### 10 Cash and cash equivalents

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Balance with banks :		
Balances with banks in current account	5.59	541.07
Other Bank Balance (lien against overdraft)	1,699.00	-
Cash in hand	1.73	3.74
<b>Total</b>	<b>1,706.33</b>	<b>544.81</b>

### 11 Loans

(Unsecured, considered good unless otherwise stated)

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Security deposits:		
- other than related parties	932.78	830.12
- to related parties (Refer note 34)	888.54	888.54
<b>Total</b>	<b>1,821.32</b>	<b>1,718.66</b>

### 12 Other current financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
<b>Other than related parties:</b>		
Duty drawback receivable	2.72	7.09
Advance against salary	0.33	0.37
Interest accrued on fixed deposits	31.07	1.44
Receivable from new licensee	-	2,190.07
<b>To related parties:</b>		
Advance against salary	-	70.48
<b>Total</b>	<b>34.12</b>	<b>2,269.45</b>

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**13 Other current assets**

(Unsecured, considered good unless otherwise stated)

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Prepaid expenses	1.09	-
Export benefits receivable	43.67	50.69
Statutory receivables	267.66	62.81
Advance to vendors	309.79	277.10
<b>Total</b>	<b>622.22</b>	<b>390.60</b>

**14 Equity share capital**

Particulars	31 March 2021	31 March 2020
<b>Authorised:</b>		
40,000,000 (31 March 2020: 40,000,000) equity shares of ₹ 10 each	4,000.00	4,000.00
<b>Total</b>	<b>4,000.00</b>	<b>4,000.00</b>
<b>Issued, subscribed and paid up:</b>		
22,082,609 (31 March 2020: 22,082,609) equity shares of ₹ 10 each fully paid up	2,208.26	2,208.26
<b>Total</b>	<b>2,208.26</b>	<b>2,208.26</b>

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

Particulars	31 March 2021		31 March 2020	
	No. of shares held	Amount	No. of shares held	No. of shares held
Shares outstanding at the beginning of the year	2,20,82,609	2,208.26	2,20,82,609	2,20,82,609
Addition during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>2,20,82,609</b>	<b>2,208.26</b>	<b>2,20,82,609</b>	<b>2,20,82,609</b>

**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 2021		31 March 2020	
	No. of Shares	% holding	No. of Shares	% holding
Manish Mandhana	10,52,873	4.77%	10,55,074	4.78%
Priyavrat Mandhana	9,53,060	4.32%	11,19,894	5.07%
Rakesh Jhunjhunwala	28,13,274	12.74%	28,13,274	12.74%
<b>Total</b>	<b>48,19,207</b>	<b>21.83%</b>	<b>49,88,242</b>	<b>22.59%</b>

**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.



## NOTES TO THE FINANCIAL STATEMENTS

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### 15 Other equity

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
<b>Capital reserve</b>		
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
<b>Retained earnings</b>		
At the commencement of the year	1,388.10	4,470.60
Add: Loss for the year	(278.89)	(3,105.02)
Add: Gain on remeasurement of post-employment benefit obligations	(7.69)	22.52
At the end of the year	1,101.51	1,388.10
<b>Total</b>	<b>1,106.51</b>	<b>1,393.10</b>

#### Nature of reserves:

##### Capital reserves

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

### 16 Provisions

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Provision for employee benefits:		
- Gratuity (Refer note 33)	28.52	37.66
<b>Total</b>	<b>28.52</b>	<b>37.66</b>

### 17 Borrowings

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
<b>Secured:</b>		
Cash credit facility from bank	-	228.84
<b>Total</b>	<b>-</b>	<b>228.84</b>

### 18 Trade payables

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Total outstanding dues of micro enterprises and small enterprises (Refer note 35) *	6.77	341.57
Total outstanding dues of creditors other than micro enterprises and small enterprises	100.30	902.98
<b>Total</b>	<b>107.07</b>	<b>1,244.55</b>

### 19 Other financial liabilities

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Deposits received	-	358.50
Payable to licensee	121.27	-
Overdraft with bank (lien against Fixed Deposit)	738.87	-
Employee benefits payable	46.86	161.36
<b>Total</b>	<b>907.00</b>	<b>519.86</b>

**NOTES TO THE FINANCIAL STATEMENTS**

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**20 Other current liabilities**

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Statutory dues payables	15.60	60.30
Advance against salary	0.37	-
Advances from customers	14.42	10.54
<b>Total</b>	<b>30.39</b>	<b>70.84</b>

**21 Provisions**

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Provision for employee benefits:		
- Gratuity (Refer note 33)	8.38	35.61
<b>Total</b>	<b>8.38</b>	<b>35.61</b>

**22 Income tax liabilities (net)**

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Provision for income tax (Pertaining to AY 2017-18)	9.45	9.45
<b>Total</b>	<b>9.45</b>	<b>9.45</b>

**23 Revenue from operations (Refer note 41)**

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
<b>Sale of products</b>		
<b>Traded goods</b>		
- Domestic sales	21.17	13,341.71
- Export sales	22.98	1,767.64
	<b>44.15</b>	<b>15,109.35</b>
<b>Other operating revenue</b>		
Export benefits and other incentives	-	80.19
	-	<b>80.19</b>
<b>Total</b>	<b>44.15</b>	<b>15,189.54</b>

**24 Other Income**

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Interest income on fixed deposits with banks (at amortised cost)	55.46	0.76
Sundry balances written back (net)	0.20	75.84
Net gain on foreign currency transactions and translations	4.56	31.36
Profit/Loss on Sale of Fixed Assets	9.11	-
Interest income on security deposits carried at fair value	-	123.11
Income towards transfer of samples	-	220.00
Derecognition of ROU assets and lease liabilities (Refer Note 36)	-	309.91
Income towards transition of business	438.89	111.11
Miscellaneous income	4.39	11.54
<b>Total</b>	<b>512.61</b>	<b>883.63</b>



## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

### 25 Purchase of stock in trade

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
<b>Purchase of stock in trade</b>		
Garments and accessories	10.16	4,503.76
<b>Total</b>	<b>10.16</b>	<b>4,503.76</b>

### 26 Changes in inventories of stock in trade

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
<b>Opening stock:</b>		
Garments	15.75	3,863.67
Accessories	-	159.01
<b>Closing stock:</b>		
Garments	-	15.75
Accessories	-	-
<b>Changes in inventories:</b>		
- Garments	15.75	3,847.92
- Accessories	-	159.01
	15.75	4,006.93
Less: Adjustment on account of business transfer	-	(1,289.12)
<b>Total</b>	<b>15.75</b>	<b>2,717.81</b>

### 27 Employee benefits expense

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Salaries, wages and bonus	369.06	1,898.40
Contribution to provident and other funds	20.72	123.16
Gratuity expense (Refer note 33)	13.26	27.90
Staff welfare expenses	1.48	16.20
<b>Total</b>	<b>404.52</b>	<b>2,065.66</b>

### 28 Finance costs

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Interest expense on financial liabilities carried at amortised costs:		
- bank borrowings	13.54	73.16
- Others	6.51	146.60
Interest on lease payments (Refer note 36)	-	495.65
<b>Total</b>	<b>20.05</b>	<b>715.41</b>

**NOTES TO THE FINANCIAL STATEMENTS**

as at 31 March 2021

**29 Other expenses**

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Commission expenses	3.20	3,030.28
Travelling and conveyance	19.49	101.93
Directors sitting fees	8.25	22.75
Advertisement and sales promotion expenses	4.70	378.18
Auditors remuneration (Refer note 37)	14.48	32.47
Bank charges	-	54.49
Communication expenses	5.96	20.86
Electricity charges	10.32	91.56
Freight and transportation charges	12.23	93.69
Consumables	11.03	-
Housekeeping charges	5.73	25.23
Insurance charges	1.59	11.87
Legal charges	9.35	21.20
Loss on transfer of business	-	1,242.50
Allowance for expected credit loss	-	41.47
Provision Capital advance	-	0.97
License fees	-	502.84
Printing and stationery	1.62	11.91
Professional fees	114.61	255.53
Rates and taxes	10.67	29.95
Rent, CAM and utility charges	93.63	529.11
Repairs and maintenance	12.43	76.06
Subscription and membership fees	-	10.16
Watch and ward expenses	0.78	14.89
CSR Expenses (Refer note 38)	-	122.42
Miscellaneous expenses	13.97	106.95
Provision for Doubtful Debts-EXP	26.10	-
<b>Total</b>	<b>380.13</b>	<b>6,863.24</b>

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

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Current tax	-	-
Deferred tax	-	911.11
Tax adjustment for earlier years	-	-
<b>Total</b>	<b>-</b>	<b>911.11</b>

**(b) Amounts recognised in other comprehensive income**

Particulars	31 March 2021			31 March 2020		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurement gains arising on defined benefit plan	(7.69)	-	(7.69)	22.52	-	22.52
<b>Total</b>	<b>(7.69)</b>	<b>0</b>	<b>(7.69)</b>	<b>22.52</b>	<b>-</b>	<b>22.52</b>



**NOTES TO THE FINANCIAL STATEMENTS**

as at 31 March 2021

**30 Tax expense (Contd.)**

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
<b>(c) Reconciliation of effective tax rate</b>		
<b>(Loss) / Profit before tax</b>	(278.89)	(2,193.91)
Tax using the Company's domestic tax rate (Current year 34.944 % and Previous Year 34.944 %)	-	766.64
<b>Tax effect of:</b>		
Write off of deferred tax assets	-	(1,338)
Current-year losses for which no deferred tax asset is recognised	-	(687)
Non-deductible tax expenses	-	(80.07)
Tax adjustment for earlier years	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>(1,337.60)</b>

**(d) Movement in deferred tax balances**

31 March 2021	₹ in Lakhs					
	Net balance 1 April 2020	Recognised in statement of profit or loss*	Recognised in OCI	Net balance 31 March 2021	Deferred tax asset	Deferred tax liability
<b>Deferred tax asset</b>						
Unabsorbed tax losses	-	-	-	-	-	-
Unabsorbed depreciation	-	-	-	-	-	-
Property, plant and equipment	-	-	-	-	-	-
Provision for gratuity	-	-	-	-	-	-
Allowance for doubtful debts	-	-	-	-	-	-
Other items	-	-	-	-	-	-
MAT credit entitlement	-	-	-	-	-	-
<b>Tax assets / (liabilities)</b>	-	-	-	-	-	-
Set off tax	-	-	-	-	-	-
<b>Deferred tax assets (net)</b>	-	-	-	-	-	-
<b>31 March 2020</b>	<b>Net balance 1 April 2019</b>	<b>Recognised in statement of profit or loss</b>	<b>Recognised in OCI</b>	<b>Net balance 31 March 2020</b>	<b>Deferred tax asset</b>	<b>Deferred tax liability</b>
Deferred tax asset						
Unabsorbed tax losses	350.48	(350.48)	-	-	-	-
Unabsorbed depreciation	81.57	(81.57)	-	-	-	-
Property, plant and equipment	586.87	(586.87)	-	-	-	-
Inventories	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-
Provision for gratuity	29.37	(29.37)	-	-	-	-
Allowance for doubtful debts	59.34	(59.34)	-	-	-	-
Other items	48.97	(48.97)	-	-	-	-
MAT credit entitlement	181.00	(181.00)	-	-	-	-
Tax assets / (liabilities)	1,337.60	(1,337.60)	-	-	-	-
Set off tax	-	-	-	-	-	-
<b>Deferred tax assets (net)</b>	<b>1,337.60</b>	<b>(1,337.60)</b>	-	-	-	-

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

as at 31 March 2021

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

<b>Particulars</b>	<b>31 March 2021</b>	<b>Expiry date</b>	<b>31 March 2020</b>	<b>Expiry date</b>
Business loss	<b>339.68</b>	<b>AY 2027-28</b>	1,295.59	AY 2026-27
Business loss	<b>241.60</b>	<b>AY 2028-29</b>	1,491.80	AY 2027-28
Unabsorbed depreciation(Accumulated)	<b>601.28</b>	<b>NA</b>	634.34	NA

**31 Earnings per share (EPS)**

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

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

**i. Loss attributable to equity holders of the Company**

<b>Particulars</b>	<b>₹ in Lakhs</b>	
	<b>31 March 2021</b>	<b>31 March 2020</b>
Loss attributable to equity holders of the Company (for basic EPS)	<b>(278.89)</b>	(3,105.02)
Effect of dilution	-	-
Loss attributable to equity holders of the Company adjusted for the effect of dilution	<b>(278.89)</b>	(3,105.02)

**ii. Weighted average number of ordinary shares**

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

**Basic and diluted earnings per share:**

<b>Particulars</b>	<b>31 March 2021</b>	<b>31 March 2020</b>
Basic earnings per share (₹)	<b>(1.26)</b>	(14.06)
Diluted earnings per share (₹)	<b>(1.26)</b>	(14.06)
Face value per share (₹)	<b>10.00</b>	10.00

**NOTES TO THE FINANCIAL STATEMENTS**

as at 31 March 2021

**32. 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 2021	Carrying amount				Fair value				₹ in Lakhs
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total	
	<b>Financial assets:</b>								
Loans - Non-current	-	-	-	-	-	-	-	-	
Other financial asset - Non-current	-	-	8.31	8.31	-	-	-	-	
Trade receivables	-	-	197.62	197.62	-	-	-	-	
Cash and cash equivalents	-	-	7.33	7.33	-	-	-	-	
Loans - Current	-	-	1,821.32	1,821.32	-	-	-	-	
Other financial asset - Current	-	-	34.12	34.12	-	-	-	-	
<b>Total</b>	-	-	<b>2,068.69</b>	<b>2,068.69</b>	-	-	-	-	
<b>Financial liabilities:</b>									
Other financial liabilities - Non-current	-	-	-	-	-	-	-	-	
Borrowings - Current	-	-	-	-	-	-	-	-	
Trade payables	-	-	107.07	107.07	-	-	-	-	
Other financial liabilities - Current	-	-	907.00	907.00	-	-	-	-	
<b>Total</b>	-	-	<b>1,014.07</b>	<b>1,014.07</b>	-	-	-	-	
<b>31 March 2020</b>									
	Carrying amount				Fair value				
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total	
<b>Financial assets:</b>									
Loans - Non-current	-	-	-	-	-	-	-	-	
Other financial asset - Non-current	-	-	8.31	8.31	-	-	-	-	
Trade receivables	-	-	630.56	630.56	-	-	-	-	
Cash and cash equivalents	-	-	544.81	544.81	-	-	-	-	
Loans - Current	-	-	1,718.66	1,718.66	-	-	-	-	
Other financial asset - Current	-	-	2,269.45	2,269.45	-	-	-	-	
<b>Total</b>	-	-	<b>5,171.79</b>	<b>5,171.79</b>	-	-	-	-	
<b>Financial liabilities:</b>									
Other financial liabilities - Non-current	-	-	-	-	-	-	-	-	
Borrowings - Current	-	-	228.84	228.84	-	-	-	-	
Trade payables	-	-	1,244.55	1,244.55	-	-	-	-	
Other financial liabilities - Current	-	-	519.86	519.86	-	-	-	-	
<b>Total</b>	-	-	<b>1,993.25</b>	<b>1,993.25</b>	-	-	-	-	

**A. Accounting classification and fair values (Continued)**

- (1) Assets that are not financial assets excluding income tax assets (net) (such as receivables from statutory authorities, export benefit receivables, prepaid expenses, advances paid and certain other receivables) amounting to ₹ 622.22 Lakhs and ₹ 406.35 Lakhs as of 31 March 2021 and 31 March 2020 respectively, are not included.
- (2) Liabilities that are not financial liabilities excluding income tax liabilities (net) (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to ₹ 30.39 Lakhs and ₹ 144.11 Lakhs as of 31 March 2021 and 31 March 2020 respectively, are not included.

**B. Financial risk management**

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

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

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

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

#### B. Financial risk management (Contd.)

##### Risk management framework

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

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

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

#### i. Credit risk

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

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

##### Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Risk Management Committee.

Goods are sold subject to retention of title clauses, so that in the event of non-payment the Company may have a secured claim. The Company does not otherwise require collateral in respect of trade and other receivables

##### Impairment

As at 31 March 2021, the ageing of trade receivables that were not impaired was as follows:

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
Neither past due nor impaired	-	-
Past due 1-30 days	17.09	-
Past due 31-90 days	10.90	454.87
Past due 91-180 days	-	127.12
More than 180 days	170.62	66.07
<b>Total</b>	<b>197.62</b>	<b>647.06</b>

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.

##### Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 7.33 Lakhs as at 31 March 2021 (31 March 2020: ₹ 544.81 Lakhs). The cash and cash equivalents are held with banks and financial institution which have good credit ratings.

##### Security deposits given to lessors

The Company has given security deposit to lessors of ₹ 888.54 Lakhs as at 31 March 2021 (31 March 2020: ₹ 1,718.66 Lakhs) for premises leased to the Company. The credit worthiness of such lessors is considered to be good.

#### ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**NOTES TO THE FINANCIAL STATEMENTS**

as at 31 March 2021

**32. Financial instruments - Fair values and risk management (Contd.)****B. 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:

31 March 2021	₹ in Lakhs					
	Carrying amount	Total	Contractual cash flows			
0-12 months			1-2 years	2-5 years	More than 5 years	
<b>Non-derivative financial liabilities</b>						
Borrowings	-	-	-	-	-	-
Trade payables	107.07	107.07	107.07	-	-	-
Other financial liabilities	907.00	907.00	907.01	-	-	-
<b>31 March 2020</b>						
	Carrying amount	Total	Contractual cash flows			
			0-12 months	1-2 years	2-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Borrowings	228.84	228.84	228.84	-	-	-
Trade payables	1,244.55	1,244.55	1,244.55	-	-	-
Other financial liabilities	519.86	519.86	519.86	-	-	-

**iii. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk. Thus, our exposure to market risk is a function of borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in foreign currency revenues and costs.

**Currency risk**

The Company is exposed to currency risk on account of its trade receivables and trade payables in foreign currency. The functional currency of the Company is ₹ The Company does not use any forward exchange contracts to hedge its currency risk.

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities in Rupee terms as at 31 March 2021 and 31<sup>st</sup> Mar 2020 are as below:

31 March 2021	In Lakhs	
	USD	EURO
<b>Financial assets</b>		
Trade and other receivables	0.10	0.52
<b>Financial liabilities</b>		
Trade and other payables	0.04	-
<b>Net Exposure</b>	<b>0.06</b>	<b>0.52</b>
<b>31 March 2020</b>		
	USD	EURO
<b>Financial assets</b>		
Trade and other receivables	7.68	31.24
<b>Financial liabilities</b>		
Trade and other payables	-	-
<b>Net Exposure</b>	<b>7.68</b>	<b>31.24</b>

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

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

#### B. Financial risk management (Contd.)

##### Sensitivity analysis

A reasonably possible strengthening (weakening) of the ₹ against USD/Euro at year end would have affected the measurement of financial instruments denominated in these currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or loss	
	Strengthening	Weakening
<b>31 March 2021 (₹ in Lakhs)</b>		
1% movement		
USD	0.00	(0.00)
EURO	0.01	(0.01)
	<b>0.01</b>	<b>(0.01)</b>
<b>Particulars</b>	<b>Profit or loss</b>	
	Strengthening	Weakening
<b>31 March 2020 (₹ in Lakhs)</b>		
1% movement		
USD	0.08	(0.08)
EURO	0.31	(0.31)
	<b>0.39</b>	<b>(0.39)</b>

#### iv. Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

##### Exposure to interest rate risk

Company's interest rate risk arises mainly from borrowings made. Borrowing made at fixed rates exposes the Company to fair value interest rate risk whereas borrowing at variable rate exposes the Company to cash flow interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

Particulars	₹ in Lakhs	
	31 March 2021	31 March 2020
<b>Fixed rate instruments</b>		
Financial assets	8.31	8.31
Financial liabilities	-	-
	<b>8.31</b>	8.31
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	(228.84)
	-	(228.84)
<b>Total</b>	<b>8.31</b>	<b>(220.53)</b>

##### 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.

**NOTES TO THE FINANCIAL STATEMENTS**

as at 31 March 2021

**32. Financial instruments - Fair values and risk management (Contd.)****B. Financial risk management (Contd.)**

Particulars	Profit or loss	
	100 bp increase	100 bp decrease
<b>31 March 2021 (₹ in Lakhs)</b>		
Variable rate instruments	-	-
<b>Cash flow sensitivity (net)</b>	<b>-</b>	<b>-</b>

Particulars	Profit or loss	
	100 bp increase	100 bp decrease
31 March 2020 (₹ in Lakhs)		
Variable rate instruments	(2.29)	2.29
<b>Cash flow sensitivity (net)</b>	<b>(2.29)</b>	<b>2.29</b>

**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 2021 and 31 March 2020 was as follows:

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Borrowings	-	228.84
Less : Cash and cash equivalents	-	544.81
<b>Adjusted net debt</b>	<b>-</b>	<b>(315.97)</b>
<b>Total equity</b>	<b>-</b>	<b>3,601.36</b>
<b>Adjusted net debt to total equity ratio</b>	<b>-</b>	<b>(0.09)</b>

**33 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 ₹ 20.72 Lakhs (31 March 2020: ₹ 123.16 Lakhs)

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**(ii) Defined benefit plan:****A) The Company has a defined benefit gratuity plan. The plan provides for payment as under:**

- i) On normal retirement / early retirement / withdrawal / resignation:  
As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- ii) On death in service:  
As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

Actuarial valuation of the defined benefit obligation for gratuity are carried out on a yearly basis, the most recent valuation being carried out as on 31 March 2021. 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).

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

### 33 Employee benefits (Contd.)

#### (ii) Defined benefit plan:

#### A) The Company has a defined benefit gratuity plan. The plan provides for payment as under:

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at the balance sheet date:

	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Present value of obligations as at year end	36.90	73.27
Fair value of plan assets as at year end	-	-
<b>Net liability recognised as at year end</b>	<b>36.90</b>	<b>73.27</b>
Of the above:		
Non current	8.38	37.66
Current	28.52	35.61

#### B. Movement in net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability and its components:

	(₹ in Lakhs)	
	Defined benefit obligation	
	31 March 2021	31 March 2020
Opening balance	73.27	84.03
<b>Included in profit or loss</b>		
Current service cost	8.87	22.58
Interest cost	4.38	5.31
	<b>86.52</b>	<b>111.92</b>
<b>Included in OCI</b>		
Remeasurement loss (gain):		
Actuarial loss (gain) arising from:		
Demographic assumptions	-	(0.01)
Financial assumptions	0.33	1.38
Experience adjustment	7.36	(23.89)
	<b>7.69</b>	<b>(22.52)</b>
Benefits paid	(57.31)	(16.13)
<b>Closing balance</b>	<b>36.90</b>	<b>73.27</b>

#### C. Defined benefit obligations

##### i. Actuarial assumptions

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

	31 March 2021	31 March 2020
Discount rate	6.05%	6.95%
Salary escalation rate	5.10%	5.10%
Withdrawal rates	35% p.a at younger ages reducing to 5% p.a at older ages	35% p.a at younger ages reducing to 5% p.a at older ages
Rate of return on plan assets	Not Applicable	Not Applicable

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

#### Sample Rates of Indian Assured Lives Mortality:

Age (In years)	Rate p.a.
20	0.09%
30	0.10%
40	0.17%
50	0.44%
60	1.12%



**NOTES TO THE FINANCIAL STATEMENTS**

as at 31 March 2021

**33 Employee benefits (Contd.)****ii. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	(₹ in Lakhs)			
	31 March 2021		31 March 2020	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	36.09	37.41	(0.99)	1.04
Future salary growth (0.5% movement)	37.42	36.39	1.12	(0.79)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

**iii. Expected future cash flows**

Particulars	(₹ in Lakhs)				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>31 March 2021</b>					
Defined benefit obligations (Gratuity)	7.75	5.80	10.05	19.55	43.15
<b>Total</b>	<b>7.75</b>	<b>5.80</b>	<b>10.05</b>	<b>19.55</b>	<b>43.15</b>

Particulars	(₹ in Lakhs)				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>31 March 2020</b>					
Defined benefit obligations (Gratuity)	6.13	8.84	16.58	20.35	51.90
<b>Total</b>	<b>6.13</b>	<b>8.84</b>	<b>16.58</b>	<b>20.35</b>	<b>51.90</b>

**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.

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

### 34 Related party disclosures

#### A. List of related parties and relationships

Name of the related party	Nature of relationship
Mr. Priyavrat Mandhana	Executive Director
Mrs. Sangeeta M. Mandhana	Managing Director
Mr. Manish B. Mandhana	Chief Executive Officer
Mr. Biharilal Mandhana	Relative of Mr. Manish Mandhana
Mr. Pravin Navandar	Non-Executive and Independent Director (Appointed on 17 August 2021)
Mr. N Venkateshwar Rao	Non-Executive and Independent Director (Appointed on 17 August 2021)
Mr. Virendra Varma	Company Secretary
Mr. Vishal Parikh	Chief Financial Officer (Appointed on 20 August 2021)
Mr. Pradip Dubhashi	Non-Executive and Independent Chairman (Resigned on 21 June 2021)
Mr. Ramnath Pradeep	Non-Executive and Independent Director (Resigned on 21 June 2021)
Mr. Kiran Vaidya	Non-Executive and Independent Director (Resigned on 18 May 2020)
Mr. MVP Hanumantha Rao	Non-Executive and Independent Director (Appointed on 20 October 2020)
Mr. Mitesh Shah	Non-Executive and Independent Director (Appointed on 20 October 2020)
Mr. Pankaj Gharat	Chief Financial Officer (Resigned on 22 February 2021)

The Company's management is of the view that there are no related parties over which the Company exercises control.

#### 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	
	2021	2020	2021	2020
(₹ in Lakhs)				
<b>Compensation paid to key managerial personnel</b>				
Salary - Short term employee benefits	231.73	332.96	8.39	2.58
Post employee gratuity	7.52	5.40	19.72	12.20
Sitting Fees	8.25	22.75		
Advance against salary given	46.24	288.20	-	70.48
Advance against salary recovered	(116.72)	(288.20)		
<b>Deposit for rental premises</b>				
Entities over which KMP and/or their relatives are able to exercise significant influence	-	-	888.54	888.54
<b>Lease rent paid</b>				
Relative of KMP	13.00	-	-	-
Key managerial personnel	65.88	82.39	-	-

#### Terms and conditions of transactions with related parties:

- 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 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: 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.
- 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.

**NOTES TO THE FINANCIAL STATEMENTS**

as at 31 March 2021

**35 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 2021 based on the information received and available with the Company. Auditors have relied upon the information provided by the Company.

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Principal amount remaining unpaid to any supplier at the year end	6.77	341.57
Interest due on the above mentioned principal amount remaining unpaid to any supplier at the year end	-	-
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	6.51	120.15
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	-	-
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	-	-

**36 Lease disclosure**

- The Company has adopted modified retrospective approach as per para C8 (c)(ii) of Ind AS 116 "Leases" to its leases effective from annual reporting period beginning 1 April 2019.
- The Company's leases mainly comprise of exclusive brand outlets (EBOs) and warehouses.
- In the Statement of Profit and Loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the ROU asset and finance cost for interest accrued on lease liability.
- The weighted average incremental borrowing rate of 12.15% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

However, considering the business transfer agreement dated 5 March 2020 signed by the Company before year end, it had been agreed to transfer the leased stores to the new licensee in current year.

**37 Auditors remuneration (excluding taxes)**

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
Statutory audit fees including limited reviews	12.83	29.50
Certification	1.13	0.50
Out of pocket expense	0.52	2.47
<b>Total</b>	<b>14.48</b>	<b>32.47</b>

**38 Corporate social responsibility**

The Company has spent ₹ Nil Lakhs (31 March 2020: ₹ 122.42 Lakhs) 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 Nil (31 March 2020: Nil)
- Amount spent during the year on:

Particulars	(₹ in Lakhs)	
	31 March 2021	31 March 2020
	In Cash	In Cash
Construction/acquisition of any asset	-	-
On purposes other than above	-	122.42
<b>Total</b>	<b>-</b>	<b>122.42</b>

## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

### 39 Contingent liabilities and commitments

- i) Based on the internal assessment made by the management, the Company does not have any contingent liability as on balance sheet date (31 March 2020: Nil)
- ii) The estimated amount of contracts remaining to be executed on capital account to the extent not provided for is Nil (31 March 2020: ₹ Nil)

iii) Name of Statute	Nature of Dues	Initial Demand (In ₹)	Amount Deposited (In ₹)	Amount Outstanding (In ₹)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	6,63,410	4,15,800	2,47,610	A.Y. 2017-18	Commissioner of Income tax (Appeal-14), Mumbai
Income Tax Act, 1961	Income Tax	3,80,58,220	1,80,00,000	2,00,58,220	A.Y. 2018-19	Commissioner of Income tax (Appeal), Mumbai
Central Goods and Services Tax Act, 2017 and State Goods and Services Tax Act, 2017	Excess availment of ITC	66,10,951	-	66,10,951	F.Y. 2017-18	Assistant Commissioner CGST Audit-III, Mumbai.
Central Goods and Services Tax Act, 2017 and State Goods and Services Tax Act, 2017	Excess availment of ITC	1,84,78,560	-	1,84,78,560	F.Y. 2018-19	Assistant Commissioner CGST Audit-III, Mumbai.

### 40 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 'Operating Segments'. The Company has only one segment i.e. Garments which comprise almost 98% of the total business activities. Hence, segment reporting is not applicable to the Company.

#### Geographical location wise segment data

The operations of the Company are in India and all assets and liabilities (except certain receivables and payables) are located in India. An analysis of the segment revenue and segment assets by geographical market is given below :

Particulars	31 March 2021			31 March 2020				
	Domestic	Exports	Unallocable	Total	Domestic	Exports	Unallocable	Total
External revenues	533.78	22.98	-	556.77	14,008.47	847.83	-	15,856.30
Other allocable income	-	-	-	-	216.87	-	-	216.87
<b>Total revenue</b>	<b>533.78</b>	<b>22.98</b>	<b>-</b>	<b>556.77</b>	<b>14,225.34</b>	<b>1,847.83</b>	<b>-</b>	<b>16,073.17</b>
Less: Elimination	-	-	-	-	-	-	-	-
<b>Net revenue</b>	<b>533.78</b>	<b>22.98</b>	<b>-</b>	<b>556.77</b>	<b>19,790.28</b>	<b>2,413.84</b>	<b>-</b>	<b>16,073.17</b>
Segment result	(248.15)	(10.69)	-	(258.83)	(1,367.99)	(110.51)	-	(1,478.50)
<b>Other non allocable income / (expenses):</b>								
Finance cost	-	-	-	(20.05)	-	-	-	(715.41)
Tax expense	-	-	-	-	-	-	-	(911.11)
<b>Net loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(278.89)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,105.02)</b>
<b>Other information:</b>								
Total segment assets	4,353.69	51.90	-	4,405.59	1,429.22	86.65	4,062.27	5,578.14
Non current assets other than financial instruments and deferred tax assets (net)	-	-	-	-	-	-	170.03	170.03
Total assets	4,353.69	51.90	-	4,405.59	1,429.22	86.65	4,232.30	5,748.17
Segment liabilities	1,090.82	-	-	1,090.82	369.04	-	1,777.77	2,146.81

#### 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.



## NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2021

### 42 Business operation and COVID-19 Impact

The Company's license arrangement with Being Human - The Salman Khan Foundation ('the Foundation'), which was the core asset of the Company, has been terminated on 5<sup>th</sup> March 2020, with effect from 31<sup>st</sup> January 2020. The Company has revisited its business strategy to address the uncertainty caused to the business model and it is exploring various alternatives. Its revised business plan is based on its skills in building a profitable brand in 'Consumer Discretionary Segment' from ground up. However, the discontinuation of the license agreement with the Foundation has coincided with the Covid 19 pandemic that has disrupted the economy in general and retail business in particular. As the economic activities had started again to gain some momentum, post releasing Unlock Norms by the Central & State Govts, the Company had resumed business development activities in line with its proposed business plans prepared. However, the company has not managed to commercialise any of its new business activities and hence uncertainties do exist till date as caused by the cancellation of the license with the Foundation and exogenous global disruption due the pandemic, regarding Company's ability to continue as a 'going concern'. The Management, however, is reasonably confident of reviving Company's business given its reworked strategy supported by the core team that is in place and positive net worth and liquidity at hand.

The Company is exploring various alternatives, including initiating the process of determining new partners and tie-ups with a new trademark owner or creating a homegrown brand, and has made some initial progress in that direction. The Company has the relevant resources to be able to enter a new venture, however, the Company is currently assessing the impact of second wave of the pandemic situation on the Retail Industry and therefore moving cautiously with its plans. The future business operations of the Company, cash flows and projected growth plans are critically dependent upon the materialisation of viable alternatives. However, the Management of the Company does not have any intention to liquidate the Company and is confident that the alternatives being evaluated by the Company will materialise in near future. Accordingly, the financial results continue to be prepared on going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of business and also continuation of operations of the company under a new business model.

Management's view on 'Going Concern' status: The auditors have expressed serious concern on the going concern status due to the discontinuation of the 'license' vide agreement with the Foundation dated March 5, 2020. The Management, however, has responded with speed to rework its business strategy to meet the uncertainty arising out of this event. The Management believes its business plan is amply supported by the core team that it has nurtured over the years and liquidity, inter alia, arising out of the transaction with the Foundation. As we hope to gain momentum in overall economic activities post lockdown, we shall accelerate our business development plans which was held back. Based on recent overall progress in business development activities, it would be reasonable to expect helpful conditions for roll out by Q3 FY'21-22. The Management, therefore, is of the opinion that there are reasonable grounds to believe that there is no material impact due to the aforesaid disclaimer on 'going concern' status by the Auditors.

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

**43.** During the year, the Company, on account of business transfer in previous year, has recorded business transfer income amounting to ₹ 438.89 Lakhs.

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

**45.** Previous year figures have been regrouped / rearranged to confirm current year's classification / disclosure.

As per our report of even date attached

**For Ram Agarwal & Associates**

Chartered Accountants

Firm's Registration No: 140954W

Rammahesh Agarwal

Partner

Membership No: 110146

Mumbai

25 August 2021

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

**Sangeeta M. Mandhana**

Managing Director

DIN: 06934972

**Manish Mandhana**

Chief Executive Officer

Mumbai

25 August 2021

**Priyavrat Mandhana**

Executive Director

DIN: 02446722

**Virendra Varma**

Company Secretary

Membership No: F10520

**Vishal Parikh**

Chief Financial Officer

Membership No. 132586

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**MRVL**

MANDHANA RETAIL VENTURES LTD.

## **The Mandhana Retail Ventures Limited**

**CIN: L52390MH2011PLC213349**

**Registered Office:** Plot No. E-132, M.I.D.C. Tarapur Industrial Area, Boisar, Dist. Palghar - 401506

**Corporate Office:** Unit No. 209, Peninsula Centre, Dr. S. S. Rao Road, Parel, Mumbai - 400012

Tel: 91-22-4353 9790 • E-mail: [cs@tmrvl.com](mailto:cs@tmrvl.com)

**Website:** [www.mrvlindia.com](http://www.mrvlindia.com)



# THE MANDHANA RETAIL VENTURES LIMITED

CIN: L52390MH2011PLC213349

**Registered Office:** Plot No. E-132, M.I.D.C. Tarapur Industrial Area, Boisar, Dist. Palghar- 401506

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**Tel:** 91-22-4353 9790 • **E-mail:** cs@tmrvl.com • **Website:** www.mrvlindia.com

## NOTICE OF THE 10<sup>TH</sup> ANNUAL GENERAL MEETING

To,  
The Members,

NOTICE is hereby given that the Tenth Annual General Meeting of the Members of **The Mandhana Retail Ventures Limited** ('Company') will be held on Wednesday, the 29<sup>th</sup> day of September, 2021 at 2:30 p.m. (IST), through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') on account of outbreak of Covid-19 pandemic and in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Sangeeta M. Mandhana, (DIN: 06934972) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers herself for re-appointment.
3. **APPOINTMENT OF STATUTORY AUDITORS**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 and all other applicable rules made under the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force), M/s. Ram Agarwal & Associates (Firm Registration No. 140954W), be and is hereby appointed as the statutory auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the 15<sup>th</sup> Annual General Meeting and that any of the Executive Directors in consultation with the statutory auditors, be and is hereby authorized to fix the remuneration payable to them plus applicable taxes and re-imbursment of out-of pocket expenses, if any, incurred by them for audit purpose.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized, including the authority to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to execute any documents, forms, paper and to file any form or documents with the statutory authorities and to do all such acts, deeds and things as may be necessary to give effect to this resolution."

### SPECIAL BUSINESS:

#### 4. **APPOINTMENT OF MR. PRAVIN NAVANDAR (DIN: 02810786) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the 'Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable rules made under the Act (including any statutory modifications or re-enactment thereof, for the time being in force), and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') (including any statutory modifications or re-enactment thereof, for the time being in force), Mr. Pravin Navandar (DIN: 02810786), Additional Director of the Company designated as Non-Executive and Independent Director and who is not disqualified to become a Director under the Act and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing Mr. Pravin Navandar as a candidate for the office of the Independent Director of the Company, be and is hereby appointed as Non-Executive and Independent Director of the Company to hold office from the conclusion of this Annual General Meeting upto 16<sup>th</sup> August, 2026, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to execute any documents, forms, paper and to file any form or documents with the statutory authorities and to do all such acts, deeds and things as may be necessary to give effect to the resolution."

#### 5. **APPOINTMENT OF MR. N. VENKATESHWAR RAO (DIN: 09261084) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

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



## NOTICE (Contd.)

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the 'Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and all other applicable rules made under the Act (including any statutory modifications or re-enactment thereof, for the time being in force), and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') (including any statutory modifications or re-enactment thereof, for the time being in force), Mr. N. Venkateshwar Rao (DIN: 09261084), Additional Director of the Company designated as Non-Executive and Independent Director and who is not disqualified to become a Director under the Act and who is eligible for appointment as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing Mr. N. Venkateshwar Rao as a candidate for the office of the Independent Director of the Company, be and is hereby appointed as Non-Executive and Independent Director of the Company to hold office from the conclusion of this Annual General Meeting upto 16<sup>th</sup> August, 2026, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other officer(s) / authorized representative(s) of the Company to execute any documents, forms, paper and to file any form or documents with the statutory authorities and to do all such acts, deeds and things as may be necessary to give effect to the resolution."

By Order of the Board of Directors  
for **The Mandhana Retail Ventures Limited**

**Sangeeta Mandhana**  
**Managing Director**  
DIN: 06934972

### Registered Office:

Plot No. E-132, M.I.D.C., Tarapur Industrial Area,  
Boisar, Dist. Palghar - 401 506

Place : Mumbai

Date : 25<sup>th</sup> August, 2021

### NOTES:

1. In view of continuing COVID -19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its general circulars bearing nos. 20/2020, 14/2020, 17/2020, 02/2021 dated 5<sup>th</sup> May, 2020, 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020 and 13<sup>th</sup> January, 2021 (collectively referred to as 'MCA Circulars') and SEBI has vide its circulars bearing nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 (collectively referred to as 'SEBI Circulars'), permitted convening the Annual General Meeting ('AGM' / 'Meeting') through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM'), without

the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the AGM of the Company is being held through VC / OAVM.

2. The relevant Explanatory Statement pursuant to section 102 of the Act in respect of the business under Item Nos. 3 to 5 of the Notice, is annexed hereto. The relevant details as required under Listing Regulations, of person/s seeking appointment/ re-appointment as Director / Auditor forms part of this notice.
3. Pursuant to the provisions of the Act, generally a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 23<sup>rd</sup> September, 2021 to Wednesday, 29<sup>th</sup> September, 2021 (both days inclusive), ('Book Closure period') for the purpose of holding Annual General Meeting.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting.
7. Mrs. Sangeeta M. Mandhana, Managing Director is liable to retire by rotation. She being eligible, offers herself for re-appointment. Brief profile of Mrs. Sangeeta M. Mandhana, who retires by rotation at this Annual General Meeting, as required under Secretarial Standard on General Meeting ('SS-2') and Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is given separately at Annexure A hereunder.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Manish B. Mandhana, Mr. Priyavrat P. Mandhana and Mrs. Sangeeta Mandhana, herself, is concerned or interested in the said resolution.

8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service ('NECS'), Electronic Clearing Service ('ECS'), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant ('DP'). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and

## NOTICE (Contd.)

the Company's Registrars and Share Transfer Agent, M/s. Link Intime India Private Limited ('RTA' / 'LIPL' / 'Link Intime') to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

The SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in physical form are requested to submit their PAN details to the RTA.

9. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. In view of the above and to avail free transferability of shares and the benefits of dematerialisation, members are requested to consider dematerialization of shares held by them in physical form. Members can contact the Company or its RTA for the same.
11. Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. Any Member desirous of getting any information on the accounts or operations of the Company is requested to forward his/her/its queries to the Company at least seven working days prior to the Meeting, so that the required information can be made available at the Meeting.
13. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2020-2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-2021 will also be available on the Company's website at [www.mrvlindia.com](http://www.mrvlindia.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [cs@tmrvl.com](mailto:cs@tmrvl.com).
16. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide the Members a facility to exercise their right to vote on resolutions proposed to be considered at the 10<sup>th</sup> AGM by electronic means through e-Voting Services. The facility of casting votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by LIPL. In addition, the facility for voting through electronic voting system will also be made available at the Meeting ('e-voting at the AGM') and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through INSTAMEET facility. The Company has engaged the services of LIPL as the agency to provide remote e-voting and e-voting facility at the AGM. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the instructions given below.
17. Based on the shareholding of the Members, whose names appear in the Register of Members/ List of beneficial owners, received from National Securities Depository Limited ('NSDL') / Central Depository Services (India) Limited ('CDSL') as on close of the business hours on Wednesday, 22<sup>nd</sup> September, 2021 ('cut-off date'), a member shall be entitled to vote by way of remote e-voting or during the AGM. However, a person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
18. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM, but shall not be entitled to cast their vote again.
19. The remote e-voting period will commence on Sunday, 26<sup>th</sup> September, 2021 (9.00 a.m.) (IST) and will end on Tuesday, 28<sup>th</sup> September, 2021 (5.00 p.m.) (IST). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote by remote e-voting. The remote e-voting module shall be disabled by LIPL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting by INSTAMEET facility at the AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
20. **(A) Instructions for shareholders to vote electronically:**  
**Remote e-voting Instructions for shareholders**  
In terms of the Circular issued by the Securities and Exchange Board of India dated 9<sup>th</sup> December, 2020, on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled

## NOTICE (Contd.)

to all the individual Demat account holders, by way of single login credential, through their Demat accounts/ websites of Depositories/ DPs in order to increase the efficiency of the voting process. Individual Demat account holders would be able to cast their vote without having to register again with

the e-Voting service provider ("ESP") thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; e-voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Alternatively, visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number you hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; e-voting during the meeting.</li> </ul>
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> <li>• Existing user who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>• After successful login of Easi / Easiest, the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the E-Voting is in progress.</li> </ul>
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> <li>• You may also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>• Once logged in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository website after successful authentication, wherein you can see e-Voting feature. Click on the Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; e-voting during the meeting.</li> </ul>

## NOTICE (Contd.)

<p>Individual Shareholders holding securities in Physical mode &amp; e-voting service Provider is LINKINTIME.</p>	<ol style="list-style-type: none"><li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a><ul style="list-style-type: none"><li>▪ Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:-<ol style="list-style-type: none"><li>A. User ID: Shareholders/ members holding shares in physical form shall provide Event No. + Folio Number registered with the Company.</li><li>B. PAN: Enter your 10-digit Permanent Account Number (PAN). Members who have not updated their PAN with the Depository Participant (DP)/ Company, shall use the sequence number provided to you, if applicable.</li><li>C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li><li>D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</li><li>E. Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</li></ol></li><li>▪ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@ ! # \$ &amp; *), at least one numeral, at least one alphabet and at least one capital letter).</li><li>▪ Click "confirm" (Your password is now generated).</li></ul></li><li>2. Click on 'Login' under 'SHARE HOLDER' tab.</li><li>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.</li><li>4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.</li><li>5. E-voting page will appear.</li><li>6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).</li><li>7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes,' else to change your vote, click on 'No' and accordingly modify your vote.</li></ol>
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### Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

### Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password'
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
  - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of

his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

### Individual Shareholders holding securities in Demat mode with NSDL/ CDSL have forgotten the password:

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

## NOTICE (Contd.)

### Helpdesk for Individual Shareholders holding securities in Demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

### Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME:

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in> under Help Section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on Tel: 022 - 4918 6000.

#### (B) (1) Instructions for Shareholders/Members to attend the Annual General Meeting through INSTAMEET (VC/OAVM) are as under:

- i. Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the procedure mentioned below. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
- ii. Shareholders/Members are requested to note that participation through VC/OAVM is restricted upto 1000 members only and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders / Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis.
- iii. Shareholders/ Members will be provided with INSTAMEET facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

(i) Open the internet browser and launch the URL for InstaMeet <https://instameet.linkintime.co.in> and register with your following details:

- a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
- b. PAN: Enter your 10 digit Permanent Account Number (PAN)
- c. Mobile No.
- d. Email ID

(ii) Click "Go to Meeting"

- iv. Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- v. Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- vi. Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

#### (2) Instructions for shareholders / members intending to register themselves as speakers during Annual General Meeting:

- i. Shareholders/ Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at [cs@tmrvl.com](mailto:cs@tmrvl.com), atleast before 48 hours prior to the date of AGM.
- ii. Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.
- iii. Shareholders will receive "speaking serial number" once they mark attendance for the meeting. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.
- iv. Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.iii. Shareholders will receive "speaking serial



## NOTICE (Contd.)

number" once they mark attendance for the meeting. Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

- v. Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name, demat account number/folio number, email id, mobile number at [cs@tmrvl.com](mailto:cs@tmrvl.com). The same will be replied by the company suitably.

### (3) Instructions for shareholders/members to vote during the Annual General Meeting through INSTAMEET:

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same, the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm"; else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:** Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175. (InstaMeet Support Desk, Link Intime India Private Limited)

For a smooth experience of viewing the AGM proceedings through INSTAMEET as well as shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

21. Mr. Nitin R. Joshi, Practicing Company Secretary (Membership No. FCS: 1884) (Address: 415, Marathon Max, Next to Udyog Shetra, Junction of L.B.S. Marg and Goregaon Link Road, Mulund (W), Mumbai 400 080) has been appointed as the Scrutinizer to scrutinize the entire e-voting process in a fair and transparent manner. Scrutinizer's email address is: [n\\_r\\_joshi@yahoo.com](mailto:n_r_joshi@yahoo.com).
22. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.
23. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only, shall be entitled to avail the facility of remote e-voting or for voting at the AGM. A person, who is not a member as on the cut-off date, should treat the Notice for information purpose only.
24. The Scrutinizer shall, after the conclusion of e-voting at the AGM, scrutinize the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting and shall submit, within 48 working hours from the conclusion of the AGM, a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him or Board of Directors, who shall countersign the same and declare the result of the voting forthwith.
25. The voting results shall be displayed in the prescribed format on the Notice Board of the Company at its Registered Office as well as the Head Office/ Corporate Office. The voting results declared along with the report of the Scrutinizer shall also be placed on the website of the Company, viz. [www.mrvlindia.com](http://www.mrvlindia.com) and on the website of LIPL immediately after the declaration of results by the Chairman or a person authorized by him/ Board of Directors in writing. The voting results shall also be forwarded to the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited & National Stock Exchange of India Limited.
26. Members can avail of the nomination facility by submitting Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, to the company. This Form is available on the web site of the Company viz., [www.mrvlindia.com](http://www.mrvlindia.com).

By Order of the Board of Directors  
for **The Mandhana Retail Ventures Limited**

**Sangeeta Mandhana**  
Managing Director  
DIN: 06934972

#### Registered Office:

Plot No. E-132, M.I.D.C., Tarapur Industrial Area,  
Boisar, Dist. Palghar - 401 506

Place : Mumbai

Date : 25<sup>th</sup> August, 2021

## NOTICE (Contd.)

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND APPLICABLE PROVISIONS OF THE LISTING REGULATIONS

#### Item No. 3:

The Members of the Company, due to casual vacancy caused on account of resignation of erstwhile Statutory Auditor, M/s. BSR & Co. LLP, have vide a postal ballot process appointed M/s. Ram Agarwal & Associates, Chartered Accountants, (Firm Registration Number: 140954W), as the Statutory Auditors of the Company to hold office from 11<sup>th</sup> December, 2020 until the conclusion of this Annual General Meeting. The resignation of the erstwhile Statutory Auditor, M/s. BSR & Co. LLP, was caused due to lack of consensus over the proposal of reduction in their audit fees in view of the prevailing business conditions of the Company coupled with dreadful impact of Covid-19 pandemic on the business prospects of the Company, during the FY 2020-21.

M/s. Ram Agarwal & Associates possess wide experience in the field of Risk & Business Advisory, Indirect Taxes, ERP Implementations, Management Assurance and Corporate Finance across varied industries for reputed corporates within India, US and UAE. It was established by the founder CA Ram Agarwal and four other accomplished Partners / Directors having combined professional experience of over 50 years. M/s. Ram Agarwal & Associates have an edge of a blended resource pool of CA, MBA, ERP consultants and Subject Matter Experts, which enables it to provide comprehensive services beyond the traditional way of auditing & consulting. M/s. Ram Agarwal & Associates serve across 15+ cities in India, USA and UAE through its more than 60 branches.

In view of the above and based on recommendation of the Audit Committee, the Board proposes and recommends that M/s. Ram Agarwal & Associates, Chartered Accountants, (Firm Registration No. 140954W) be appointed as the Statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the 15<sup>th</sup> Annual General Meeting to be held in the calendar year 2026.

M/s. Ram Agarwal & Associates, Chartered Accountants, have conveyed their consent to be appointed as the Statutory Auditors of the Company along with a confirmation that, their appointment, if made by the Members, would be within the limits prescribed under the Act.

Pursuant to the recommendations of the Audit Committee, the Board has, subject to approval of the Members, authorized any of its Executive Directors to fix the remuneration payable to M/s. Ram Agarwal & Associates, Chartered Accountants, plus applicable taxes and re-imbursment of out-of-pocket expenses, if any, incurred by them for audit purpose. The proposed fee to M/s. Ram Agarwal & Associates for their services for FY 2021-22 is ₹ 6 Lakh. The fees that would be paid to M/s. Ram Agarwal & Associates, Chartered Accountants, would be significantly lower as compared to the fees that was paid to M/s. BSR & Co. LLP, erstwhile Statutory Auditor, consequently reducing the overall cost burden of the Company.

Your Board recommends passing of the Ordinary Resolution specified in Item No. 3 of the accompanying Notice.

#### Item No. 4 & 5:

Mr. Pravin Navandar & Mr. N. Venkateshwar Rao, were appointed as Additional Director and designated as Non-Executive and Independent Director on the Board of the Company with effect from 17<sup>th</sup> August, 2021. As per the provisions of section 161 of the Companies Act, 2013 ('Act'), an Additional Director holds office up to the date of the next Annual General Meeting of the Company or the last date on

which the Annual General Meeting should have been held, whichever is earlier. The Company has received notices from a Member of the Company under section 160 of the Act, signifying his intention to propose appointment of Mr. Pravin Navandar & Mr. N. Venkateshwar Rao, as Independent Directors of the Company. In terms of Sections 149, 152, 160, 161 and all other applicable provisions of the Act and the rules made thereunder, Mr. Pravin Navandar & Mr. N. Venkateshwar Rao, being eligible to be appointed as Independent Directors, are proposed to be appointed as the Independent Directors of the Company.

Further, the Company has received the following documents from Mr. Pravin Navandar & Mr. N. Venkateshwar Rao:

- Letter of consent to act as Director in prescribed Form No. DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Director) Rules, 2014.
- Certificate of Independence under Section 149(7) of the Act.
- Intimation by Director in prescribed Form No. DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under section 164(2) of the Act.
- Disclosure of Interest in Form No. MBP-1 pursuant to Section 184(1) read with Rule 9(1) of Companies (Meetings of Board and its Powers) Rules, 2014.

Based on the above mentioned documents received, your Board opines that Mr. Pravin Navandar & Mr. N. Venkateshwar Rao fulfill the conditions for appointment as Independent Director as specified in the Act and the SEBI Listing Regulations. Mr. Pravin Navandar & Mr. N. Venkateshwar Rao are independent of the management.

The Board considers that the association of Mr. Pravin Navandar & Mr. N. Venkateshwar Rao would be of immense benefit to the Company and accordingly the Board recommends the resolutions set forth in Item 4 and 5 for the approval of the Members as an Ordinary Resolution.

Except the Directors proposed to be appointed, none of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the Resolutions at Item 4 and 5.

Brief profiles of Mr. Pravin Navandar & Mr. N. Venkateshwar Rao who are proposed to be appointed as Independent Directors as required under Secretarial Standard on General Meeting ('SS-2') and Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, are given herein at Annexure -A.

By Order of the Board of Directors  
for **The Mandhana Retail Ventures Limited**

**Sangeeta Mandhana**  
Managing Director  
DIN: 06934972

#### Registered Office:

Plot No. E-132, M.I.D.C., Tarapur Industrial Area,  
Boisar, Dist. Palghar - 401 506

Place : Mumbai

Date : 25<sup>th</sup> August, 2021

## NOTICE (Contd.)

### Annexure - A

#### Information about the appointees:

Particulars	Mrs. Sangeeta Mandhana (retiring by rotation)	Mr. Pravin Navandar	Mr. N. Venkateshwar Rao
<b>Age</b>	51 Years	60 years	57 years
<b>Qualifications</b>	<ul style="list-style-type: none"> <li>• Graduation in commerce</li> <li>• International Montessori course from London Montessori Centre, Calcutta</li> </ul>	<ul style="list-style-type: none"> <li>• Fellow member of Institute of Chartered Accountants of India (ICAI)</li> <li>• Master of Business Finance from ICAI</li> <li>• Business Valuation and Information System Audit from ICAI</li> <li>• Insolvency Professional (2017)</li> <li>• Registered Valuer under new Rules IBBI (2018)</li> </ul>	<ul style="list-style-type: none"> <li>• Master of Business Administration, Finance and Marketing Management from Shivaji University</li> <li>• B.Sc., (Mathematics, Physics and Chemistry) from Osmania University</li> <li>• Certified on Financial Modules by International Financial Faculty – London, U.K.</li> <li>• Several other certifications in the field of Information Technology</li> </ul>
<b>Experience/ Resume/ Background details/ Expertise/ Recognition/ Reward</b>	<p>The aptitude of Mrs. Mandhana for designing apparels and outfits has turned into her expertise which is benefitting the Company in big way. Mrs. Sangeeta Mandhana is also accomplished teacher in Meditation techniques.</p> <p>Mrs. Mandhana is serving on the Board of the Company as Managing Director since over last five years.</p>	<p>Mr. Navandar is a practicing Chartered Accountant possessing more than 35 years of rich experience in the fields of Accountancy, Audit, Finance, etc., with a specialization in Project financing, Business valuation, Loan restructuring, drafting Resolution plans.</p> <p>He is a partner in M/s. Saksham Insolvency Resolution LLP (IBBI registered Insolvency Professional Entity)</p> <p>Mr. Navandar has been previously associated with/as:</p> <ul style="list-style-type: none"> <li>• Founder Convener Ghatkopar CA Study Circle for 7 to 8 years;</li> <li>• Ex. Committee member on WIRC, ICAI;</li> <li>• Ex. Committee member on BCAS - core group member;</li> <li>• Ex - President / Founder President in following newly formed association:- <ul style="list-style-type: none"> <li>(i) Resolve Insolvency Professional Association.</li> <li>(ii) Convenor of WIRC IBC study group.</li> <li>(iii) Regular contributor to WIRC newsletter column on IBC update</li> </ul> </li> </ul>	<p>Mr. N.V. Rao possesses more than 30 years of professional experience, out of which 13 years in Textile Industry and 17 years in Software Industry. He has strong leadership and communication skills with expertise in team management and proven track record in handling complex strategic assignments.</p> <p>He is associated with OSI Digital Private Limited, Hyderabad, designated as Director- Solutions. He also worked as Chief Executive Officer for Bloom Solutions Private Limited, Hyderabad, a financial consultancy and Oracle e-Business Suite Implementation &amp; Maintenance Company. Prior to that he has also worked with Pyramid Soft Solutions Private Limited, Northgate Technologies Limited, Andhra Pradesh Textiles (APCO), Mafatlal &amp; DIGJAM and Hindustan Lever Limited.</p>
<b>Terms and conditions of Appointment</b>	To perform the duties of directors in accordance with the provisions of the Companies Act, 2013 and such other statutes, rules and regulations as may be applicable to the Company.		
<b>Remuneration to be paid to the Director in FY 2021-22</b>	Not applicable <i>vis-a-vis</i> the proposed appointment.	NIL (Except sitting fees for attending the Board and Committee Meetings of the Company).	



**NOTICE (Contd.)**

<b>Particulars</b>	<b>Mrs. Sangeeta Mandhana (retiring by rotation)</b>	<b>Mr. Pravin Navandar</b>	<b>Mr. N. Venkateshwar Rao</b>
<b>Remuneration last drawn by the Director</b>	Not applicable <i>vis-a-vis</i> the proposed appointment.	NIL	
<b>Date of first appointment on the Board</b>	5 <sup>th</sup> August, 2016	17 <sup>th</sup> August, 2021	
<b>Shareholding</b>	NIL		
<b>Pecuniary relationship directly or indirectly with the Company or relationship with the Director, Manager and Managerial Personnel, if any</b>	<p>Except the remuneration that is paid to Mrs. Sangeeta Mandhana as Managing Director, Mrs. Mandhana does not have any pecuniary relationship with the Company. Mrs. Mandhana belongs to the Promoter Group of the Company.</p> <p>She is spouse of Mr. Manish Mandhana, Chief Executive Officer and cousin sister in law of Mr. Priyavrat Mandhana, Executive Director.</p>	<p>Except the sitting fees that would be paid for attending the Board and Committee Meetings of the Company, Mr. Navandar does not have any pecuniary relationship with the Company.</p> <p>He is not related to any Director, Manager or KMP.</p>	<p>Except the sitting fees that would be paid for attending the Board and Committee Meetings of the Company, Mr. N. Venkateshwar Rao does not have any pecuniary relationship with the Company.</p> <p>He is not related to any Director, Manager or KMP.</p>
<b>Number of Board meetings attended during the financial year (2020-21)</b>	5 (including two adjourned Board Meetings)	N.A.	
<b>Directorships, Membership/ Chairmanship of Committees in other Companies</b>	None		
<b>Justification/ Job profile and suitability</b>	The Company believes that the knowledge and experience of Mrs. Sangeeta Mandhana, Mr. Pravin Navandar and Mr. N. Venkateshwar Rao will be of immense benefit to the Company.		