MUFTI
MUMBAI

CREDO BRANDS MARKETING LIMITED
(fka Credo Brands Marketing Private Limited)
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Tel. No.: +91 22 6141 7200 Email: helpdesk@mufti.in
Website: Corporate: www.credobrands.in
Ecommerce: www.muftijeans.in
CIN : L18101MH1999PLC119669

August 29, 2025

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001

Scrip Code: 544058

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051

Scrip Symbol: MUFTI

Dear Sir/Madam,

Sub.: Notice of 26th Annual General Meeting and Annual Report of the Company for the Financial Year 2024-25

This is further to our Letter dated July 31, 2025, intimating that the Twenty-sixth Annual General Meeting ("AGM") of the Members of the Company will be held on Monday, September 22, 2025 at 12:30 P.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Pursuant to Regulation 34(1) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Please find enclosed herewith the following:

1. Annual Report for the financial year 2024-25; and
2. Notice convening the 26th Annual General meeting of the Company

The aforesaid documents are being mailed only through electronic mode to those Members, whose email IDs are registered with the Company, Registrar and Transfer Agent or the Depositories.

The aforesaid documents are also available on the Company's website: www.credobrands.in

This is for your information and records.

Yours faithfully,
For **Credo Brands Marketing Limited**

Sanjay Kumar Mutha
Digitally signed by Sanjay Kumar Mutha
Date: 2025.08.29 11:29:53 +05'30'

Sanjay Kumar Mutha
Company Secretary and Compliance Officer

Encl.: As above


MUFTI
ASPIRE.
INSPIRE.
DELIVER.
Annual Report 2024-25

ACROSS THE PAGES

Corporate Overview

Statutory Reports

Financial Statements

Disclaimer:

This document contains statements about expected future events and financials of Credo Brands Marketing Limited ('The Company'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements, as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

Scan this QR code to navigate investor-related information

For more investor-related information, please visit:

https://www.credobrands.in/investors/

THEME INTRODUCTION

MUFTI has always been more than a brand. It stands for expression, individuality, and a quiet confidence that redefines the rules. For years, MUFTI has connected with Indian men who don't just wear clothing, but use it to say something - about who they are, and how they live - to express themselves. This is a brand that grew by listening, adapting, and creating for a mindset rather than a market.

To aspire is to look ahead, not to outpace others, but to outgrow ourselves. The Indian man aspires to be better, to be more than the wearer of a badge; he lives to express himself through his sense of style. At Mufti, we recognise this; we create to fulfil this desire.

To inspire is what we do for the Mufti man. We create with soul, not just reflective of trend but intuition. We rethink fits, prints & patterns, elevate choices, and build a brand experience that mirrors the changing aspirations of the men we serve. The spirit of Mumbai, where Mufti was born, runs through every stitch: expressive, layered, unmistakably real. The result is a brand that gives men not just something to wear, but something to carry, a sense of self, a story, and confidence.

To deliver is to follow through. Mufti has always measured itself not by ambition, but by execution. In a year shaped by market caution and shifting expectations, we stayed true to our path - evolving where it mattered, performing where it counted, and keeping our promises across product, experience, and profitability.

'Aspire. Inspire. Deliver.' isn't just a theme. It's how we've built Mufti. And how we will continue to move forward.

ABOUT US

MUFTI (hereafter referred to as 'MUFTI' or 'The Company' or 'We') was created to offer something that menswear in India lacked, space to express. At a time when wardrobes were dictated by conformity, MUFTI entered with one goal: to free fashion from formality. We didn't follow the rules. We rewrote them.

MUFTI changed that with clothes that didn't just fit, but spoke. Each piece was designed to be a statement, allowing men to express individuality, attitude, and freedom through what they wore.

Born in Mumbai in 1998, the brand took its name from the word for off-duty clothing or civvies used by "men in uniform" to represent casualwear. The name became source of the design philosophy that shaped not just the brand's clothing but also its personality. From a modest setup to a nationwide footprint, MUFTI's journey has been about creating alternatives for how Indian men dress and how they express themselves.

From shirts and denim, to lifestyle layers, and urban essentials, every MUFTI garment is designed to reflect a refined elegance and effortless style. Style that feels natural, looks sharp, and never tries too hard. The collections are rooted in creativity, shaped by real moments in the lives of Indian men, and engineered with care. Each product starts its journey at MUFTI's in-house design studio and is crafted with the added expertise of trusted global manufacturing partners; striking a balance between design control and operational flexibility.

Today, MUFTI is present across 1,800+ retail touchpoints. It spans exclusive brand outlets, multi-brand stores, large-format retailers, and a growing digital footprint. This omnichannel network ensures the brand remains accessible without compromising identity, and familiar while being sophisticated.

The brand crossed 400 stores in CY 2024; MUFTI however measures its progress by evaluating its ability to reach and service consumers meaningfully, rather than by numbers alone. Each new store is seen as an extension of the brand's voice: a fresh canvas for identity, intent, and experience.

At its core, MUFTI remains committed to purposeful design, responsive operations, and confident evolution. It is not just a brand, but a way to be.

***It began as an idea.
Then a fit.
Then a feeling.
Now it's a movement.
Not stitched for trends.
But built for time.***

ABOUT US

1,829 Retail Touchpoints

572 Cities' Presence

247 EBO

Over 50 Manufacturing Partners

VISION

To be India's most sought after menswear brand, inspiring confidence and expression through premium style that is globally relevant.

MISSION

To design and deliver premium, expressive menswear that reflects individuality. To create immersive retail experiences; and to build MUFTI as the fashion house of a Modern India.

ETHOS

Rooted in Mumbai's free spirit, MUFTI believes in individuality over conformity, blending craft and creativity to curate expressions of style that empower men to stand apart.

WIDE RANGE OF PRODUCTS FOR MULTIPLE OCCASIONS

STYLE THAT EXPRESSES. COLLECTION THAT DELIVERS.

Style is personal. It's shaped by attitude, not occasion.

This belief has guided MUFTI since day one: to create clothing that moves as freely as the men who wear it.

MUFTI's collections are crafted to reflect how the modern Indian man lives: casual, expressive, and quietly confident. Whether heading out with friends, at a casual business meeting, taking off on a weekend, or winding down after a long day; the brand offers pieces that adapt to his moods, reflecting his own sense of style expressing himself across the various moments of his life.

Mufti is not about formality. It's about freedom. Every fit, every silhouette is made to move with him in comfort, in confidence, in character.

> ***Making easy business of casual days.***
> ***For a day or night out on town***
> ***For travel, pause, or a weekend of play.***
> ***A mood of refined elegance***
> ***Mufti***

SHIRTS Where versatility meets voice

From everyday easy to expressive evenings, and everything in between, the Mufti shirt line is designed to deliver across moods. This category is built to help express your individual sense of style while making for easy choices in elevated fabrics and patterns. The range features premium cotton checks & stripes, elevated engineered solids, washed indigo shirts, prints that have you covered from beachtown to nightclub, linens in never-before blends, and even scuba stretch constructions. Each piece is thoughtfully designed to carry detail and distinction. From resort-inspired moods to embroidered statements, these shirts reflect movement, effortless style, and a confident sense of self. Every style adds depth to the wardrobe while staying true to MUFTI's language of bold simplicity.

T-SHIRTS Textured and patterned by creativity

The T-shirt, a driver of growth in recent times, offers a little more than the usual suspects. Across a fitted slim fit and the relaxed regular fits, in a variety of textures and prints, the line of polos and tees work from wind down to easy business casual, reflecting moods from leisure to elevated streetwear. With expressive design and bold treatments, this is casualwear reimagined with clarity and purpose.

JEANS & TROUSERS A signature, season after season

From the flagship knitted denim offering DDL to the 3x1 Originals, all of Mufti's jeans come in stretch across a variety of fits. From slim to skinny, straight to loose, MUFTI's jeans come in a variety of washes that run from easy everyday to dressed up casual. Complemented by a large line of cargos, stretch trousers, joggers, the Jeans & trousers line caters to both casual and smart-casual needs, adapting to the different moods and times of the day.

OUTERWEAR Layers of style, made to last

MUFTI's outerwear range includes jackets, sweatshirts, and knitwear. These are all designed to add that one more layer style; keeping you comfortable as the seasons turn. From quilted comfort to plush suede, the jackets are designed to keep you warm and effortlessly stylish. The knitwear and sweaters come in textures that delight, and sweatshirts that go from elevated athletic to printed tonals.

GEOGRAPHICAL PRESENCE

Fashion doesn't speak loudly when it's worn with ease. That's what MUFTI set out to create: a brand that travels across people, places, and preferences giving voice to an inner sense of elegance. And today, that voice is heard across the country.

From big city markets to small-town high streets, MUFTI's footprint has grown steadily, staying rooted in its brand promise while becoming more accessible every year. The brand's presence is not just wide, it is well-placed, designed to meet consumers where they are, and in formats that work best for them.

441 No. of EBOs

1,288 No. of MBOs

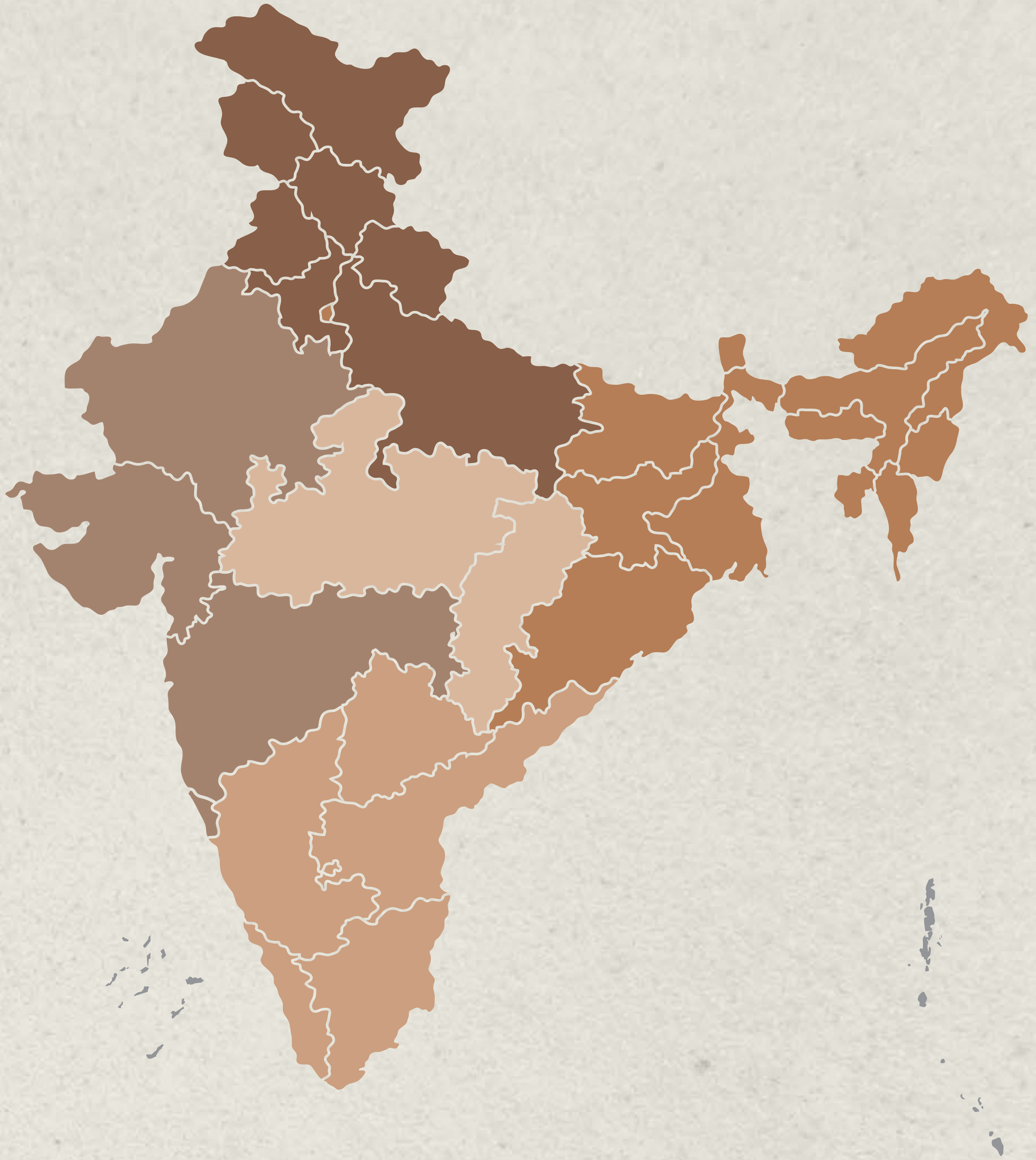
100 No. of LFS

Together, these formats create a retail ecosystem that blends reach with relevance, bringing MUFTI to malls, high streets, shopping centres, and neighbourhood markets with equal clarity.

This multi-channel strategy complements the brand's asset-light model. While the product and the brand experience are tightly controlled, MUFTI grows through trusted partners, local insight, and selective expansion. Each outlet is more than a point of sale. It is an extension of MUFTI's design philosophy, tailored to its context, powered by its people, and aligned with the brand's consumer-first ethos.

INDIA WEARS MUFTI

Diversified Presence across Geographies (% Store Count)



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. Our Company or any of our Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. Our Company does not warrant or represent any kind of connection with its accuracy or completeness.

Region	EBO (%)	MBO (%)	LFS (%)
North	28	21	11
West	25	18	35
East	20	32	22
South	15	15	25
Central	12	14	7

JOURNEY AND MILESTONES

MUFTI'S JOURNEY: FROM ONE STORE TO A NATION'S WARDROBE

1998

Launched Brand MUFTI

2008

Received investment by Bennett Coleman & Co Ltd

2010

Opened 100th Store

2011

Selected as the 'Indian Power Brand' by the Indian Consumers

2013

- Opened 200th Store
- Awarded the Title of Badshah-e-Hind (Esteemed King of India) at GlamMe Awards
- Awarded Most Admired RMG Manufacturer – West

2015

Promoter of the Company Awarded the Title of 'Most Talented Retail Professional' by CMO Asia

Received 'Retail Leadership Award' at the Retail Excellence Awards

2019

- Reinvented the Brand Philosophy and Launched the New Logo
- Opened 300th Store
- Received 'Retailer of the Year (Fashion & Lifestyle) Award' at Global Awards for Retail Excellence by ET Now

2022

Opened 350th Store

2023

The Company was Listed on BSE and NSE

2024

Opened 400th Store

What began in 1998 as a bold idea in a small space in Mumbai has grown into one of India's most recognisable menswear brands. MUFTI's journey has been less about size and more about staying true: to its voice, its design philosophy, and the man it serves.

From one store to hundreds, from one mindset to a movement, the brand has travelled far, but never away from its roots.

CHAIRMAN'S MESSAGE

ASPIRE.
INSPIRE.
DELIVER.

We remained true to who we are. We focussed on strengthening what makes us distinctly MUFTI: a brand with deep emotional connect, a business with discipline, and a model that is built for relevance, not just resilience.

Dear Shareholders,

Ever since our inception, MUFTI has stood for individuality, expression, and self-assured style. For the year 2024-25, we found ourselves leaning ever more into those values, not just in how we design and produce, but also in how we operate and how we think. It was a year where the retail and apparel industry fought a battle of attrition, particularly in the premium menswear segment, where cautious discretionary spending and tepid seasonal response levied some pressure on consumer-led businesses. Even so, we stayed our course. Consumer spending has remained relatively low, and demand in the premium apparel segment has been muted for the past two years. We absorbed all these uncertainties with discipline and resolve.

This short-term softness stands in contrast to the long-term opportunity in menswear. The Indian menswear market was valued at USD 20.4 billion in 2024 and is projected to reach USD 38.8 billion by 2033, reflecting a CAGR of 7.4% between 2025 and 2033. This growth is fuelled by rising disposable incomes, rapid urbanisation, and evolving fashion preferences among Indian men. Reinforcing this trajectory, the Union Budget 2025-26, with tax reliefs for incomes up to ₹ 12 lakh, has supported a gradual uptick in consumer sentiment, offering further hope for a revival in discretionary categories such as apparel.

Amidst this landscape, we remained true to who we are. We did not chase headlines. We did not attempt to out-shout the market. What we did, instead, was focus on strengthening what makes us distinctly MUFTI: a brand with deep emotional connect, a business with discipline, and a model that is built for relevance, not just resilience. Subdued demand cycles will come and go, but our fundamentals and focus remain steady.

Staying the Course in a Complex Market

From premiumising our stores and the retail experience, overhauling product lines to intensifying digital engagement, and maintaining tight operational controls, we used this year to refine rather than react. This pivot towards premiumisation is deliberate – it will enable us to strengthen margins, elevate our positioning in the market, and create a brand that commands higher consumer loyalty and pricing power. To amplify this transformation, we are making substantial investments in digital marketing. From high-impact social media campaigns to influencer partnerships and online storytelling, we are strategically communicating our new premium image to a broader and more discerning audience. We took yet another step toward building a Company that not only performs through cycles of change but endures through change in an evolving retail market.

We have never followed conventions. When we started out, we offered something that felt different – a brand that spoke to the mindset of the Indian man rather than just his wardrobe. That spirit continues to guide us today. The Indian consumer is evolving – he seeks menswear that reflects confidence, authenticity, and versatility. He wants to feel comfortable in his own skin, not just wear a label.

The Brand as the Foundation

India is undergoing a phase of premiumisation. Global brands have entered. Some legacy domestic names have faded, while others have repositioned themselves to stay in the game. We believe MUFTI belongs to the latter - a homegrown brand that continues to evolve with the market and move upward on the aspiration curve.

In response to evolving consumer preferences and the growing demand for differentiated, premium apparel, we have undertaken a comprehensive revamp of our merchandise architecture – offering elevated collections with refined silhouettes, premium fabrics, and a stronger fashion narrative. Complementing these changes is the launch of a new premium retail identity, where customers will experience the transformation firsthand through thoughtfully designed, modern retail environments. With these moves, MUFTI is not just changing how it looks – we are redefining what it means to be a modern Indian fashion brand.

Our merchandise strategy this year was a reflection of this evolution. We sharpened our product lines (in view of the new premiumised brand strategy), increasing our offering in elevated casuals, core lifestyle categories, and introducing relaxed fits. These were not surface-level adjustments. They were led by insight and executed with intent to align with the growing aspirations of the Indian man. The response has been encouraging and reinforces our belief that when done right, premiumisation enhances both brand and business outcomes.

Our retail experience journey complements this shift. What began as a design overhaul, inspired by the raw energy of Mumbai, has become a transformation of how MUFTI is experienced in-store. From fixtures to layout, music to messaging, the brand now expresses itself more confidently, especially to a younger, more style-aware consumer.

We are now preparing to upgrade our flagship stores to reflect this evolved identity even more powerfully. The new stores we are developing will be entirely centred on premiumisation of customer experience – a step that marks the next phase of our evolution. Reinventing the Store. Redefining the Brand Experience. Reigniting the Spark.

Brand identity remains strong, product architecture is realigned, and our retail environment is being elevated to reflect the next chapter of the MUFTI brand. We want MUFTI to be an accessible premium brand that resonates with evolving aspirations while staying grounded in authenticity.

A Model Built with Purpose

At the heart of all this is a financial and operational model built with intent. We have remained asset-light,

CHAIRMAN'S MESSAGE

continuing to outsource manufacturing while retaining strong control over design, brand, and quality. This structure gives us agility without compromising consistency.
In 2024-25, we opened 35 new stores on a gross basis, taking our total store count to 441 across 247 cities in India.

Although our working capital days stood at around 184 days by year-end, higher than industry average, we view this as strategy for earning better margins.

We are disciplined about how we grow. We evaluate every store, product launch, or campaign based on one question - does it enhance the brand and create long-term value? This mindset ensures we stay measured in expansion, focussed on execution, and aligned in purpose. We had a net addition of 16 new stores this year, while continuing to focus on better locations that improve relevance and visibility, while driving performance. Our focus on MBOs, which accounted for 25% of revenue, is a deliberate choice because it allows us to reach a wider geography with lower capital intensity while maintaining strong brand control. These relationships and dealer partnerships have further strengthened our cohesive offline presence across India, helping us balance scale with profitability.

Revenue per square foot is a key metric through which we evaluate store performance and operational efficiency. This indicator has shown steady growth, reflecting stronger productivity across our retail network. In parallel, our Direct-to-Consumer (D2C) channels gained momentum - online sales revenue doubled in 2024-25 compared to 2023-24, driven by enhanced brand visibility, sharper campaign targeting, and sustained marketing investments across platforms such as Google and Meta. Our marketing efforts are evolving in both scale and sharpness, helping build brand identity and engagement.

Our business strategy includes retrieving unsold stock from outlets and redistributing it through our digital platforms - a practice that supports freshness across all points of sale and maximises realisation.

We have continued to prioritise sustainable profitability over scale. Strong cash flows, a low-debt position, and efficiency in working capital have allowed us to lead growth on our terms - with strategic investment from our side where necessary, and capital deployment tailored to the format in play.

Looking at MUFTI through the Right Lens

At its core, MUFTI is a brand-led business, not a store-count or LFL store performance story. Our trajectory is not shaped by short-term market moves but by a long-term commitment to being relevant, distinctive, and consistent.

The consumer we serve is aspirational but grounded. And the brand we are building reflects that same combination of ambition and authenticity.

We do not chase trends. We read the market, respond with intent, and stay honest to who we are. We have built a business model that values stability as much as agility, lean on fixed costs, rich in brand capital, and backed by a team that believes in building meaningfully.

This is not a model borrowed from others. It is one we have shaped through experience, through listening closely to the consumer, and through staying honest to our own aspirations as a brand. And while it may not always be the loudest in the room, it is built to last and to establish a pole position in the Indian menswear and retail market.

Performance Rooted in Consistency

Our performance this year reflected the validity and reliability of our model. Despite a muted environment for mid and premium menswear, we recorded healthy growth in revenue and earnings, managed with appropriately planned inventory levels, in line with our strategy and reinforcing the structural resilience we have built over time.

Revenue from operations for 2024-25 stood at ₹ 6,182 million, clocking a growth of around 9% over the previous year of ₹ 5,673 million. This was supported by selective expansion, improved store productivity and a more refined product mix. EBITDA stood at ₹ 1,605 million, with margins maintained within our guided range, despite elevated brand, store identity, and marketing investments. We aim to continue maintaining healthy EBITDA margins going forward.

A key area of progress was working capital efficiency. Inventory days declined from 77 as on March 31, 2024, to 67 as on March 31, 2025 – an outcome of more responsive merchandising, disciplined planning, and tighter execution across the supply chain. This reduction was achieved without compromising availability or freshness at the store level, and directly contributed to preserving margin performance.

Profit After Tax for 2024-25 stood at ₹ 684 million as compared to ₹ 592 million in 2023-24, aided by stronger operating leverage in the second half of the year and continued control over fixed costs. This performance is aligned with the strategic priorities we had set at the start of the year and gives us confidence in the long-term sustainability of our growth model.

Most importantly, our financial model has remained self-sustaining. All investments during 2024-25 were funded through internal accruals. We continue to operate with low debt and strong cash flows, reinforcing the capital-efficient nature of our approach to the business. Our performance is not a result of one tactical decision or seasonal uplift, but a cumulative outcome of choices made across merchandising, inventory, expansion, and pricing plans.

Preparing for the Next Phase

We are accelerating the transformation of our retail footprint by opening around 20 premium flagship stores in 2025-26 and closing underperforming stores. These flagship stores will be located in key high-potential markets, enhancing our presence in premium and luxury malls and high-street locations. This retail network transformation and rationalisation will continue in 2026-27 as well. These efforts will lead to an increase in rental costs for premium locations, though the store count may not increase but we expect the output from these stores to be better.

Looking ahead, our strategic direction remains clear. We will continue to premiumise, not just in product, but in experience, communication, and brand perception. We will scale our store footprint judiciously, prioritising quality of location and network relevance over arbitrary expansion. We will invest further in digital - both in terms of brand storytelling and sales channel growth. And we will continue to explore meaningful adjacent categories and format innovation in ways that deepen the consumer's relationship with the MUFTI brand.

On the digital front, we are putting into realisation what we have learned over the last two years. The spending on this front will be done in line with communicating our new elevated identity, in line with our offline avatar. We are building for a D2C business that is geared to build the brand and drive the business with a fresh sales first strategy. While this is a work in progress that we expect to yield results in the coming years, we are investing in the right places and building the capabilities to move decisively when the time is right for us, which may result in higher investment in marketing spends for some time. Advertising and marketing spend as a percentage of revenue is expected to increase to 6-7% in 2025-26 and further to 8-10% in 2026-27. The benefits of these efforts are anticipated to start materialising from 2027-28 onwards, by which time these spends are expected to stabilise. However, these are necessary strategic investments that will help us reap benefits in the long term.

Mufti is resilient and positioned for long-term success. Our strategic initiatives for premiumisation and digital acceleration are expected to enhance brand equity and drive sustainable growth and profitability. We are also encouraged by the recent budget's emphasis on boosting middle-class purchasing power through tax relief measures, which we believe will positively influence consumer sentiment and stimulate demand in future.

Looking ahead, we are confident in our long-term strategy and committed to our vision of establishing Mufti as one of India's leading premium menswear brands, resonating with the modern consumer across both physical and digital touch points.

We believe it is time to have the MUFTI brand reincarnated in its new avatar - one that builds on our legacy, but is evermore elevated, sophisticated, sharp, and more connected to the aspirations of the modern Indian man.

With Gratitude and Resolve

As always, none of this would be possible without the commitment of our people across design, merchandising, store operations, supply chain, marketing, and beyond. Nor without the trust and partnership of our suppliers, franchisees, and stakeholders who share our belief in this journey. And certainly not without the continued confidence of you, our shareholders.

This year, more than any other, reminded us that steady progress often happens away from the spotlight. That differentiation does not need to shout. And that, in a world chasing noise, quiet conviction stands out.

Thank you for being part of this journey.

Warm regards,

Kamal Khushlani

Chairman & Managing Director

PROMISED → DELIVERED

NOT JUST PROMISED. DELIVERED.

At MUFTI, promises are made with purpose and followed through with discipline.

From redefining casualwear to building a homegrown brand that resonates across India, every commitment has been backed by consistent execution. Product. Experience. Reach. Relevance. The progress is visible, not just in numbers, but in how the brand shows up, season after season.

This journey hasn't been just about bold declarations. It's has also been about quiet and consistent delivery. Rooted in design, shaped by agility, and held together by trust, MUFTI continues to do what it set out to do. And does it well.

What Was Promised

Redefine men's casual fashion

What Has Been Delivered

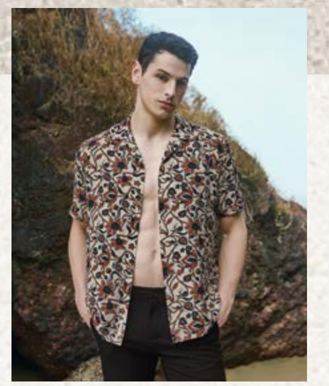
MUFTI reimagined men's casual fashion through consistently bold, expressive, and high-quality collections. The Company introduced fresh styles that resonated with evolving consumer preferences, designed in-house and manufactured through longstanding partner networks. Each collection embodied a distinctive blend of comfort, creativity, and relevance, crafted for the modern, expressive Indian man.

What Was Promised

Build a brand rooted in the ethos of Mumbai with global sensibility

What Has Been Delivered

From the logo that draws inspiration from its Mumbai roots to the Company's strong partner ecosystem built on long-standing relationships, MUFTI is a brand that stays grounded in its origin. While rooted in Indian values, its design sensibility, and consumer experience are benchmarked to global standards, making it both relatable and aspirational.



What Was Promised

Continuously evolve with consumer lifestyles and market trends

What Has Been Delivered

MUFTI upgraded its store formats to reflect a more modern, lifestyle-led aesthetic. Store layouts and in-store experiences were refreshed to match contemporary retail expectations. Simultaneously, the brand scaled up its digital presence and strengthened D2C channels, expanding its reach to a broader, digitally engaged consumer base.

What Was Promised

Create an emotional connection with the consumer

What Has Been Delivered

Nearly one-third of MUFTI's consumers are repeat buyers. This reflects the brand's strong emotional resonance and loyalty. Through targeted campaigns and consistent storytelling that emphasised individuality and self-expression, MUFTI deepened consumer trust and solidified its cultural relevance. MUFTI doesn't just sell clothes; it builds identity and belonging. The brand's content ecosystem, Muftisphere, plays a pivotal role in amplifying this connection, offering a creative space where fashion meets philosophy, and consumers engage with MUFTI's voice beyond products.

FINANCIAL OVERVIEW

SCALING WITH STYLE

MUFTI's financial performance in 2024-25 was driven by targeted retail expansion, a robust omnichannel presence, and a diversified product portfolio. Together, these helped keep the brand relevant to evolving consumer tastes. The Company's focus on brand building and consumer loyalty ensured steady demand, while operational efficiencies, such as advanced inventory management and an asset-light model, supported healthy margins. Despite industry-wide challenges like subdued consumer demand and inflationary pressures, MUFTI's strategic execution enabled it to sustain growth and deliver profitability.

Revenue from Operations (₹ million)

2024-25	6,182
2023-24	5,673
2022-23	4,982
2021-22	3,412
2020-21	2,448

Gross Profit (₹ million)

2024-25	3,539
2023-24	3,261
2022-23	2,862
2021-22	1,941
2020-21	1,198

Gross Profit Margin (%)

2024-25	57.2
2023-24	57.5
2022-23	57.5
2021-22	56.9
2020-21	48.9

EBITDA (₹ million)

2024-25	1,798
2023-24	1,605
2022-23	1,639
2021-22	951
2020-21	485

EBITDA Margin (%)

2024-25	29.1
2023-24	28.3
2022-23	32.9
2021-22	27.9
2020-21	19.8

PAT (₹ million)

2024-25	684
2023-24	592
2022-23	775
2021-22	357
2020-21	34

PAT Margin (%)

2024-25	11.1
2023-24	10.4
2022-23	15.6
2021-22	10.5
2020-21	1.4

Avg. Cost of Capex per EBO (₹ million)

2024-25	3.01
2023-24	2.81
2022-23	2.85
2021-22	2.56
2020-21	2.07

Avg. Revenue per EBO (₹ million)

2024-25	7.80
2023-24	7.48
2022-23	7.58
2021-22	5.51
2020-21	4.48

Avg. Revenue per Product Sold (in ₹)

2024-25	1,301
2023-24	1,285
2022-23	1,348
2021-22	1,208
2020-21	1,023

Avg. Ticket Value per Bill for EBOs (in ₹)

2024-25	5,294
2023-24	4,292
2022-23	4,157
2021-22	3,442
2020-21	2,940

CHANNEL MIX

NOT ABOUT RISK MANAGEMENT BUT DIVERSIFYING OPPORTUNITY AND THEN BUILDING THE CAPABILITY TO EXECUTE, SERVICE, AND GROW EACH OF THEM!

MUFTI's growth story is built not just on design and product excellence, but also on the strategic depth of its distribution network. In building a balanced and diversified channel mix, the Company has focussed on seamlessly scaling its presence across India, committed to reaching consumers wherever they are and wherever they choose to shop. This diverse distribution strategy has been put in place to enable MUFTI to blend urban aspirations with regional accessibility, capturing demand across various segments and various tiers of the market.

Each channel, Exclusive Brand Outlets (EBOs), Multi-Brand Outlets (MBOs), Large Format Stores (LFSs), and online platforms, has been identified and invested in to play a unique role in MUFTI's omnichannel ecosystem. It is something that helps us work in harmony to strengthen brand visibility, drive consumer loyalty, and unlock sustained revenue growth through wide accessibility.

CHANNEL MIX

Exclusive Brand Outlets (EBOs): Brand's Beating Heart

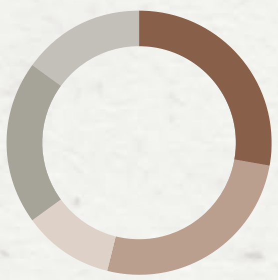
Having identified the rising demand for premiumisation, MUFTI's Exclusive Brand Outlets are a response to this critical consumer trend. From redesigning the retail identity freshly during COVID, the brand has invested in further premiumising its store experience with an elevated new identity rolled out in August 2025. The new stores will offer a curated experience that bring the brand's elevated product design and merchandise architecture to life. From key high-street locations to premium mall destinations across the country (Phoenix Palladium, Inorbit Hubballi and Oberoi Sky City Mall to name a few), the brand is focussed on building flagships in key markets across metros and tier 1 cities.

16 No. of EBOs Added during 2024-25 on a Net Basis

441 EBOs across **247** Towns and Cities in India

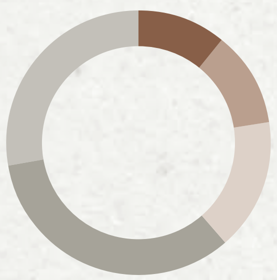
55.4% Contribution to Revenue in 2024-25

MUFTI's Pan India Network of EBOs



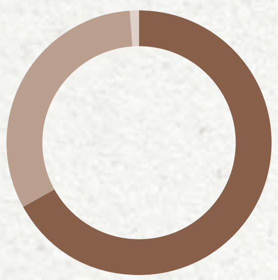
North: 28%
East: 20%
West: 26%
South: 15%
Central: 11%

Tier-Wise Penetration



Top 2 metros: 11%
Tier 2: 33%
Next 6 cities: 12%
Tier 3: 28%
Tier 1: 16%

Location Wise



High Streets: 67%
Malls: 32%
Airports: 1%

Multi-Brand Outlets (MBOs): Scaling through Synergy

MBOs remain a key growth lever, helping MUFTI reach fashion-conscious consumers who prefer multi-brand shopping destinations. The wide distribution allows for deeper market penetration and greater discovery in mixed-brand environments. While having consistently enjoyed a 'One of Top 3 brands' in this highly competitive environment, now replete with their own premiumised versions, Mufti will be focussed on delivering our updated retail identity, as we now take on global brands for continued popularity with consumers.

By continuing to tap into the natural footfalls of multi-brand retail, MUFTI is able to retain and expand its reach, engaging a wider cross-section of Indian shoppers who are now ready to experience the premiumised retail landscape.

1,288 MBOs across India

25.0% Contribution to Revenue in 2024-25

Large Format Stores (LFS): Amplifying Accessibility

LFS formats, such as department stores and large chains, offer high foot traffic visibility and introduce the brand to new audiences. A growing revenue driver, LFS outlets play a disproportionately large role in building brand awareness and attracting first-time shoppers in high-traffic commercial environments.

100 LFS across India

4.1% Contribution to Revenue in 2024-25

Online Channels: Powered by Digital Momentum

The digital transformation continues to accelerate, and MUFTI has embraced the shift by sharpening its online play. The Company's growing digital commerce footprint, through its own website and leading e-commerce marketplaces, has brought the brand closer to the mobile-first, convenience-seeking shopper.

11.4% Contribution to Revenue in 2024-25

Channel Strategy Built for Tomorrow

MUFTI's asset-light distribution model combines speed, agility, and scalability. With properties leased for 5 to 9 years to balance flexibility and long-term presence in key retail corridors. Our future-ready omnichannel strategy spans metros to micro-markets, offline stores to online platforms, ensuring MUFTI remains accessible, premium, and influential as India's retail landscape evolves.

> ***The result: Deeper presence. Greater engagement. Stronger growth.***

CHANNEL MIX

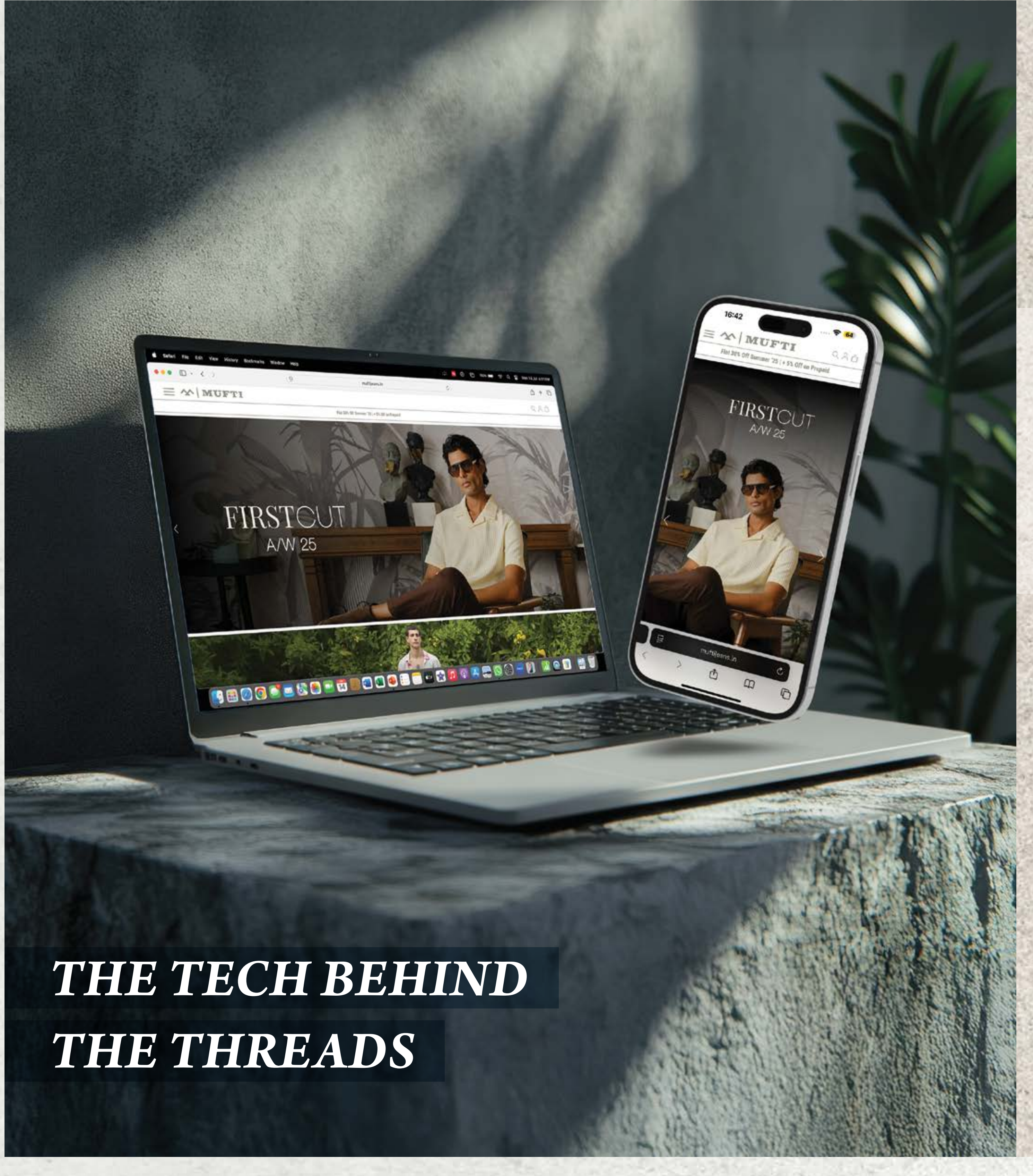
Scan the QR to Experience the New MUFTI

or Click Here

MUFTI's First Premium Identity Store – Phoenix Mall, Lower Parel

The launch of MUFTI's first new identity store at Phoenix Mall, Lower Parel marks a bold milestone in our premiumisation journey. Designed with a minimalist philosophy, the store immerses consumers in an aspirational world where style meets sophistication. Beige dominates the palette, lending calm refinement, while rich fixtures crafted from stone, wood, and steel create a balance of strength and elegance. The textured walls, warmed by thoughtfully placed lighting, add depth and modernity to the space. Mannequins are styled with precision, presenting thematic collections in refined fabrics that embody Mufti's elevated design direction. Every detail from the curated displays to the immersive ambience reflects our brand manifesto: inspiring individuality in style, spirit, and in life. This flagship concept store is more than retail; it is the physical expression of Mufti's transformation into a premium, aspirational fashion house for the modern Indian man.

TECHNOLOGY



THE TECH BEHIND THE THREADS

Strengthening the Digital Core

The year witnessed significant upgrades to MUFTI's digital backbone, including enhancements across inventory management, supply chain systems, and retail operations. This growing ecosystem of interconnected tools and platforms enables smarter decisions, faster fulfilment, and greater visibility across operations. MUFTI's technology stack, anchored by ERP Ginesys, MuftiConnect, Vesture, and QlikView, continues to streamline processes and improve productivity across the business.

These tools allow MUFTI to:

- Maintain optimum inventory at every store
- Enable real-time stock movement and replenishment
- Track e-commerce and offline orders seamlessly
- Respond to sales trends with agility
- Create a connected experience across channels

The integration of intelligent supply chain tools has not only enhanced internal operational control but also contributed to:

- Improved delivery timelines
- Cost optimisation
- Stronger consumer fulfilment

Seamless Supply Chain. Superior Experience.

MUFTI's tech-enabled inventory system plays a vital role in maintaining healthy stock levels, reducing turnaround times, and fulfilling consumer expectations. Using real-time analytics, the Company can transfer inventory across locations, optimise replenishment, and ensure consistent availability of key styles.

Digital-first Thinking. Brand-led Execution.

Building on last year's momentum, MUFTI is further refining its digital presence across both owned and partner platforms. The view is to build for not just an expanded online presence but to contribute significantly in driving an omnichannel approach to brand delivery.

With continued investment in creating multiple campaigns per season to promote brand awareness as well as drive specific GTMs, from top of the funnel to the bottom of it, the brand is working closely with Meta and Google to deliver these campaigns to the consumer. It is the brand's objective to drive traffic to its stores, both online, and brick & mortar; Mufti, in this, remain actively involved in growing access to the brand for its multitude of patrons, while acquiring new consumers.

While the brand focuses on building its D2C presence through muftijeans.in, online third-party marketplaces like Myntra, Flipkart, and Nykaa to name few, remain a vital part of its omnichannel strategy.

The focus is two-fold:

- Strengthening online discoverability and purchase experience
- Driving offline footfalls through targeted digital engagement

BUSINESS MODEL

BEYOND THE RATIOS: UNDERSTANDING MUFTI'S STRATEGIC ADVANTAGE IN RETAIL

Credo Brands Marketing Limited ('Credo Brands'), known for its flagship brand Mufti, operates in a manner that is fundamentally distinct from many other players in the Indian apparel retail space. While certain headline financial ratios – such as inventory days, receivable days, or payable days – may, at first glance, appear different from the industry averages, these metrics reflect deliberate strategic choices that have consistently delivered long-term benefits to the Company, its partners, and ultimately, its shareholders.

An informed assessment of our business model requires a deeper understanding of why these numbers differ, how they work to our advantage, and why they should not be interpreted using conventional retail benchmarks alone.

A Multi-Channel, Flexible Distribution Model.

Credo Brands operates a diversified channel mix, which gives it a unique edge over pure-play retailers. Our sales are distributed across:

- Multi-Brand Outlets (MBOs): Partnering with a wide network of MBOs allows us to leverage their reach and localised customer base without committing large amounts of capital to store infrastructure.
- Large Format Stores (LFS): Partnerships with national chains such as Shoppers Stop, Lifestyle, and others allow Mufti to reach premium customers in high-footfall destinations.
- Exclusive Brand Outlets (EBOs):
    - Franchisee-Owned, Franchisee-Operated (FOFO) stores
    - Company-Owned, Company-Operated (COCO) stores
    - Company-Owned, Franchisee-Operated (COFO) stores
    - Franchisee-Owned on Margin Model stores, where inventory risk remains with Credo Brands

This diversified presence ensures that we cater to multiple customer segments, geographies, and price points, while maintaining the agility to respond to changing market dynamics.

Inventory Days – Why Higher is Not a Negative

In traditional retail analysis, higher inventory days can signal slow-moving stock or inefficiency in inventory management. However, for Credo Brands, this metric reflects a strategic advantage.

Risk-Free Supply to Partners

We supply goods to our franchisees, MBO partners, and certain LFS partners on a risk-free basis - meaning:

- At the end of each season, unsold merchandise is taken back by Credo Brands.
- We possess the capability and expertise to liquidate returned stock profitably.
- This is evidenced by a consistent track record: we have never incurred any material loss on account of inventory write-downs.

Fresh Merchandise at the Point of Sale

Because slow-moving stock is removed at season-end, every store - whether EBO, MBO, or LFS - showcases fresh, seasonally relevant merchandise. This ensures:

- Higher sell-through rates.
- Stronger brand perception, as customers do not encounter outdated products.
- Repeat footfall driven by the expectation of newness.

BUSINESS MODEL

Comparison with Industry

Mufti's business model stands apart from both other multi-channel apparel brands and pure retail players. Among multi-channel players, many do not take back unsold inventory from their channel partners. In such cases, inventory risk sits with the partner, and the brand's reported inventory appears lower. Mufti, in contrast, assumes full responsibility for end-of-season unsold goods, enabling us to maintain complete control over our inventory and brand presentation. This allows us to refresh merchandise every season across all points of sale and still liquidate returned stock profitably, as evidenced by our track record of no material write-offs.

Pure retail players operate through their own stores only, with no third-party or department store sales. Their inventory appears lower because they plan production for their owned network and rotate stock at shorter intervals. In a multi-channel environment like ours, especially with a take-back commitment, such rapid replenishment is impractical - yet our model secures stronger partner loyalty, fresher assortments, and consistently profitable inventory management.

Receivable Days – Strategic Nature of Higher Figures

Higher receivable days are often perceived as a sign of weak collections or excessive credit risk. In Credo Brands' case, however, this perception is misleading.

Built-In Partner Security

- Franchisees: All inventory supplied is backed by security deposits collected in advance.
- MBO and Distributor Partners: These relationships are long-standing, in most cases spanning over one and a half to two decades.
- Track Record: We have never had any material bad debt write-offs, demonstrating the robustness of our credit management.

Partner Margin Structure

Because Credo Brands assumes the inventory risk (via the take-back arrangement), our partners are willing to operate at reasonable margins. This margin structure benefits us financially, even though the receivable cycle may appear longer than industry peers.

Receivable Days in Context

For many fashion retailers, short receivable cycles come at the cost of passing greater risk to partners, which can strain relationships and limit brand reach. Our approach ensures stronger, more loyal channel partners who can focus on growing sales rather than managing unsold stock risks.

Payable Days – Strategic Choice for Lower Figures

Credo Brands maintains significantly lower payable days compared to industry norms.

Cash Payments to Vendors

We make timely, cash-based payments to suppliers and manufacturing partners. This practice ensures: Preferential Pricing: Vendors reward our prompt payments with better rates, improving our gross margins.

Timely Supplies: We receive priority in production slots and delivery schedules, ensuring we meet market demand quickly.

Stronger Relationships: Years of dependable transactions have strengthened our supplier partnerships.

A Deliberate Position

While longer payable cycles may improve working capital ratios on paper, they can strain supplier relationships and lead to cost escalations. We believe our approach supports sustainable, quality growth.

BUSINESS MODEL

The Strategic Benefits of Our Model

Our business model offers multiple advantages that do not show up directly in headline financial ratios:

1. No Material Write-Offs: Strong inventory liquidation capabilities.
2. Brand Freshness: Consistently updated product lines at the point of sale.
3. Partner Loyalty: Risk-free supply fosters trust and long-term alignment.
4. Better profitability: Ability to negotiate reasonable terms with partners and vendors.
5. Operational Agility: Multi-channel structure allows for rapid response to consumer trends.

Self-Funded Growth, Sustainable Ambitions.

Mufti has charted its growth journey entirely through internal accruals, without taking on debt or relying on external equity infusion. Every investment - whether in innovative design, premium retail transformation, or supply chain upgrades - has been funded from the Company's own operating cash flows.

Our healthy margins, disciplined cost structure, and consistent profitability have enabled this self-reliant approach. The result is a debt-free balance sheet that provides:

- Independence from external financing when scaling operations.
- Financial resilience, allowing us to invest through market cycles without strain.
- Strategic flexibility to adapt quickly to evolving consumer trends and retail formats.

By growing on the strength of our own resources, Mufti has built not just a brand, but a business model that is sustainable, agile, and fully in control of its destiny.

Why Our Metrics Should be Interpreted Differently

In summary, the financial ratios for Credo Brands must be read in the context of our unique risk allocation model:

- Higher Inventory Days: Reflect inventory retained at the Company level due to our commitment to take back unsold stock - a strategic choice that enhances brand equity and sell-through.
- Higher Receivable Days: Represent long-standing, secure partnerships with robust safeguards, not elevated credit risk.
- Lower Payable Days: Reflect a deliberate decision to leverage cash flow strength to secure better terms from suppliers.

When compared directly to peers without adjusting for these structural differences, the numbers may appear unconventional - but in practice, they underpin a model that has proven both resilient and profitable over time.

Looking Ahead

As we continue to expand our presence across channels, our core principles remain unchanged:

- Maintain fresh, relevant merchandise at every customer touchpoint.
- Support channel partners by absorbing inventory risk.
- Strengthen vendor relationships through prompt payment practices.
- Deliver consistent profitability without compromising on brand value.

We believe that this differentiated approach – rooted in strong partnerships, prudent risk management, and disciplined execution – will continue to create shareholder value in the years ahead.

Metric	Typical Interpretation	Correct Interpretation for Credo Brands
Inventory Days	High inventory days suggest slow-moving stock, inefficient inventory management, and risk of markdowns/write-offs.	Higher inventory days are a result of our risk-free supply model to channel partners - we take back unsold stock at season-end and liquidate it profitably, with no material write-offs in our history. This ensures fresh merchandise at all retail touchpoints, enhancing brand appeal and sell-through.
Receivable Days	High receivable days imply longer credit cycles, higher working capital requirements, and greater risk of bad debts.	Higher receivable days reflect secure, long-term partnerships with franchisees, MBOs, and LFS partners. All franchisee stock is backed by security deposits, and MBO/distributor relationships span years with no material bad debt losses. Margins are structured to our advantage because partners operate at reasonable margins in exchange for risk-free supply.
Payable Days	Low payable days may suggest poor supplier credit terms or weaker negotiation leverage.	We intentionally keep payable days low because we pay suppliers promptly, often in cash, to secure better prices, priority production slots, and timely deliveries - strengthening vendor relationships and ensuring consistent quality and availability.
Channel Mix	Heavy dependence on one channel can limit reach or increase operational risk.	Our multi-channel strategy - spanning MBOs, LFS, and multiple EBO formats (FOFO, COCO, and margin models) - diversifies risk, maximises market coverage, and allows rapid adaptation to shifting consumer demand.
Risk Allocation	In most retail models, inventory and markdown risk lies with the store operator, reducing corporate-level inventory days but burdening partners.	Credo Brands retains inventory risk deliberately, because our operational strength and brand demand allow profitable liquidation. This strengthens partner relationships, supports store profitability, and maintains our premium brand positioning.
Working Capital Profile	Higher inventory and receivable days can be perceived as inefficient working capital management.	Our working capital structure is a deliberate strategic choice - we use our balance sheet strength to absorb partner risk, lock in favourable pricing, and ensure product freshness, driving long-term profitability and market share growth.

MUFTI'S FORMULA FOR VALUE CREATION

Capitals	Inputs	Outcomes
Financial	• Net Worth: ₹ 4,101.8 million • Equity Capital: ₹ 130.6 million • Reserves: ₹ 3,971.2 million	• Revenue: ₹ 6,182 million • EBITDA: ₹ 1,798 million • PAT: ₹ 684 million
Service Capital	• Number of Strategic Manufacturing Partners: 50+ • Third-party Test and In-house Quality Checks for Each Style • Number of EBOs: 441 • Number of LFS: 100 • Number of MBOs: 1,288 • Online Platforms: 5	• Flexibility in Scaling Production • Product Consistency and Low Return Rates • Reduced Inventory Holding Period • Enhanced Reach and Consumer Accessibility • Strong Omnichannel Presence • Enhanced Brand Loyalty
Intellectual Capital	• Investment in Design Teams, Trend Analytics Tools: ₹ 33.8 million • Number of In-house Designers: 15	• Number of New Styles Developed in 2024-25: over 1,400 • Consumer repeat purchase rate: 39%
Natural Capital	• Use of Renewable Energy in Warehouse • Use Paper Carry Bags • Orders Shipped Using Sustainable Packaging Materials	• Reduced Carbon Footprint • Long-Term Energy Cost Savings • Positive Consumer Perception • Reduced Inventory-Related Waste
Human Capital	• Permanent Workforce: 232 • Training Hours: 4,560 Hours • Motivation and Skill Development Training - over 1,638 Hours • Employee Engagement Initiatives: 10 Events	• Highly Motivated Employees • Improved Employee Productivity • Future-Ready Leadership • Reduced Attrition
Social and Relationship Capital	• CSR Expenditure: ₹ 15.6 million • CSR Themes: Promoting Health Care Including Preventive Health Care	• Lives Impacted: Over One Lakh

Value Creation Process

VISION

To be India's most sought after menswear brand, inspiring confidence and expression through premium style that is globally relevant.

MISSION

To design and deliver premium, expressive menswear that reflects individuality. To create immersive retail experiences; and to build MUFTI as the fashion house of a Modern India.

ETHOS

Rooted in Mumbai's free spirit, MUFTI believes in individuality over conformity, blending craft and creativity to curate expressions of style that empower men to stand apart.

BRANDING INITIATIVES

BEYOND THE ORDINARY

In the ever-evolving world of fashion, standing out requires more than just bold design. It demands a brand presence that resonates across every touchpoint of the consumer journey. MUFTI, inspired by the vibrant spirit of Mumbai, has embarked on a dynamic journey of multi-channel brand-building, weaving together traditional and digital platforms to create a seamless, immersive experience for the modern man. Through strategic investments in visibility and engagement, MUFTI is not just selling apparel; it is crafting a lifestyle narrative that positions the brand as the go-to choice for expressive, contemporary menswear.

Seen in windows. Felt in details. Built to speak. Expressing your true self.

TV Advertisements: Painting Stories on the Big Screen

MUFTI's journey into the hearts of its audience began with evocative TV campaigns that captured the brand's essence: urban, expressive, and unapologetically individualistic. These advertisements were crafted to do more than just showcase apparel; they told stories that mirrored the aspirations and lifestyles of young, fashion-forward consumers. By leveraging the mass reach of the screen, MUFTI ensured its message of alternative, expressive fashion found its way into living rooms across the nation, sparking curiosity and desire.

Billboards and Outdoor Advertising

Stepping out into the city, MUFTI's bold billboards and outdoor displays became landmarks in themselves. Strategically placed in high-traffic zones, these visuals were designed to arrest attention, using striking imagery and compelling taglines like 'Anything Else is Uniform'. Each billboard was more than an advertisement, it was a declaration of individuality, inviting passersby to break free from the mundane and embrace MUFTI's alternative style.

Print Media

MUFTI's presence in newspapers and leading fashion magazines ensured the brand remained top-of-mind among style-conscious readers.

Digital Integration

Recognising the pulse of its millennial and Gen Z audience, MUFTI has embraced digital platforms with innovative campaigns and interactive experiences. Social media activations, influencer collaborations, and creative campaigns have driven engagement and fostered a vibrant online community. The brand's robust presence on platforms such as Instagram, X, Meta, and YouTube allows it to share behind-the-scenes stories, style tips, and user-generated content, deepening the emotional connection with its audience. The brand has recognised this and partnered with Meta and Google to drive its brand message to consumers - both the online as well as the offline ones, because everyone, no matter where they shop, is now online! The strategic use of Google Ads, Search Engine Optimisation, Meta ads, inflencer activations, multiple campaigns, and robust digital asset creation processes, ensure MUFTI remains visible and accessible to not just digital-first shoppers, but also our offline shopppers to discover us on their socials, driving both awareness and conversions.

ESG

FASHIONING A SUSTAINABLE FUTURE

At MUFTI, sustainability is more than a buzzword. It is a guiding principle that shapes every decision, from design to delivery. Rooted in the belief that the well-being of people and the planet are inseparable, MUFTI's Environmental, Social, and Governance (ESG) initiatives reflect a deep commitment to sustainable value creation. The brand's journey is marked by conscious choices, innovative practices, and a leadership team dedicated to building a responsible future for fashion.

ESG

Minimising Environmental Impact

MUFTI's environmental stewardship begins with mindful material management. The brand employs a first-in, first-out approach to raw materials, minimising waste and ensuring efficient resource utilisation. Garments are roll-packed to reduce the use of single-use plastics, and shipping is optimised through local stores to lower the carbon footprint. The inventory of trims is meticulously managed, reinforcing a 'waste-not, want-not' philosophy that permeates the design and merchandising teams.

Sustainability extends to MUFTI's infrastructure. The Company's new warehouse, spanning over 1,42,700 square feet, is powered entirely by solar energy drawn from the solar panels installed within the complex. Designed for natural lighting and ventilation, even exhaust fans benefit from cross-ventilation, reducing reliance on artificial energy sources. Motion-sensor and natural lighting, along with efficient air-conditioning practices, further underscore MUFTI's commitment to energy conservation.

Social Responsibility and Community Engagement

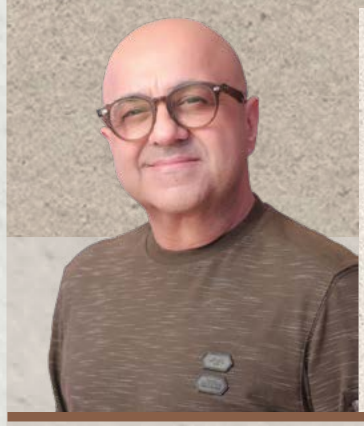
MUFTI's ESG vision is not limited to environmental action. The brand actively fosters a sense of community among its consumers, prioritising engagement over mere loyalty. By leveraging technology to personalise experiences and mapping consumer journeys online, MUFTI creates meaningful connections that extend beyond transactions. Fashion shows, trade events, and collaborations are used not only to showcase expressive clothing but also to build a vibrant, inclusive community around the brand.

GUIDING WITH PURPOSE

33% Women Directors

2 Executive Directors

3 Independent Directors



Mr. Kamal Khushlani
Promoter, Chairman and Managing Director

Mr. Kamal Khushlani is a first-generation entrepreneur with over three decades of experience in India's dynamic apparel retail industry. A commerce graduate from the University of Mumbai, he founded MUFTI in 1998 with a vision to redefine men's fashion in India by offering expressive, design-led clothing rooted in individuality. He is actively engaged in product development, brand building, and marketing, while also overseeing overall management and guiding the Company's strategic direction.

Mrs. Poonam Khushlani
Promoter and Whole Time Director

Mrs. Poonam Khushlani is the Promoter and Whole-Time Director of the Company. She has been associated with the organisation since its inception as a co-founder. With more than 25 years of experience in apparel retail, she currently oversees the overall management of the Company.

Dr. Manoj Nakra
Non Executive Director

Dr. Manoj Nakra brings a rich blend of academic excellence and strategic business leadership to the Board. He holds a degree in Mechanical Engineering from IIT Delhi, a Postgraduate Diploma in Management from IIM Bangalore, and an Executive Doctorate in Management from Case Western Reserve University.

He is the Co-founder of Zyeal Veloce Private Limited, a SaaS platform company. Dr. Nakra has previously served as Director of Strategy at the Apparel Group in the UAE, contributing to large-scale retail and distribution strategies. His core areas of expertise span retail, entrepreneurship, and the application of technology in business. He also serves as an Independent Director at Arvind Fashions Limited and is a visiting faculty member at IIM Bangalore.

Mr. Amer Jaleel
Independent Director

Mr. Amer Jaleel is a celebrated creative leader and seasoned advertising professional who brings deep insight into brand building and consumer engagement. He holds a Bachelor of Commerce degree from MMK College, University of Bombay.

He served as the Group Chairman and Chief Creative Officer of MullenLowe Lintas Group, where he led the creative direction for some of India's most iconic brands. After 21 years with the agency, he co-founded Curativity in 2023 — an innovative digital platform focussed on creative marketing.

Widely recognised in the Indian corporate and media ecosystem, he frequently contributes to industry forums. His diverse interests include content creation, music, technology, fashion, and the creative arts.

Mr. Paresh Bambolkar
Independent Director

Mr. Paresh Bambolkar is a finance professional with over three decades of experience in accountancy and corporate advisory. He is a fellow member of the Institute of Chartered Accountants of India (ICAI).

From 1993 to March 2019, he led his own practice as the proprietor of M/s. P V Bambolkar & Co., Chartered Accountants. He currently serves as a Director at Desire 4 India Private Limited, bringing continued insight into business governance and financial stewardship.

Mrs. Ramona Jogeshwar
Independent Director

Mrs. Ramona Jogeshwar brings diverse experience across business and education sectors. She holds a Master's degree in Management Studies from Somaiya Institute of Management Studies and Research, University of Mumbai.

She is currently a Partner at M/s. Konark Engineers and was previously associated with Kangaroo Kids Education Limited. Her multifaceted background enhances the Board's perspective on management, entrepreneurship, and institutional development.

AWARDS

RAISING THE BAR

CORPORATE INFORMATION

Guiding the Vision and Enabling the Future

Mr. Kamal Khushlani
Chairman and Managing Director

Mrs. Poonam Khushlani
Whole-Time Director

Dr. Manoj Nakra
Non-Executive Director

Mr. Amer Jaleel
Independent Director

Mr. Paresh Bambolkar
Independent Director

Mrs. Ramona Jogeshwar
Independent Director

Chief Financial Officer

Mr. Rasik Mittal
Chief Financial Officer

Company Secretary

Mr. Sanjay Kumar Mutha
Company Secretary

Statutory Auditor

M S K C and Associates LLP

Bankers

Axis Bank Limited
YES Bank Limited
HDFC Bank Limited

Registered and Corporate Office

Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669
Regd. Off.: B 8, MIDC Central Road, Marol, Andheri (E), Mumbai - 400 093
Tel. No.: +91 22 6141 7200
Corporate: www.credobrands.in
E-Commerce: www.muftijeans.in
Email: Investorrelations@mufti.in

Committees

Audit Committee
Mr. Paresh Bambolkar – Chairman
Mr. Amer Jaleel
Dr. Manoj Nakra

Nomination and Remuneration Committee
Mr. Amer Jaleel – Chairman
Dr. Manoj Nakra
Mrs. Ramona Jogeshwar

Stakeholders' Relationship Committee
Dr. Manoj Nakra – Chairman
Mr. Paresh Bambolkar
Mrs. Poonam Khushlani

Corporate Social Responsibility Committee
Mr. Kamal Khushlani – Chairman
Mrs. Ramona Jogeshwar
Mrs. Poonam Khushlani

Risk Management Committee
Mr. Kamal Khushlani – Chairman
Mr. Amer Jaleel
Mr. Rasik Mittal - CFO

Share Transfer Agents

MUFG Intime India Private Limited*
(Unit: Credo Brands Marketing Limited)
C-101, Embassy 247, L.B.S. Marg, Vikhroli (West) Mumbai - 400 083
Telephone: +91-8108118484
Fax: +91 22 6656 8494
Email: csg-unit@in.mpms.mufg.com
Website: www.in.mpms.mufg.com
(*Formerly: Link Intime India Private Limited)

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY

In 2024, the global economy grew by 3.2%, indicating steady, though moderate, momentum. However, the outlook for the next two years has been revised downward. According to the International Monetary Fund's (IMF) April 2025 World Economic Outlook, global GDP is expected to grow by 2.8% in 2025 and 3.0% in 2026, below the January projections of 3.3% for both years and significantly under the 2000-2019 historical average of 3.7%. This signals strength but also highlights a slower global recovery.

(Source: https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025)

Growth remains uneven across regions. Emerging markets are benefitting from stronger fundamentals and increased investment in key sectors like manufacturing, agriculture, infrastructure, and consumer goods. On the other hand, advanced economies continued facing structural constraints, including tighter financial conditions, muted consumer sentiment, and saturated markets that are limiting their growth prospects.

In April 2025, the U.S. imposed a 10% universal tariff on all imports in an effort to support domestic manufacturing. Additional tariffs ranging from 11–50% on 57 countries were announced but temporarily paused for 90 days, with the exception of China. This raised the average U.S. tariff rate to 27%, the highest in more than a century, fuelling global trade tensions and increasing uncertainty around supply chains. While intended to strengthen domestic manufacturing, the move risks disrupting global trade flows and exacerbating supply chain pressures.

(Source: https://www.reuters.com/business/retail-consumer/us-trade-negotiator-says-10-universal-tariff-will-rebuild-domestic-manufacturing-2025-05-13)

Amid rising protectionism and ongoing geopolitical shifts, businesses are reassessing sourcing strategies and investment plans. Global supply chains are undergoing recalibration as companies adapt to this evolving environment. Although inflation has eased in some regions due to interest rate hikes by central banks, broader economic uncertainty remains. Trade growth is still subdued, held back by persistent geopolitical instability, elevated borrowing costs, and a slowdown in industrial activity.

The global economic landscape continues to face headwinds. These include the lingering effects of inflation, unresolved conflicts in Eastern Europe and the Middle East, and uncertainty around future monetary policy decisions in major economies.

GDP Growth Projections (in %)

Global Economy

2026	3.0
2025	2.8
2024	3.3

Advanced Economies

2026	1.5
2025	1.4
2024	1.8

Emerging Market & Developing Economies

2026	3.9
2025	3.7
2024	4.3

(Source: https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025)

Outlook

The global economy is entering a period of measured expansion, shaped by structural shifts and ongoing challenges. While GDP growth is expected to improve slightly in 2026, projections remain below the pre-pandemic average of 3.7%, reflecting the continued impact of tight financial conditions, fragmented trade policies, and geopolitical tensions.

Emerging markets are set to lead global momentum, driven by strong domestic demand and the strategic reshaping of supply chains. In contrast, advanced economies face slower growth, constrained by weak investment activity and fiscal constraints.

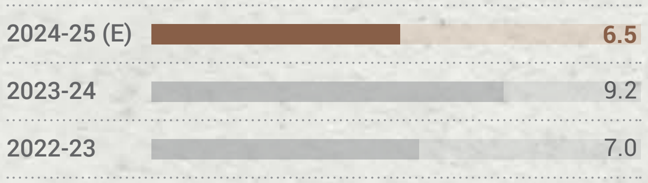
Looking ahead, inflation trends and central bank policy responses will be critical in determining the pace and stability of global recovery.

(Source: https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025)

INDIAN ECONOMY

India's economy remains on a strong growth trajectory, with real GDP growth expected to rise by 6.5% in 2024-25, affirming its position as the world's fastest-growing major economy. This growth is supported by private and government consumption expenditure, along with a positive contribution from net exports, even amid global economic uncertainty.

Indian Economy Real GDP Growth Rate (in %)



E - Estimated

(Source: https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF)

Inflation dynamics have evolved meaningfully. Fuel inflation turned negative, driven by softer global crude prices, tax adjustments, and a gradual shift towards renewable energy. Meanwhile, core inflation across goods and services has remained stable and well-contained.

In April 2025, CPI inflation was recorded at 3.16%, the lowest y-o-y figure since July 2019. Looking ahead, CPI inflation is projected to average 4.0% for 2025-26, assuming a normal monsoon. This stable inflationary environment bodes well for both consumption and investment outlooks.

(Source: https://economictimes.indiatimes.com/news/economy/indicators/indias-retail-inflation-eases-to-3-6-in-april-from-3-34-in-march/articleshow/121127604.cms?from=mdr)

The Union Budget for 2025-26 reaffirmed India's focus on fiscal consolidation, infrastructure expansion, and improving the ease of doing business - measures that have further strengthened investor confidence and reinforced the country's growth trajectory.

Backed by strong macroeconomic fundamentals and ongoing structural reforms, India continues to outperform many global economies, maintaining stable growth despite global uncertainties.

The manufacturing sector remains a key pillar of India's economic recovery, contributing 17% to the GDP. This growth is supported by Production Linked Incentive (PLI) schemes, rising domestic demand, and deeper integration with global value chains.

Core industries such as electronics, semiconductors, pharmaceuticals, and automobiles have remained resilient, even amid temporary challenges like seasonal disruptions and input cost fluctuations. Meanwhile, new-age sectors like EVs and electronics manufacturing are gaining momentum due to proactive policy support and expanding infrastructure.

(Source: https://www.ibef.org/industry/manufacturing-sector-india#:~:text=With%2017%25%20of%20the%20nation's,player%20in%20global%20supply%20chains.)

India's textile and apparel industry plays a key role in inclusive economic development, especially across MSME clusters. The sector directly employs over 45 million people and remains essential to rural livelihoods. It aligns with major government initiatives like 'Skill India' and 'Make in India', supporting equitable and broad-based growth.

To accelerate progress, the Union Budget 2025-26 allocated ₹ 5,272 crore to the Ministry of Textiles - up 19% from the previous year. This funding aims to scale initiatives such as PM MITRA mega-parks and improve export competitiveness. These measures are expected to create over 2.1 million jobs and promote value-added manufacturing across the value chain.

On the consumption front, strategic interventions such as rural infrastructure spending, support to agri-value chains, and housing incentives are set to boost disposable incomes - especially in non-metro India. With the middle class projected to grow from 31% in 2021 to 38% by 2031, and 65% of the population under 35 years of age, India's demographic dividend will continue to power structural consumption growth.

(Source: https://skift.com/2024/01/09/is-the-world-ready-to-meet-the-indian-middle-class-megatrends-2024/)

The government's manufacturing and digital push, along with a focus on sustainable and inclusive development, positions India as a global investment destination. With a targeted GDP of USD 5 trillion by 2027 and aspirations to become the third-largest economy by 2047, India's macroeconomic outlook remains structurally robust.

(Source: https://www.pib.gov.in/PressReleasePage.aspx?PRID=2117470)

Outlook

India is expected to retain its position as the world's fastest-growing major economy in 2025-26, with the International Monetary Fund forecasting a 6.8% growth. This optimistic outlook is underpinned by solid macroeconomic fundamentals, including a narrowing current account deficit, stable forex reserves, and moderating inflation.

Key drivers of this growth include higher capital expenditure, deeper digital integration, and the ongoing implementation of structural reforms. The continued rollout of initiatives such as the Production Linked Incentive (PLI) schemes and policies aimed at improving the business environment are boosting investment, manufacturing, and exports.

At the same time, private consumption is strengthening. Rising income levels, expanding credit access, and a favourable demographic profile are driving consumer demand. The growth of India's middle class and the formalisation of the economy are expected to further support discretionary spending across urban and semi-urban regions.

While global uncertainties linger, India's internal growth engines remain robust. Its reform-oriented policy environment, resilient consumer base, and diversified economy put it in a strong position to maintain steady growth over the medium term.

INDUSTRY – DEVELOPMENTS AND OPPORTUNITIES

GLOBAL APPAREL MARKET

The global apparel market is valued at approximately USD 1.84 trillion in 2025, contributing 1.65% to the global GDP. Despite economic headwinds, the sector continues to show resilience and adaptability, with projections indicating a CAGR of 2.81% between 2025 and 2028.

Global Apparel Market Size

2028*	USD 2 trillion
2027*	USD 1.94 trillion
2026*	USD 1.89 trillion
2025*	USD 1.84 trillion
2024	USD 1.79 trillion

*Projected

(Source: https://www.uniformmarket.com/statistics/global-apparel-industry-statistics)

~430 million

Estimated Employment Generated by the Apparel Industry (2025)

Several underlying factors are expected to support the sustained growth of the global apparel market in the years ahead. A key driver is the rise in disposable incomes, particularly in emerging economies. As more individuals transition into the middle class, their increased spending capacity is directly translating into greater demand for fashion and apparel products.

USD 2.4 trillion

Global Consumer Spending in 2025

USD 2.88 trillion

Projected Global Consumer Spending in 2029

Consumer spending growth signals an expanding market, driven by both increased demand and the enhanced ability of brands to meet the demand. This is underpinned by the rising purchasing power of a global middle class, which spurs further investments in manufacturing, retail infrastructure, and supply chain optimisation.

Urbanisation and evolving lifestyles are also key factors. As urban populations grow, so does demand for aspirational, fashion-conscious living. Digital transformation through omnichannel retail, AI-powered recommendations, and improved delivery logistics boosts customer satisfaction and market reach.

Youth demographics, particularly Gen Z and millennials, continue to shape apparel trends. These digitally connected consumers are frequent shoppers whose fashion choices, inspired by online trends and social media, exert a powerful influence on market dynamics.

Global Apparel Market by Segment

Women's Apparel Market Size

2027 (P)	USD 1,009.81 billion
2024	USD 930 billion

Men's Apparel Market Size

2027 (P)	USD 639.12 billion
2024	USD 587.61 billion

Children's Apparel Market Size

2027 (P)	USD 294.82 billion
2024	USD 274.25 billion

(Source: https://www.uniformmarket.com/statistics/global-apparel-industry-statistics)

INDIAN APPAREL MARKET

The Indian textile and apparel market is on a robust growth path, valued at USD 222.08 billion in 2024. According to IMARC Group, the market is expected to reach USD 646.96 billion by 2033, at a CAGR of 11.98% between 2025 and 2033.

(Source: https://www.imarcgroup.com/indian-textiles-apparel-market)

This growth is fuelled by increasing demand for premium fashion, smart textiles, and an increasing shift towards ethical and sustainable materials. Government initiatives supporting traditional weaving communities and ongoing investments to modernise the sector have further strengthened the market's foundation.

Furthermore, India's demographic advantage, boasting the world's largest working population with a median age of just 28, provides a powerful demand base. Young consumers are increasingly experimenting with global fashion and seeking lifestyle upgrades, making them key drivers of apparel consumption.

Consumer preferences are also diversifying. Urban millennials are propelling the demand for western and casual wear, while traditional and ethnic wear continue to see strong traction during festivals and cultural occasions. As a result, brands are adopting dual strategies to meet both contemporary and heritage-inspired tastes.

Geographically, the Indian apparel market is divided across metro cities and Tier I and Tier II towns, each with distinct demand profiles. While metros lead in premium and fashion-forward categories, smaller cities and rural areas are witnessing a rising appetite for branded yet affordable apparel, expanding the market's reach beyond urban centres.

2% Indian Apparel Contribution to India's GDP

11% Contribution to Country's Manufacturing Output

45 million Total Direct Employment

Internationally, evolving global sourcing dynamics have opened doors for India. With political instability in key manufacturing hubs like Bangladesh, global brands are increasingly turning to India as a reliable sourcing partner. In response, the Indian government has enhanced financial support to help domestic manufacturers scale operations and meet rising global demand.

In the Union Budget 2025-26, the government allocated ₹ 5,272 crores to the Ministry of Textiles, up 19% from ₹ 4,417.03 crores in the previous year. The Production Linked Incentive (PLI) Scheme for textiles also received a major boost, with funding rising from ₹ 45 crores to ₹ 1,148 crores, signalling a sharper focus on scaling high-value manufacturing.

Further, a five-year 'Mission for Cotton Productivity' has been introduced to enhance yield and support sustainable cotton farming. Jointly implemented by the Ministry of Agriculture & Family Welfare and the Ministry of Textiles, the mission will prioritise the promotion of extra-long staple cotton varieties, aiming to improve India's cotton export competitiveness.

Additionally, to protect domestic manufacturers from cheaper imports, the Budget raised the Basic Custom Duty (BCD) on knitted fabrics (across nine tariff lines) from '10% or 20%' to '20% or ₹ 115 per kg, whichever is higher'. This policy aims to improve local margins and boost investment in indigenous textile manufacturing.

The recently held Bharat Tex 2025 in February 2025 spotlighted India's commitment to the 'Farm to Fibre, Fabric, Fashion, and Foreign Markets' strategy. The government's focus on expanding textile production, upgrading infrastructure, and promoting innovation has positioned India as a leading destination for apparel sourcing and manufacturing in the global market.

(Source: https://www.imarcgroup.com/indian-textiles-apparel-market, https://www.apparelviews.com/apparel-views-february-march-2025-magazine)

INDIAN MEN'S APPAREL MARKET

The India menswear market was valued at USD 20.4 billion in 2024 and is projected to reach USD 38.8 billion by 2033, reflecting a CAGR of 7.4% between 2025 and 2033. This growth is fuelled by rising disposable incomes, rapid urbanisation, and evolving fashion preferences among Indian men.

(Source: https://www.imarcgroup.com/india-menswear-market)

Urban centres are witnessing a surge in fashion-conscious male consumers who are increasingly spending on apparel. Elevated income levels, aspirational lifestyles, and greater exposure to global fashion trends, especially among younger demographics, are driving this shift. Young men are more willing to experiment with styles, using fashion as a form of self-expression.

E-commerce and digital retail platforms have further accelerated market penetration, making menswear accessible across Tier 1, 2, and even Tier 3 cities. This ease of access has led to convenience-led purchases and broader brand visibility. Meanwhile, social media influence and celebrity endorsements continue to shape fashion awareness and adoption patterns.

Workwear trends are also shifting, with a growing preference for relaxed, versatile attire. This has boosted demand for smart casual and athleisure categories. Simultaneously, the rise of organised retail and the entry of international brands have intensified competition, prompting domestic players to innovate, improve quality, and diversify product offerings.

Collectively, these factors are shaping a dynamic and fast-evolving menswear segment in India, positioning for sustained growth and innovation in the decade ahead.

Indian Men's Apparel Market Size and Forecast

Market Size (2033) P	USD 38.8 billion
Market Size (2024)	USD 20.4 billion
CAGR (2025-2033)	7.4%

P – Projected

(Source: https://www.imarcgroup.com/india-menswear-market)

GROWTH DRIVERS

Favourable Demographics with a Young Consumer Base

India has the largest working-age population globally, with a median age of around 28. This young demographic is highly receptive to global fashion trends and lifestyle upgrades, making them a key driver of demand for branded apparel.

Average Age of the Population from 1950 to 2100

2100	47
2050	38
2025	28
2000	21
1905	20

(Source: https://www.statista.com/statistics/254469/median-age-of-the-population-in-india/)

Evolving Consumer Preferences and Shopping Behaviour

Indian consumers are increasingly moving from unbranded to branded apparel, driven by rising fashion awareness, lifestyle aspirations, and a preference for global, trend-led styles. This shift is accelerating demand in the premium and mid-premium segments, creating strong growth opportunities for established brands.

Strong Economic Growth and Rising Incomes

India's economy is expected to maintain steady growth over the next decade, supported by a moderate increase in GDP. As per capita income increased, disposable income expanded, driving higher discretionary spending across consumer categories.

India's GDP per Capita (in USD)

2029	4,195
2025	2,940
2024	2,310

(Source: https://www.forbesindia.com/article/explainers/gdp-per-capita-india-current-history/95857/1)

Growing per Capita Apparel Spend

Per capita apparel spending in India is expected to rise from ₹ 3,100 in 2015 to ₹ 8,000 by 2025. This reflects a sharp increase in consumption and a growing willingness among consumers to invest in fashion and lifestyle products.

(Source: https://www.knowledgeridge.com/expert-views/future-trends-in-indian-apparel-industry#:~:text=Increasing%20wallet%20sizes%20will%20result%20in%20consumers,2025%2C%20rising%20from%20INR%203%2C100%20in%202015.)

Surging Overall Apparel Consumption

Fuelled by a young population and rising incomes, India's total apparel consumption expenditure is expected to reach ₹ 11.7 Lakh crores (USD 180 billion) by 2025. This would position India as the third-largest apparel market globally, behind only China and USA.

COMPANY OVERVIEW

Credo Brands Marketing Limited (referred to hereafter as 'Credo' or 'MUFTI' or 'our Company'), established in 1998 by first-generation entrepreneur Kamal Khushlani, is the Company behind 'Mufti', a leading brand in India's mid-premium to premium men's casual wear market. Over the past two decades, we have established ourselves as a distinctive name in the Indian fashion landscape, reflecting a unique design philosophy that places emphasis on creativity and an elevated sense of style. MUFTI was launched with a clear vision of providing innovative fashion choices to the modern Indian man, and we have consistently stayed true to this ethos.

Mufti's core proposition lies in offering versatile wardrobe solutions that address the evolving needs of Indian men across various moments of their lives. The brand operates in the mid-premium to premium segment and provides a broad product portfolio suited to deliver to a range of true casual and smart casual needs. The range offers products across various categories - Shirts, T-shirts, Jeans, Chinos, Cargos, Sweatshirts, Jackets, Blazers, Sweaters, and Athleisure; designed to reflect the pace and preference of contemporary lifestyles.

A key differentiator for MUFTI has been our constant focus on design that offers various levels of interest across texture, weight, performance, and optics. While reflective of global trends, the brand has nurtured a unique identity centred on individuality and confidence by consistently reimagining what is global in way that it is relevant to the Indian consumer. Mufti was amongst the first brands to introduce the slim silhouette to shirts and jeans categories in India, influencing consumer preferences and setting new style benchmarks. The brand's collections aim to be both on trend and original, which has strengthened customer affinity and retention.

Operationally, our Company follows an asset-light model. While retaining control over design, MUFTI outsources manufacturing to a network of trusted partners. This approach enables flexibility, scalability, and cost efficiency without compromising quality. As of today, MUFTI works with close to 50 fabric and accessory suppliers and over 50 manufacturing partners, allowing it to bring designs to market quickly and consistently across the product lines.

1,829 Retail Touchpoints

Touchpoints Comprise

1,288 MBOs

100 LFSs

441 EBOs

Company Outlook

Despite a challenging consumption environment marked by subdued demand in the premium and mid-premium apparel categories, particularly across Tier 2 and Tier 3 cities, we remain focussed on our long-term strategy of delivering sustainable and profitable growth. In the face of global macroeconomic volatility and constrained discretionary spending, we continue to strengthen our fundamentals and respond with agility.

A key component of our strategic evolution has been our decisive shift from a mid-premium positioning to becoming a truly premium brand. This transformation is being driven through a clear three-pronged approach: a reimagined brand identity, a refined merchandise architecture, and an immersive retail experience.

First, our brand identity has been revitalised to reflect modernity, sophistication, and aspiration, moving away from our earlier rugged and casual persona to better resonate with today's discerning, style-conscious consumers.

Second, we have overhauled our merchandise architecture to offer more curated collections, higher-quality fabrics, and refined design sensibilities. Our product range is now aligned to distinct lifestyle occasions, ensuring greater relevance and consumer appeal.

Third, these changes are brought to life in our retail environments. Our redesigned stores offer an elevated, minimalist, and premium ambience, allowing customers to fully experience our brand evolution in a physical setting.

In parallel, we have accelerated our digital transformation, building a robust direct-to-consumer (D2C) engine that complements our physical presence. Online sales doubled in 2024-25, underscoring the traction we've gained across platforms like Google and Meta. Our digital strategy now includes scaled content creation, influencer partnerships, and compelling storytelling to reinforce our premium image.

At the heart of this digital journey is muftijeans.in, not just an e-commerce website, but an extension of our brand experience. The platform offers fresh, seasonal merchandise at price parity with offline stores, maintaining a clean and controlled inventory pipeline. It ensures that customers can access the brand anytime, anywhere, without compromising on the premium experience.

Strengthening customer engagement remains a core priority. Our proprietary loyalty platform, Muftisphere, now serves over 20 lakh customers, enabling personalised communication, improved retention, and deeper brand affinity.

We are entering a phase of selective and calibrated expansion in our retail network. With 441 stores across 247 cities at the close of March 31, 2025, our focus for 2025-26 is to add approximately 20 flagship stores in high-opportunity zones, while simultaneously rationalising our portfolio by phasing out underperforming outlets. This expansion strategy aligns with our premiumisation thrust, targeting premium malls and prominent high-street locations. The optimisation of our physical footprint is expected to continue through 2026-27, ensuring our retail presence remains closely attuned to evolving consumer behaviour and expectations.

In support of our brand-building objectives, we have planned marketing investments of 6-7% of revenue in 2025-26 and 8-10% in 2026-27. From 2027-28 onwards, these costs are expected to stabilise as our premiumisation efforts translate into stronger brand equity and return on investment.

Our asset-light model, robust cash flows, and low-debt structure provide a strong foundation to sustain this multi-pronged strategy. With a ROCE of 18.9% and a ROE of 18.2% in 2024-25, we continue to generate healthy returns while improving operational efficiency, evidenced by a reduction in working capital days to 184 and inventory days to 67.

Taken together, these efforts reflect our transition into a modern Indian fashion brand rooted in premiumisation. We are executing an integrated transformation across product, retail, and digital that positions us for consistent value creation well into the future.

Product-Wise Performance (million pcs)

Shirts

2024-25	2.17
2023-24	2.12
2022-23	1.73

Bottoms

2024-25	1.55
2023-24	1.30
2022-23	1.20

T-shirts

2024-25	0.74
2023-24	0.74
2022-23	0.52

Outwear

2024-25	0.15
2023-24	0.13
2022-23	0.09

COMPANY OVERVIEW

FINANCIAL OVERVIEW

Mufti's revenue from operations stood at ₹ 6,182 million in 2024-25, reflecting an increase from ₹ 5,673 million in 2023-24. The Company's EBITDA also saw an uptick, reaching ₹ 1,798 million in 2024-25, up from ₹ 1,605 million in 2023-24. In line with this performance, Profit After Tax (PAT) rose to ₹ 684 million in 2024-25, compared to ₹ 592 million in the previous year.

Key Ratios

Ratios	2024-25	2023-24	Variance (%)	Explanation (in Case Change is 25% or More, as Compared to the Previous Year)
Debtors' Turnover Ratio (in times)	2.74	3.25	(15.69)	NA
Inventory Turnover Ratio (in times)	5.45	4.76	14.50	NA
Debt Service Coverage Ratio (in times)	2.01	1.85	8.65	NA
Current Ratio (in times)	3.61	2.66	35.71	The variance is on account of increase in Fixed Deposit in current year in comparison with previous year.
Gross Profit Margin (in %)	57.25	57.47	(0.39)	NA
Net Profit Margin (in %)	11.07	10.43	6.12	NA
Debt-Equity Ratio (in times)	0.58	0.74	(21.62)	NA
Return on Net Worth (in %)	18.20	18.99	(4.16)	NA

Threats

In 2024-25, the apparel industry faced sluggish consumer demand amid persistent economic volatility. This was compounded by fluctuating raw material costs, shifting trade dynamics, and tariff-related uncertainties, all of which pressured pricing and margins. Consumer preferences shifted towards value-driven choices, prompting brands to offer more affordable premium options.

While sustainability remains a key global topic, its commercial relevance in the Indian market is still developing. For MUFTI, the focus has moved from simply aligning with eco-friendly trends to implementing practical, cost-effective initiatives that integrate sustainability into operations without raising costs for consumers.

At the same time, ongoing geopolitical tensions and supply chain disruptions highlighted the need for a more diversified sourcing model. Additionally, the rise of digital channels has transformed the retail landscape, pushing us to strengthen our online presence, personalise consumer interactions, and compete with digitally native brands that are setting new standards in speed, convenience, and customer experience.

Risk Management

MUFTI has built a comprehensive, enterprise-wide risk management framework that is designed to proactively identify, assess, and address risks across every aspect of its business. This framework is seamlessly integrated into our strategic planning, operational processes, and decision-making, providing a complete view of potential exposures.

We follow a structured risk evaluation process that includes periodic risk assessments, scenario analysis, and input from cross-functional teams to assess both impact and likelihood. To ensure the effectiveness of these mitigation strategies, a Risk Management Committee oversees their execution, while internal audit mechanisms regularly review and refine the processes.

Risk	Impact	Mitigation Strategy
Liquidity Risk	Limited liquidity could hinder MUFTI's ability to cover operational costs, seize growth opportunities, or navigate financial challenges, especially during unexpected disruptions or tight credit conditions.	We diversify our funding sources, relying on strong internal accruals and revolving credit lines. It uses advanced cash flow forecasting and real-time liquidity monitoring to address potential shortfalls. Moreover, MUFTI improves working capital through better collection efficiency and inventory management, considering longer operating and collection cycles.
Credit Risk	Counterparty defaults, whether from customers or financial institutions, could lead to financial losses, cash flow disruptions, and pressure on profit margins.	MUFTI conducts thorough credit checks, adjusts credit limits dynamically, and consistently tracks receivables. We use data analytics to identify emerging risks and have streamlined our collection processes to reduce overdue accounts, even with extended collection periods.
Reputation Risk	Negative publicity or product concerns can damage brand trust and impact sales.	MUFTI prioritises strong brand management, strict quality control, and clear communication. Ongoing stakeholder engagement and digital reputation tracking help identify and address risks early, safeguarding customer trust.

COMPANY OVERVIEW

Risk	Impact	Mitigation Strategy
Economic Risk	Economic downturns, inflation, interest rate changes, and shifting trade policies, including tariffs, can reduce consumer demand and profitability. Higher tariffs on materials and goods increase costs, impacting margins and pricing. Geopolitical instability and currency fluctuations add complexity to sourcing and exports, potentially raising operational costs and disrupting supply chains.	We adjust our product offerings and pricing in response to real-time market data, focus on expanding into value-driven segments, and optimises costs to preserve margins during market shifts.
Cyber Risk	Cyber risk refers to the potential vulnerabilities in MUFTI's digital infrastructure that could expose the Company to unauthorised access, data breaches, and the compromise of sensitive customer information. These incidents pose risks to data confidentiality, integrity, and availability, potentially leading to significant financial and reputational damage. Additionally, IT system failures or ransomware attacks could disrupt operations, resulting in downtime and negatively impacting business continuity and customer experience.	MUFTI takes proactive measures against cyber threats by implementing strong encryption, strict access controls, and regular security assessments. With continuous cybersecurity training, constant monitoring, and a detailed incident response plan, we ensure quick detection and resolution of any risks, protecting operations and maintaining the trust of the stakeholders.

Human Resources

MUFTI firmly believes that people are the foundation of its success. Our Company goes beyond conventional norms to create a workplace that is inclusive, engaging, and focussed on growth. Placing a premium on attitude over experience, MUFTI invests in employee development through hands-on learning and comprehensive training programmes, ensuring continuous skill advancement.

Our Company strives to build an environment where each employee feels both valued and empowered. This is supported by various wellness initiatives, diversity and inclusion programmes, and employee assistance efforts.

An open communication culture, coupled with accessible leadership, encourages continuous feedback, coaching, and meaningful performance discussions, all of which foster transparency and trust.

Our HR philosophy is rooted in attracting and retaining top talent, developing future leaders, and aligning the workforce with our long-term strategic goals. As of March 31, 2025, we had 232 permanent employees who play an integral role in shaping the brand's vibrant, collaborative culture.

Internal Control Systems and their Adequacy

MUFTI maintains a strong internal control framework designed to ensure operational integrity, efficiency, and compliance with regulations. Our Company's leadership promotes a culture of ethics, transparency, and accountability, establishing clear expectations from the top.

Regular risk assessments are conducted to proactively identify and mitigate potential challenges. The control systems include defined segregation of duties, secure physical and digital safeguards, and IT-enabled controls tailored to MUFTI's operational needs.

To strengthen this framework, we ensure ongoing communication, targeted training, and continuous monitoring across all functions. Employees are encouraged to act responsibly and report concerns, reinforcing compliance and ethical conduct throughout the organisation.

MUFTI's internal controls are adaptive, evolving to address emerging risks, technological developments, and industry best practices. This ensures the protection of assets, while supporting long-term, sustainable performance.

Cautionary Statement

This section contains statements that may be classified as 'forward-looking' under applicable securities laws and regulations. These include projections, expectations, and estimations regarding future performance, based on certain assumptions and anticipated developments. However, such statements are inherently subject to uncertainties and external influences beyond the Company's control. As a result, actual outcomes may differ materially from those expressed or implied. Our Company bears no obligation to publicly update or revise any forward-looking statements based on future events or changes in circumstances. Stakeholders are therefore advised to interpret such statements with due caution, considering the unpredictability of future business environments.

BOARD'S REPORT

Dear Members,

The Board of Directors present the Company's Twenty-sixth Annual Report together with the audited financial statement of the Company for the financial year ended March 31, 2025.

FINANCIAL PERFORMANCE

The Company's financial performance (standalone and consolidated) for the year ended March 31, 2025 is summarised below:

(₹ in millions)

Particulars	Standalone		Consolidated	
	Financial Year		Financial Year	
	2024-25	2023-24	2024-25	2023-24
Revenue from operations	6,181.80	5,673.32	6,181.80	5,673.32
Other income	60.79	46.12	60.76	46.12
Total income	**6,242.59**	**5,719.44**	**6,242.56**	**5,719.44**
Operating expenditure	4,383.86	4,068.03	4,384.23	4,067.98
Depreciation and amortisation expense	685.65	622.25	685.63	621.90
Total expenses	**5,069.51**	**4,690.28**	**5069.86**	**4,689.88**
Profit before finance costs and tax	**1,173.08**	**1,029.16**	**1,172.70**	**1,029.56**
Finance costs	254.78	240.57	254.78	240.62
Profit before tax	**918.30**	**788.59**	**917.92**	**788.94**
Tax expense	234.21	196.97	234.21	196.97
Profit for the year	**684.09**	**591.62**	**683.71**	**591.97**
Retained Earnings				
Balance as at beginning of the year	3,204.48	2,613.27	3,204.76	2,613.20
Add: Profit for the period	684.09	591.62	683.71	591.98
Less: dividends paid on Equity shares	(32.48)	-	(32.48)	
Add: Other comprehensive income / (loss)	2.01	(0.41)	2.01	(0.41)
Balance as at end of the year	**3,858.10**	**3,204.48**	**3,858.00**	**3,204.76**

COMPANY'S PERFORMANCE

During the year under review, the Company recorded an increase of 8.96%in standalone revenue from operations at ₹ 6,181.80 million as compared to ₹ 5,673.32 million in the previous financial year and an increase of 16.45% in the profit before tax of ₹ 918.30 million for the year under review as compared to ₹ 788.59 million for the previous financial year.

The Company has also recorded an increase of 8.96%in consolidated Revenue from operations at ₹ 6,181.80 million as compared to ₹ 5,673.32 million in the previous financial year. Your Company reported an Increase of 16.35% in the Consolidated Profit before Tax of ₹ 917.92 million for the year under review as compared to ₹ 788.94 million for the previous financial year.

Earnings Per Share (EPS)

The Standalone basic EPS of the Company stood at ₹ 10.53 for the year under review as against ₹ 9.20 for the previous year and Diluted EPS stood at ₹ 10.52 for the year under review as against ₹ 9.20 for the previous year.

The Company's products are available through a pan-India multichannel distribution network which has been built over the years comprising of our exclusive brand outlets ("**EBOs**"), large format stores ("**LFSs**") and multi-brand outlets ("**MBOs**"), as well as online channels comprising of our website and other e-commerce marketplaces.

During the year under review, the Company remains on a strong footing and aims to increase market share by expanding, while seeking sustainable and profitable growth opportunities for the Company. As of March 31, 2025, the Company has a pan-India presence through 441 EBOs, 100 LFSs and 1288 MBOs, with our reach extending from major metros to Tier-3 cities.

A detailed analysis of the Company's performance and outlook is included in the Management Discussion and Analysis Report, which forms part of this Annual Report.

DIVIDEND

The Board has recommended a final dividend of ₹ 3.00 (150%) per Equity Share for the 2024-25. The final dividend on equity shares, if approved by the Members, would involve a cash outflow of ₹ 195.93 million.

Board's Report (Contd.)

TRANSFER TO RESERVES

No amount was transferred to the General Reserve for the year under review.

DIVIDEND DISTRIBUTION POLICY

The Company has adopted Dividend Distribution Policy, which endeavours for fairness, consistency and sustainability while distributing profits to the Members of the Company. The same has been disclosed on the Company's website at https://www.credobrands.in/investors/corporate-governance/#acc_631.

EQUITY SHARE CAPITAL

Issue of Equity Shares under Credo Stock Option Plan 2020

During the year under review, the Company has allotted an aggregate of 829,283 Equity Shares of ₹ 2/- each to the eligible employees of the Company upon exercise of Stock Options under the Credo Stock Option Plan 2020 of the Company.

Consequently, the paid-up Equity Share Capital of the Company as at March 31, 2025 was ₹130,621,006 divided into 65,310,503 Equity Shares of ₹ 2 each, fully paid-up.

During the year under review, the Company has not issued any sweat equity shares or equity shares with differential rights.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, (**"the Act"**), the Board, to the best of its knowledge and ability, confirm that:

a. in the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards have been followed and there are no material departures;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and were operating effectively.

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on March 31, 2025, the Company has six Directors (including two women Directors) of which four are Non-executive Directors. The Company has three Independent Directors (including one woman Independent Director).

There was no change in the Board of Directors and Key Managerial Personnel (KMPs) of the Company, during the year under review.

Retire by rotation

Mr. Manoj Nakra, Non-executive Director retires by rotation and being eligible, offers himself for re- appointment.

The brief resume and other related information have been detailed in the Notice convening the ensuing Annual General Meeting ("AGM") of the Company. The Board recommends his re-appointment as Non-Executive Director of the Company.

The resolution for aforesaid re-appointment along with the brief profile and other related information of Mr. Amer Jaleel form part of the Notice convening the AGM of the Company.

A resolution seeking shareholders' approval for his appointment/re-appointment along with other required details forms part of the Notice convening the AGM.

Re-appointment of Mr. Amer Jaleel, Independent Director for the second term

The Nomination and Remuneration Committee, on the basis of performance evaluation of Mr. Amer Jaleel and taking into account his business expertise, enrich experience in branding and his contribution to the Board during the first term, has recommended to the Board that the continued association of Mr. Amer Jaleel as an Independent Director would be beneficial to the Company.

In the opinion of the Board, he possesses requisite expertise, integrity, experience and proficiency and is independent of the management of the Company.

Accordingly, the Board at its Meeting held on May 22, 2025 has recommended the re-appointment of Mr. Amer Jaleel as an Independent Director for the second term of 5 consecutive years commencing from November 02, 2025 to November 01, 2030, subject to the approval of the Shareholders of the Company.

The resolution for aforesaid re-appointment along with the brief profile and other related information of Mr. Amer Jaleel form part of the Notice convening the AGM of the Company.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all Independent Directors of the Company confirming that each of them meet the criteria of independence as provided in section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR Regulations"**).

All the Independent Directors on the Board of your Company are registered with the Indian Institute of Corporate Affairs ("IICA") as notified by the Central Government under Section 150(1) of the Act and passed online proficiency self-assessment test, as may be applicable, within the time prescribed by the IICA. In the opinion of the Board, the Independent Directors possess the requisite expertise, experience & proficiency and are people of high integrity and repute. They fulfil the conditions specified in the Act and the Rules made thereunder and SEBI LODR Regulations and are independent of the management.

BOARD EVALUATION

The Nomination and Remuneration Committee, in order to facilitate the performance evaluation process, laid down the criteria and procedure for the performance evaluation. The Board has carried out an annual evaluation of its own performance, Committees and individual Directors pursuant to the provisions of the Act and SEBI LODR Regulations.

The performance of the Board was evaluated after seeking inputs from all the Directors on the basis of criteria such as the board composition and structure, dynamics, participation, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members and other Board members on the basis of criteria such as the composition of committees, roles and responsibility, analysis, decision-making, effectiveness of committee meetings, etc.

The performance of individual Directors were reviewed on the basis of criteria such as the engagement, leadership, analysis, interaction, governance and contribution of the individual Director to the Board and Committee meetings, etc. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

The Independent Directors at their separate meeting held on May 22, 2025 based on the feedback received from the Directors, reviewed the performance evaluation of Directors, the Board as a whole, the Chairman of the Board after taking into account the views of executive directors and non-executive directors of the Company and also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The Independent Directors expressed their appreciation for the overall functioning of the Board, its various Committees and with the performance of other Non-executive and Executive Directors. They also appreciated the in-depth knowledge and leadership role of the Chairman of the Board. The Board expressed its satisfaction with the overall evaluation process.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Board has adopted the Remuneration policy for Directors, Key Managerial Personnel and other employees of the Company under section 178(4) of the Act and Policy on diversity of Board of Directors. These policies are available at the Company's website at https://www.credobrands.in/investors/corporate-governance/#acc_631.

NUMBER OF MEETINGS OF THE BOARD

During the year under review, six meetings of the Board of Directors of the Company were held, which were attended by majority of directors. For details of meetings of the Board, please refer to the Corporate Governance Report, which forms part of the Annual Report.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Paresh Bambolkar as Chairman of the Committee and Mr. Amer Jaleel and Mr. Manoj Nakra as other Members of the Committee. The Company Secretary of the Company acts as the Secretary of the Committee. All Members of the Committee possess accounting and financial management expertise. For further details of the Audit Committee, please refer to the Corporate Governance Report, which forms part of the Annual Report.

SUBSIDIARY

During the year under review, KAPS Mercantile Private Limited ("KMPL", a wholly owned subsidiary of the Company) had filed an application for striking off it's name from the Register of Companies, under Section 248(2) of the Act, on January 21, 2025. Subsequently, the name of KMPL has been struck off from the Register of Companies w.e.f. April 23, 2025 and KMPL was dissolved subsequent to the year under review.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statement of the Company and its subsidiary, have been prepared in accordance with the Act and applicable Indian Accounting Standards (Ind AS)

Board's Report (Contd.)

along with all relevant documents and the Auditors' Report thereon, forms part of the Annual Report.

The Financial Statement of KMPL, consolidated in the above Consolidated Financial Statement were for the nine months period ended December 31, 2024, being the last Financial Statement drawn by KMPL before applying for Strike Off.

Pursuant to the provisions of section 129(3) of the Act, a statement containing salient features of the financial statement of the Company's subsidiary as on March 31, 2025 in the prescribed Form AOC-1 is attached to the Financial Statement of the Company, which forms part of the Annual Report.

In accordance with the provisions of section 136(1) of the Act, the Annual Report of the Company, containing therein the standalone and consolidated Financial Statement of the Company and the audited financial statement of the subsidiary have been uploaded on the website of the Company. The audited financial statement in respect of the subsidiary company shall also be kept open for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of forthcoming AGM. The aforesaid documents relating to subsidiary company would be made available for inspection to any Member interested in obtaining the same upon a request made to the Company.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

Pursuant to the provisions of section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. M S K C & Associates LLP (formerly M/s. M S K C & Associates) Chartered Accountants (ICAI Firm Registration No.: 001595S) has been appointed as the Statutory Auditors of the Company to hold the office for a term of five consecutive financial years from the conclusion of the Twenty-fifth Annual General Meeting held on August 30, 2024 until the conclusion of the Thirtieth Annual General Meeting of the Company.

Auditors' Report

The Auditors' Reports on the Financial Statement (Standalone and Consolidated) of the Company for the financial year ended March 31, 2025 are issued with unmodified opinion.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. M Siroya and Company, Company Secretaries (Certificate of Practice Number: 4157) to undertake the Secretarial Audit of the Company for the year under review.

Secretarial Audit Report and Annual Secretarial Compliance Report

The Company has annexed a Secretarial Audit Report for the year under review issued by the Secretarial Auditor, to this Report as Annexure A. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Annual Secretarial Compliance Report duly issued by Secretarial Auditors for the year under review for applicable compliances as per SEBI Regulations and Circulars / Guidelines issued thereunder, has been submitted to the Stock Exchanges.

Recommendation for the appointment of Secretarial Auditor

Pursuant to Section 204 and other applicable provisions of the Act read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI LODR Regulations and subject to the approval of members at the ensuing Annual General Meeting of the Company and pursuant to the recommendation of the Audit Committee, the Board proposed to appoint M/s. Siroya and BA Associates, Company Secretaries, Firm Registration No.: P2019MH074300, holding Peer Review Certificate No. 3907/2023 issued by the Institute of Company Secretaries of India ("ICSI") as Secretarial Auditor of the Company for a period of 5 (five) consecutive financial years from the financial year 2025-26 ('Term'). Accordingly, an Ordinary Resolution for appointment of the Secretarial Auditor forms part of the Notice of ensuing AGM of the Company.

RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL

The Board of Directors of the Company has a Risk Management Committee to frame, implement and monitor the risk management plan for the Company.

During the year under review, the Risk Management Committee reviewed the risks which may affect its operations, employees, customers, vendors and all other stakeholders from both the external and the internal environment perspective. Based on the risk identification, appropriate actions have been initiated to mitigate and/or monitor such risks on a regular basis.

Other Risks associated to the business of the Company including cyber risk and cyber security such as prevention measures on threats, Malware, Virus and web application threats, were being periodically reviewed by the Risk Management Committee.

Based on the various IT systems and procedures for internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal and statutory auditors including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management, Risk Management Committee and Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year under review.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable provision of Secretarial Standards on meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") issued by the ICSI in terms of section 118(10) of the Act.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The composition of the Corporate Social Responsibility Committee, brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in Annexure B of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The terms of reference of the Corporate Social Responsibility Committee are provided in the Corporate Governance Report, which forms part of the Annual Report.

EMPLOYEES STOCK OPTIONS

The Company has in-force Credo Stock Option Plan 2020. The disclosures as required under the Act with regard to the Credo Stock Option Plan 2020 are given in Annexure C to this Report and also available on the Company's website at www.credobrands.in.

A certificate from the Secretarial Auditors of your Company viz. M/s. M. Siroya and Company, Company Secretaries with respect to implementation of Credo Stock Option Plan 2020 will be available at the ensuing AGM for inspection by the Members.

PARTICULARS OF EMPLOYEES

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in Annexure D to this Report.

Details of employee remuneration as required under Section 197(12) of the Act, read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be made available during 21 days before the Annual General Meeting in electronic mode to any Shareholder upon request sent at Investorrelations@Mufti.in. Such details are also available on your Company's website and can be accessed at the Web-link: https://www.credobrands.in/investors/financials/#acc_46.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always endeavoured to provide a safe, secured and harassment free workplace for every individual working in the Company and to create an environment that is free from any discrimination and sexual harassment.

The Company has in place a policy on prevention of sexual harassment of women at workplace. The Company has a Committee of Prevention of Sexual Harassment of Women at Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Committee is responsible for redressal of complaints related to sexual harassment and follows the guidelines provided in the policy. The Committee met four times during the year under review.

During the year under review, there was no case filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

During the year under review, the Company has adopted Vigil Mechanism and Whistle Blower Policy for Stakeholders of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company and the same would also be available on the Company's website at https://www.credobrands.in/investors/.

It is affirmed that no person has been denied access to the Chairman of the Audit Committee.

ANNUAL RETURN

In accordance with section 134(3)(a) and section 92(3) of the Act, read with the Companies (Management and Administration) Rules, 2014, the annual return as on March 31, 2025, in the prescribed format is available on the Company's website at https://www.credobrands.in/investors/statutory-documents/#acc_48.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year under review, the Company has not given any loan, guarantee or security under section 186 of the Act.

The details of investments, as required under the provisions of section 186 of the Act or Para A of Schedule V of the SEBI LODR Regulations, are provided in Notes forming part of the Standalone Financial Statements, which form part of the Annual Report.

Board's Report (Contd.)

Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

During the year under review, the Company has not given any Loans and advances in the nature of loans to firms/ companies in which directors were interested.

TRANSACTIONS WITH RELATED PARTIES

During the year under review, transactions entered into by the Company with related parties were in the ordinary course of business and on an arm's length basis. Particulars of contracts or arrangements with related parties as required under section 134(3)(h) of the Act, in the prescribed Form AOC-2 is given in Annexure E, which forms part of this Report.

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

The particulars as required under section 134(3)(m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014, relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, are given in Annexure F, which forms part of this Report.

DEPOSITS FROM PUBLIC

During the year, your Company has not accepted any deposits from public within the meaning of Sections 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014. Further, there was no amount on account of principal or interest on deposits from public was outstanding as on March 31, 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the year under review as stipulated under SEBI LODR Regulations is presented in a separate section forming part of this Report.

CORPORATE GOVERNANCE

Your Directors re-affirm their continued commitment to the best practices of Corporate Governance. Corporate Governance principles form an integral part of the core values of your Company. The Report on Corporate Governance for the year under review, as stipulated under Regulation 34 of the SEBI LODR Regulations, is presented in a separate Section, and forms an integral part of the Annual Report.

A certificate from M/s. M. Siroya and Company, Practicing Company Secretary regarding compliance of conditions of corporate governance as stipulated under Chapter IV read with relevant Schedule(s) to the SEBI LODR Regulations is annexed to the Corporate Governance Report.

INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to section 124 of the Act, the details of unclaimed dividends lying with the Company are as under:

Particulars	Date of declaration	Last date for claiming due amount
Dividend 2023-24	August 30, 2024	October 05, 2031

CREDIT RATINGS

The Credit ratings assigned to the Company's long-term and short-term credit facility by CARE Ratings Limited (CARE) are as follows:

Credit Facilities	Rating
Long Term Bank Facilities	CARE A+; Stable (Single A Plus; Outlook: Stable)
Short Term Bank Facilities	CARE A+; Stable / CARE A1+ (Single A Plus; Outlook: Stable / A One Plus)

During the year under review, there were no change in the credit ratings assigned to the Company's long-term and short-term credit facility.

DISCLOSURE REQUIREMENTS

- Maintenance of cost records and requirement of cost audit as prescribed under the provisions of section 148(1) of the Act are not applicable for the business activities carried out by the Company.
- The Managing Director of the Company did not receive any remuneration or commission from the subsidiary of the Company.
- Except as disclosed elsewhere in this Report, there are no material changes affecting the financial position of the Company, subsequent to the end of the financial year under review till the date of this Report.
- There were no events relating to non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to section 67(3) of the Act read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014.
- During the year under review, the Auditors have not reported any instances of fraud committed against the Company by its officers or employees under section 143 (12) of the Act, to the Audit Committee or the Board.
- There has been no change in the nature of business of the Company.
- There was no revision of financial statements and Board's Report of the Company during the year under review.
- Except as disclosed in this Report, no changes in the capital structure of the Company during the year.

- There was no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any Bank or Financial Institution.
- There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its operations in future.
- No issue of equity shares with differential rights as to dividend, voting or otherwise.
- No Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme save and except Credo Stock Option Plan - 2020 referred to in this Report.

ACKNOWLEDGEMENT

The Board places on record its sincere appreciation and thanks our customers, bankers, investors, shareholders, vendors and all other stakeholders for their continued support and patronage, extended to the Company.

For and on behalf of the Board of Directors

Kamal Khushlani
Chairman and Managing Director
DIN: 00638929

Mumbai
May 22, 2025

ANNEXURE A

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Credo Brands Marketing Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Credo Brands Marketing Limited (hereinafter referred to as the "Company"/ "Credo") for the audit period covering the financial year ended March 31, 2025. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the relevant and applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings,; and

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

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

  (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

  (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable during the financial year);

  (g) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable during the financial year);

  (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable during the financial year);

  (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable during the financial year).

(vi) As confirmed by the management, there are no other laws specifically applicable in relation to the business of the Company.

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

(i) The Equity Listing Agreements entered into by the Company with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"); and

(ii) Secretarial Standards issued by the Institute of Company Secretaries of India, as amended from time to time.

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

Other statutes, Acts, Laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

(i) Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.

(ii) Acts as prescribed under Direct Tax and Indirect Tax;

(iii) Acts prescribed under prevention and control of pollution;

(iv) Acts prescribed under environmental protection;

(v) Land Revenues Act of respective states;

(vi) Stamp Acts and Registration Acts of respective States;

(vii) Labour Welfare Act of respective States; and

(viii) Such other Local laws etc. as may be applicable in respect of various offices of the Company.

We further report that the Board of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. No change in the composition of the Board of Directors and key management personnel that took place during the year under review.

Adequate notice was given to all the Directors to schedule the Board Meetings / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the Unpublished Price Sensitive Information which were, pursuant to clause no. 1.3.7 of Secretarial Standard 1 ("SS 1"), circulated separately or placed at the Meetings of the Board and the Committees, after due compliance with the SS 1, in certain cases where meetings were held through shorter notice after due compliance of the applicable provisions and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation & deliberations at these Meetings.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

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

We further report that during the audit period, the Company has undertaken the following significant or material corporate events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

(i) The members at their Annual General meeting held on August 30, 2024, inter-alia, granted their approval for the following:

 (a) Appointment of M/s. MSKC & Associates, Chartered Accountants (ICAI Firm Registration No.: 001595S), as Statutory Auditors of the Company for a term of five consecutive years in place of the retiring Statutory Auditors of the Company;

 (b) Ratification of Credo Stock Option Plan 2020.

(ii) The Board of Directors on January 15, 2025 consented for applying to the Registrar of Companies for striking off the name of KAPS Mercantile Private Limited, wholly owned subsidiary of the Company (a non-material wholly owned subsidiary of the Company), from Register of Companies.

(iii) During the year, the Board of Directors approved the allotment of 8,29,283 equity shares of ₹ 2/- each under the Credo Stock Option Plan 2020.

Sr. No.	Date of allotment	No. of shares Allotted
1	19.06.2024	60,200
2	17.08.2024	4,23,583
3	23.10.2024	1,41,000
4	04.12.2024	84,500
5	10.03.2025	1,20,000

For **M Siroya and Company**
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN: F005682G000406060
Date: May 22, 2025 PR. NO: 1075/2021
Place: Mumbai ICSI Unique Code: S2003MH061300

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

Annexure A (Contd.)

'Annexure A'

To,
The Members,
Credo Brands Marketing Limited.

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

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

For **M Siroya and Company**
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
UDIN: F005682G000406060
PR. NO: 1075/2021
ICSI Unique Code: S2003MH061300

Date: May 22, 2025
Place: Mumbai

ANNEXURE B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

For the Financial Year 2024-25

1. **Brief outline on CSR Policy of the Company:**

   The Company focuses on making a positive contribution to society through high impact and sustainable programs. The Company is committed to empowerment of communities, inclusive socioeconomic growth, environment protection, development of backward regions and upliftment of the marginalised and underprivileged sections of the society. The CSR Policy of your Company outlines the above objectives and includes guiding principles for selection, implementation and monitoring of CSR activities, in line with Schedule VII of the Companies Act, 2013 ("the Act"), read with applicable rules thereto.

2. **Composition of 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. Kamal Khushlani	Chairman	2	2
2	Mrs. Poonam Khushlani	Member	2	2
3	Mrs. Ramona Jogeshwar	Member	2	2

3. **Provide the web-link where Composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the Company.**

   i. **Web-link Composition of CSR committee:**
   https://www.credobrands.in/investors/corporate-governance/#acc_759

   ii. **Web-link CSR Policy:**
   https://www.credobrands.in/investors/corporate-governance/#acc_631

   iii. **Web-link CSR projects approved by the board: - *Not Applicable***

4. **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility policy) Rules, 2014 (the "Rules"), if applicable:**

   - Not Applicable

(₹ in million)

5.	(a)	Average net profit of the Company as per sub-section (5) of section 135.	777.04
	(b)	Two percent of average net profit of the Company as per sub-section (5) of section 135.	15.54
	(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	0.00
	(d)	Amount required to be set-off for the financial year, if any.	0.00
	(e)	Total CSR obligation for the financial year [(b)+(c)-(d)].	15.54
6.	(a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	15.55
	(b)	Amount spent in Administrative Overheads.	0.00
	(c)	Amount spent on Impact Assessment, if applicable.	0.00
	(d)	Total amount spent for the Financial Year [(a)+(b)+(c)].	15.55

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

Total Amount Spent for the Financial Year (₹ in million)	Amount Unspent (₹ in million)				
	Total Amount transferred to Unspent CSR Account as per subsection (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
10.55	Nil	Nil	Nil	Nil	Nil

Annexure B (Contd.)

(f) Excess amount for set off, if any

Sl. No.	Particular	(₹ in million)
(i)	Two percent of average net profit of the Company as per section 135(5)	15.54
(ii)	Total amount spent for the Financial Year	15.55
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.01
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.01

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:

(₹ in million)

Sl. no.	Preceding financial Year(s)	Amount transferred to Unspent CSR account under section 135 (6)	Balance Amount in Unspent CSR Account under Section 135 (6)	Amount spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		amount remaining to be spent in succeeding financial years.	Deficiency, if any
					Amount	Date of transfer		
1	2023-24	Nil						
2	2022-23							
3	2021-22							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes ☐ No ☑

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):
Not Applicable

For and on behalf of the Board of Directors

Kamal Khushlani
Chairman and Managing Director
Chairman - CSR Committee
DIN: 00638929

Mumbai, May 22, 2025

ANNEXURE C

DISCLOSURE WITH RESPECT TO CREDO STOCK OPTION PLAN – 2020 OF THE COMPANY AS AT MARCH 31, 2025

The Company has implemented Credo Stock Option Plan 2020 ("**Plan**" or "Credo Stock Option Plan 2020"), pursuant to resolution passed by the Board of Directors on November 02, 2020 and Special resolution passed by the Shareholders at their Extraordinary General Meeting held on November 05, 2020. The Board has granted various Options to the eligible employees under the Plan.

Subsequently, the Shareholders of the Company have approved the issue and allotment of Bonus shares in the ratio of 3:1 on April 07, 2023 and thereafter Subdivision of one equity shares of ₹ 10 each into five equity shares of ₹ 2 each on April 18, 2023 ("Corporate Actions"), pursuant to which the issued, subscribed and paid-up equity share capital of the Company have been increased/given effect. Pursuant to the aforesaid Corporate Actions undertaken by the Company, appropriate adjustments were made to the stock options (which includes vested, unvested and yet to be granted stock options) and also to the respective exercise prices to the stock options, which have already been granted to eligible employees of the Company under the Plan and remain outstanding as on that date.

The Plan has further been revised in line with the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, vide Special resolution passed by the Shareholders of the Company at their Extraordinary General Meeting held on July 04, 2023.

Post initial public offer of the Company, the Plan has been ratified by the Shareholders, vide Special resolution passed by the Shareholders of the Company at their Annual General Meeting held on August 30, 2024.

Sl. No.	Particulars		
A.	**Disclosures in terms of the relevant Indian Accounting Standards, as prescribed from time to time**		
	Refer note. no. 38 in Notes forming part of the Standalone Financial Statement of the Company.		
B.	**Diluted Earnings Per Share (EPS) on issue of Shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Indian Accounting Standard 33, as prescribed from time to time**		
	Refer note. no. 35 in Notes forming part of the Standalone Financial Statement of the Company.		
C.	**Description and general terms and conditions of Credo Stock Option Plan 2020**		
(i)	**The description including terms and conditions of Credo Stock Option Plan 2020 is summarised as under:**		
	a.	Date of Shareholders' approval	November 05, 2020
	b.	Total number of Options approved	5,107,300 (Fifty-One Lakh Seven Thousand and three hundred only) Options under Credo Stock Option Plan 2020 (after giving effect of Corporate Actions)
	c.	Vesting requirements	Options granted under Credo Stock Option Plan 2020 would vest not less than 1 year and not more than 5 years from the date of grant of such Options.
	d.	Exercise price or pricing formula	The Exercise Price would be decided by the Nomination and Remuneration Committee at the time of grant and shall not be less than the face value per share per Option. Exercise price for existing Options granted under the Plan is ₹ 31.35 per Option.
	e.	Maximum term of Options granted	Ten years from the date of respective Grant(s).
	f.	Source of shares (primary, secondary or combination)	Primary
	g.	Variation in terms of Options	1. Appropriate adjustment has been made in no. of options and exercise price, in view of the aforesaid Corporate Actions undertaken by the Company. 2. The Plan has been revised in line with the applicable provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
	h.	Method used to account for ESOS - Intrinsic or fair value	Fair Value Method

Annexure C (Contd.)

Sl. No.	Particulars		
	i.	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the Options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	N.A.
(ii)	**Option movement during the year under review**		
	a.	Number of Options outstanding at the beginning of the year	2,741,380
	b.	Number of Options granted during the year	Nil
	c.	Number of Options forfeited / lapsed / cancelled during the year	Nil
	d.	Number of Options vested during the year	640,380
	e.	Number of Options exercised during the year	829,283
	f.	Number of shares arising as a result of exercise of Options	829,283
	g.	Money realised by exercise of Options, if scheme is implemented directly by the Company (in ₹)	25,998,022.05
	h.	Loan repaid by the Trust during the year from exercise price received	N.A.
	i.	Number of Options outstanding (in force) at the end of the year	1,912,097
	j.	Number of Options exercisable at the end of the year	1,712,097
D	**Employee wise details of options granted to:**		
	(i)	key managerial personnel;	
		Name of Employee	No. of Options
		None	N.A.
	(ii)	any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during the year under review.	
		Name of Employee	No. of Options
		None	N.A.
	(iii)	Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital(excluding outstanding warrants and conversions) of the Company at the time of grant;	
		Name of Employee	No. of Options
		None	N.A.

For and on behalf of the Board of Directors

Kamal Khushlani
Chairman and Managing Director
DIN: 00638929

Mumbai, May 22, 2025

ANNEXURE D

THE INFORMATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year ended March 31, 2025:

Name	Ratio to median remuneration	% increase / (decrease) in remuneration in the financial year
Independent Directors:		
Mr. Amer Jaleel	0.77	(40.00)
Mr. Paresh Bambolkar	0.70	(47.22)
Mrs. Ramona Jogeshwar	0.44	(45.45)
Non-executive Director:		
Mr. Manoj Nakra	0.73	(37.50)
Executive Directors:		
Mr. Kamal Khushlani	51.98	9.77
Mrs. Poonam Khushlani	7.44	0.57
Key Managerial persons:		
Mr. Rasik Mittal, Chief Financial Officer	NA	49.79
Mr. Sanjay Kumar Mutha, Company Secretary	NA	17.75

b. The percentage increase in the median remuneration of employees in the financial year is 0.31percent.

c. The number of permanent employees on the rolls of Company as on March 31, 2025 were 232.

d. During the year under review, an average percentage increase made in the salaries of employees other than the managerial personnel was 5% to 10% whereas the percentage of managerial remuneration was increased by 8.53%. The remuneration of the Managing Director and Executive Director is decided based on the individual performance as well as performance of the Company, prevailing industry trends and benchmarks.

e. The Company affirms that the remuneration is as per the remuneration policy of the Company.

For and on behalf of the Board of Directors

Kamal Khushlani
Chairman and Managing Director
DIN: 00638929

Mumbai, May 22, 2025

ANNEXURE E

FORM NO. AOC. 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to the disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Act, including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2025, which were not at arm's length basis.

2. **Details of material contracts or arrangements or transactions at arm's length basis:**

   The details of material contracts or arrangements or transactions at arm's length basis entered into during the year ended March 31, 2025 are as follows:

Name of the Related Party and Nature of Relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value (₹ in crore)	Date(s) of approval by the Board, if any	Amount paid as advances, if any
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

For and on behalf of the Board of Directors

Kamal Khushlani
Chairman and Managing Director
DIN: 00638929

Mumbai, May 22, 2025

ANNEXURE F

INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, PURSUANT TO THE PROVISIONS OF SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014 IS PROVIDED AS UNDER:

(A) Conservation of Energy:

i. the steps taken or impact on conservation of energy ii. the steps taken by the Company for utilising alternate sources of energy	The operations of the Company are not energy intensive; however adequate measures have been taken to reduce energy consumption, wherever possible through consumption of renewable energy, installation of temperature-controlled air conditioners, Motion sensory lighting, replacement of old lighting fixtures with LED lights, use of natural lights in offices/stores and warehouse premises. The Company's warehouse is powered completely by solar energy. The warehouse of over 142,700 Sq. fts. is built on a 55,000 Sq. fts parcel of land to best utilise land and also designed to be naturally well lit and cross ventilated with motion sensory lighting.
iii. the capital investment on energy conservation equipment's	Nil

(B) Technology absorption:

i. the efforts made towards technology absorption ii. the benefits derived like product improvement, cost reduction, product development or import substitution	The Company continues to explore and avail the latest technology to improve the products and services to the customers.
iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) If not fully absorbed, areas where absorption has not taken place, and the reasons there of.	N.A.
iv. the expenditure incurred on Research and Development.	Nil

(C) Foreign Exchange Earnings and Outgo:

Foreign Exchange earnings and outgo during the year under review are as follows:

(₹ in million)

Particulars	Financial Year 2024-25	Financial Year 2023-24
Foreign Exchange Earnings	0.00	0.00
Foreign Exchange Outgo	7.17	4.26

For and on behalf of the Board of Directors

Kamal Khushlani
Chairman and Managing Director
DIN: 00638929

Mumbai, May 22, 2025

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy is based on the principles of good governance, integrity, transparency, fairness, responsibility and accountability. We strive to create an organisation working towards sustainable and profitable growth to create long-term value for our people, business partners, customers and shareholders.

The Company has adopted various codes / policies, pursuant to the Companies Act, 2013 ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Company has also laid down a Code of Conduct ("Code") for Directors and Senior Management Personnel of the Company and adopted Code of Conduct for Independent Directors as prescribed under Schedule IV of the Act. The Code aims to ensure consistent standards of conduct and ethical business practices across the Company.

The Company has complied with all the provisions as stipulated in regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI LODR Regulations, during the financial year ended March 31, 2025.

BOARD OF DIRECTORS

The composition of the Board of Directors of the Company ("the Board") is in conformity with the requirement of regulation 17 of the SEBI LODR Regulations read with Section 149 of the Act. As on March 31, 2025, the Board of Directors of the Company comprises of six Directors.

The Board consists of a balanced combination of Executive Directors, Non-Executive Director(s), Independent Directors including Independent Woman Director. The Chairman of the Board is Executive Director and the number of Independent Directors is 50% of the total number of Directors. The number of Non- Executive Directors (NEDs) are more than one-half of the total number of Directors.

None of the Directors on the Board is a Director in more than ten public limited companies (as specified in section 165 of the Act) and Director in more than seven equity listed entities or acts as an Independent Director in more than seven equity listed entities or three equity listed entities in case he/she serves as a Whole-time Director/ Managing Director in any listed entity (as specified in Regulation 17A of the SEBI LODR Regulations).

None of the Directors on the Board is a member of more than ten Committees or Chairman of more than five Committees, as specified in regulation 26 of SEBI LODR Regulations, across all the public companies in which he/she is a director. Further, the maximum tenure of Independent Directors is in line with the provisions of sections 149(10) and 149(11) of the Act and Rules made thereunder.

The information on composition of the Board, Category and their Directorships and Committees' Membership / Chairmanship across all the companies in which they are Directors, as on March 31, 2025 is as under:

Name of Director	DIN	Category	No. of Directorships*		**No. of Memberships / Chairmanships of Committees in public companies	
			Public	Private / Non profit	Memberships	Chairmanships
Mr. Kamal Khushlani	00638929	Chairman and Managing Director (Promoter)	1	1	0	0
Mrs. Poonam Khushlani	01179171	Whole-time Director (Promoter)	1	1	1	0
Mr. Manoj Nakra	08566768	Non-Executive Director	2	1	2	1
Mr. Amer Jaleel	03194596	Independent Director	1	1	1	0
Mr. Paresh Bambolkar	00260136	Independent Director	1	1	2	1
Mrs. Ramona Jogeshwar	10100012	Independent Director	1	0	0	0

* No. of directorships held by the Directors does not include directorships in foreign companies.

** In accordance with regulation 26 of the SEBI LODR Regulations, Memberships / Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies have been considered.

The details of directorships held by Directors in other listed entities as on March 31, 2025 are as under:

Name of Director	Name of the other listed entities where he/she is a director	Category of directorship
Mr. Manoj Nakra	• Arvind Fashions Limited	Independent

The details of Shares held by the Directors in the Company as on March 31, 2025 are as follows:

Name of Director	Number of Shares held
Mr. Kamal Khushlani	18,309,220
Mrs. Poonam Khushlani	14,039,480

Note: Except Shares held by the Directors as above, none of the Non-executive directors holds shares/ convertible instruments in the Company. The Company has not issued any convertible instruments.

The details of the familiarisation program of the Independent Directors are available on the website of the Company at the link https://www.credobrands.in/wp-content/uploads/2025/04/FAMILIARISATION-PROGRAM_2025.pdf.

In terms of regulation 25(8) of SEBI LODR Regulations, the Independent Directors of the Company 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.

The Board of Directors, based on the declarations received from the Independent Directors, have confirmed that they meet the criteria of independence as mentioned under regulation 16(1)(b) of the SEBI LODR Regulations read with section 149(6) of the Act along with rules framed thereunder and that they are independent of the management.

BOARD MEETINGS

During the year under review, six Board meetings were held on May 30, 2024, July 30, 2024, August 6, 2024, October 28, 2024, January 31, 2025 and March 25, 2025.

The gap between two meetings did not exceed one hundred and twenty days as prescribed under the Act and in the SEBI LODR Regulations. Twenty fifth Annual General Meeting (AGM) of the Company was held on August 30, 2024.

The attendance of Directors at the above Board Meetings and AGM is as under:

Name of Director	No. of Board Meetings		AGM
	Held	Attended	
Mr. Kamal Khushlani	6	6	Yes
Mrs. Poonam Khushlani	6	6	Yes
Mr. Manoj Nakra	6	6	Yes
Mr. Amer Jaleel	6	6	Yes
Mr. Paresh Bambolkar	6	6	Yes
Mrs. Ramona Jogeshwar	6	5	Yes

MATRIX SETTING OUT SKILLS/ EXPERTISE/ COMPETENCE AS IDENTIFIED BY THE BOARD

The Company's Board is diversified and well constituted and having qualified, experienced, competent including renowned persons from diverse fields. The Board evaluates its composition and effectiveness to identify not only the individual capabilities across the Board members, but also to review the qualitative aspects of effectiveness, the dynamics, relationship and overall success of the Board as a team.

The Board has identified the core skills/ expertise/ competence matrix which provides a guide as to the skills, knowledge, experience and other criteria appropriate in the context of its business(es) and sector(s), for the Board to function effectively. The table below summarises the key skills and area of expertise of each directors:

Name of Director	Business Experience	Financial and Risk oversight	Technology	Sales and Marketing	Governance & compliance oversight
Mr. Kamal Khushlani	✓	✓	✓	✓	✓
Mrs. Poonam Khushlani	✓	✓	-	✓	✓
Mr. Manoj Nakra	✓	✓	✓	✓	✓
Mr. Amer Jaleel	✓	✓	✓	✓	✓
Mr. Paresh Bambolkar	✓	✓	✓	✓	✓
Mrs. Ramona Jogeshwar	✓	✓	-	✓	✓

BOARD EVALUATION

The Board carries out an annual assessment of its own performance, including with respect to their composition, diversity and how effectively their members work together, with the aim of helping to improve the effectiveness of both the Board and the Committees.

Further, the Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Non-executive Independent Directors were evaluated on the criteria such as engagement, leadership, analysis, quality of decision making, interactions, integrity, corporate governance, responsibility towards stakeholders, contribution, attendance, inter-personal relationship, etc.

Corporate Governance Report (Contd.)

AUDIT COMMITTEE

The Audit Committee of the Company comprises of three Directors, out of whom two are Independent Directors. Mr. Paresh Bambolkar, Chairman of the Committee is an Independent Director. All Members of the Committee possess accounting and financial management expertise. The Chairman of the Committee was present at the Twenty Fifth Annual General Meeting of the Company held on August 30, 2024.

The Company Secretary functions as Secretary to the Committee.

Quarterly Reports are sent to the members of the Audit Committee on matters relating to the Insider Trading Code. The Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings.

During the year under review, six meetings of the Committee were held on May 30, 2024, July 30, 2024, August 06, 2024, October 28, 2024, January 31, 2025 and March 25, 2025. The gap between two Meetings did not exceed one hundred and twenty days as prescribed in the SEBI LODR Regulations.

The composition of the Committee and the attendance of the Members at the above meetings are as under:

Name of Director	Designation	No. of Meetings	
		Held	Attended
Mr. Paresh Bambolkar	Chairman	6	6
Mr. Amer Jaleel	Member	6	6
Mr. Manoj Nakra	Member	6	6

The Committee's composition meets with the requirements of section 177 of the Act and regulation 18 of the SEBI LODR Regulations.

TERMS OF REFERENCE

The Committee has been mandated to comply with the terms of reference as specified in Part C of Schedule II of the SEBI LODR Regulations, section 177 of the Act and other terms of reference, as may be assigned to the Committee from time to time by the Board. Terms of reference of the Committee are as under:

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

(1) to investigate any activity within its terms of reference;

(2) to seek information from any employee;

(3) to obtain outside legal or other professional advice;

(4) to secure attendance of outsiders with relevant expertise, if it considers necessary; and

(5) such other powers as may be prescribed under the Companies Act and SEBI LODR Regulations.

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

(1) oversight of financial reporting process and the disclosure of financial information relating to the Company to ensure that the financial statements are correct, sufficient and credible;

(2) recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of auditors of the Company and the fixation of the audit fee;

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

(4) formulation of a policy on related party transactions, which shall include materiality of related party transactions;

(5) reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;

(6) examining and 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; and

g. Modified opinion(s) in the draft audit report.

(7) reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(8) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue,

etc.), the statement of funds utilised for purposes other than those stated in the Offer document / prospectus / notice and 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;

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

(10) approval of any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company, subject to the conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI LODR Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

(11) scrutiny of inter-corporate loans and investments;

(12) valuation of undertakings or assets of the Company, wherever it is necessary;

(13) evaluation of internal financial controls and risk management systems;

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

(15) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(16) discussion with internal auditors of any significant findings and follow up there on;

(17) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(18) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern;

(19) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(20) looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(21) reviewing the functioning of the whistle blower mechanism;

(22) monitoring the end use of funds raised through public offers and related matters;

(23) overseeing the vigil mechanism established by the Company, with the chairman of the Audit Committee directly hearing grievances of victimisation of employees and directors, who used vigil mechanism to report genuine concerns in appropriate and exceptional cases;

(24) approval of appointment of chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(25) Carrying out any other functions required to be carried out by the Audit Committee as contained in the SEBI LODR Regulations or any other applicable law, as and when amended from time to time;

(26) reviewing the utilisation of loans and/or advances from / investment by the holding company in the subsidiary exceeding ₹ 1,000,000,000 or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing;

(27) Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

(28) Carrying out such other functions as may be specified by the Board of Directors from time to time or specified/provided under the Companies Act or the SEBI LODR Regulations or by any other regulatory authority.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of three Non-Executive Directors, out of whom two are Independent Directors. Mr. Amer Jaleel, Chairman of the Committee is an Independent Director.

During the year under review, one meeting of the Committee was held on May 30, 2024.

The composition of the Committee and the attendance of the Members at the above meeting are as under:

Corporate Governance Report (Contd.)

Name of Director	Designation	No. of Meetings	
		Held	Attended
Mr. Amer Jaleel	Chairman	1	1
Mr. Manoj Nakra	Member	1	1
Mrs. Ramona Jogeshwar	Member	1	-

The Committee's composition meets with the requirements of section 178(1) of the Act and regulation 19 of the SEBI LODR Regulations.

TERMS OF REFERENCE

The Committee has been mandated to comply with the terms of reference as specified in Part D of the Schedule II of the SEBI LODR Regulations, section 178 of the Act, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and as may be assigned by the Board from time to time.

The role of the Committee inter-alia includes the following:

(1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the "**Board**" or "**Board of Directors**") a policy relating to the remuneration of the directors, key managerial personnel and other employees ("**Remuneration Policy**").

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) for appointment of an independent director, it shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a) use the services of an external agencies, if required;

b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

c) consider the time commitments of the candidates.

(ii) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors and the quality required to run our Company successfully;

(iii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iv) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.

(2) Formulation of criteria for evaluation of independent directors and the Board;

(3) Devising a policy on diversity of the Board;

(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 their appointment and removal and carrying out evaluation of every director's performance (including independent director);

(5) Analysing, monitoring and reviewing various human resource and compensation matters;

(6) Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(7) Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(8) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(9) Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;

Explanation: The expression senior management means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.

(10) Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(11) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;

(12) Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

(a) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.

(13) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

1. use the services of an external agencies, if required;
2. consider candidates from a wide range of backgrounds, having due regard to diversity; and
3. consider the time commitments of the candidates.

(14) Carrying out such other functions as may be specified by the Board of Directors from time to time or specified/ provided under the Companies Act or the SEBI LODR Regulations or by any other regulatory authority.

REMUNERATION OF DIRECTOR

Remuneration Policy

The Company believes that human resource is the key for the continuous growth and development of the Company. The Company's remuneration policy is designed to attract, retain and motivate employees by offering appropriate remuneration packages and retiral benefits and also rewarding performance of key employees by offering employee stock options to contribute and participate in the overall corporate growth, profitability and financial success of the organisation. The remuneration policy is in consonance with the existing industry practice.

Remuneration policy for Executive Directors:

The Company pays remuneration inter-alia by way of salary, benefits, perquisites and allowances (fixed component) and commission or performance bonus (variable component) to its Managing Director or Whole-time Director, as may be approved by the Board and the Members of the Company. In determining the remuneration package of the Executive Directors, the Nomination and Remuneration Committee (NRC) evaluates the remuneration paid by comparable organisation and thereafter makes its recommendation to the Board. Annual increments are decided by the NRC within the scale of remuneration approved by the Members of the Company. NRC also reviews and decides on the quantum of commission or performance bonus payable to the Managing Director or the Whole-time Director as per terms of appointment and based on the performance of the individual as well as the Company.

Criteria of making payments to Non-Executive Directors:

The Non-Executive Directors will be entitled to sitting fees for attending to the meetings of the Board and / or Committees of the Board. The sitting fees for attending meetings shall be fixed by the Board which shall be within the overall limit as specified in the Act as amended from time to time. Also, the Company will either pay or reimburse for all reasonable expenses incurred by the Non-Executive Directors in performing their duties at the office. If approved by the shareholders of the Company, Non- Executive Directors could also be entitled to receive the commission on profits of the Company.

Further, the Company has also devised a process for performance evaluation of Independent Directors, the Board, Committees and other individual Directors. The Independent Directors were evaluated on the criteria such as engagement, leadership, analysis, quality of decision making, interactions, integrity, corporate governance, responsibility towards stakeholders, contribution, attendance, inter-personal relationship, etc.

Managerial Renumeration

a. Executive Directors

The remuneration paid to the Managing Director and Whole-time Director for the year under review is given below:

(₹ in million)

Name	Salary (basic)	Performance Bonus / Commission	Company's Contribution to Funds	Perquisites and Allowances	Total	Total Contract Period	Notice period in months	Stock Options granted
Mr. Kamal Khushlani	12.00	18.54	-	4.90	35.43	March 08, 2022 to March 07, 2027	-	N.A.
Mrs. Poonam Khushlani	5.04	-	-	0.03	5.07	May 09, 2023 to May 08, 2028	-	N.A.

Notes: 1. All the above components of remuneration, except performance bonus / commission, are fixed in nature.
2. There is no specific provision for payment of severance fees and notice period.

Corporate Governance Report (Contd.)

b. Non-Executive Directors

The details of sitting fees paid during the financial year 2024-25 to Non-Executive Directors are as under:

Name of Director	Category	Sitting Fees (₹ in million)
Mr. Manoj Nara	Non-executive	0.50
Mr. Amer Jaleel	Independent	0.53
Mr. Paresh Bambolkar	Independent	0.48
Mrs. Ramona Jogeshwar	Independent	0.30

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration for Non-Executive Directors as entitled under the Act, none of Independent Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management, which in their judgment would affect their independence.

Mrs. Poonam Khushlani is spouse of Mr. Kamal Khushlani. Except them, none of the Directors of the Company is inter-se related to each other.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Company comprises of Mr. Manoj Nakra, Chairman of the Committee, Mr. Paresh Bambolkar and Mrs. Poonam Khushlani as the other Members of the Committee.

Mr. Sanjay Kumar Mutha, Company Secretary of the Company is the Compliance Officer of the Company.

During the year under review, one meeting of the Committee was held on May 30, 2024.

The attendance of the Members at the above meeting(s) is as under:

Name of Director	Designation	No. of Meeting(s)	
		Held	Attended
Mr. Manoj Nakra	Chairman	1	1
Mr. Paresh Bambolkar	Member	1	1
Mrs. Poonam Khushlani	Member	1	1

The Committee's composition is in line with the provisions of section 178(5) of the Act and regulation 20 of the SEBI LODR Regulations.

TERMS OF REFERENCE

The role of the Stakeholders Relationship Committee inter-alia included the following:

(1) To specifically look into various aspects of interests of shareholders, debentures holders and other security holders;

(2) Resolving the grievances of the security holders of the listed entity including complaints related to transfer of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report or balance sheet, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

(3) Reviewing of measures taken for effective exercise of voting rights by shareholders;

(4) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(5) Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(6) Reviewing of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;

(7) Reviewing 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; and

(8) Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI LODR Regulations, or by any other regulatory authority.

INVESTORS' GRIEVANCE REDRESSAL

The number of complaints received and resolved during the year under review are as under:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	6	6	0

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

The Company's Code of Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons and immediate relatives of Designated Persons ("Code"), as adopted by the Company, inter-alia, prohibits dealing in the securities of the Company while in possession of unpublished price sensitive information in relation to the Company.

CODE OF FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

The Board has also laid down the Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information ('Fair Disclosure Code') in accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, with a view to regulate communication of unpublished price sensitive information for any purpose other than the legitimate purpose as defined under the said Fair Disclosure Code. The Fair Disclosure Code is posted on the Company's website at the weblink - https://www.credobrands.in/investors/corporate-governance/#acc_631

INDEPENDENT DIRECTORS' MEETING

During the year under review, a separate meeting of Independent Directors of the Company was held on May 23, 2024. The said meeting was attended by all the Independent Directors of the Company.

The Independent Directors at their meeting held on May 23, 2024, based on the feedback received from the Directors, reviewed the performance evaluation of directors, the Board as a whole, the Chairman of the Company after taking into account the views of executive directors and non-executive directors of the Company and also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Company constituted under the provisions of section 135 of the Act, comprises of Mr. Kamal Khushlani as a Chairman, Mrs. Poonam Khushlani and Mrs. Ramona Jogeshwar as the other Members of the Committee. During the year under review, two meetings of the Committee were held on May 23, 2024 and October 08, 2024.

The Committee functions in accordance with the terms of reference as specified under the Act and as may be specified by the Board from time to time, which inter-alia includes:

(i) formulate the Board, a "Corporate Social Responsibility Policy" which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, as amended;

(ii) recommend the amount of expenditure to be incurred on the activities referred to in (i) above;

(iii) monitor the implementation of the Corporate Social Responsibility Policy from time to time, and make any revisions therein as and when decided by the Board;

(iv) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

(v) review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programs undertaken by the Company;

(vi) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(vii) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

(viii) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time; and

(ix) exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable laws.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprises of Mr. Kamal Khushlani, Chairman of the Committee, Mr. Amer Jaleel, Independent Director and Mr. Rasik Mittal, Chief Financial Officer, as other members of the Committee.

During the year under review, two meetings of the Committees were held i.e. on October 08, 2024 and March 25, 2025. The attendance of the Members at the above meeting(s) is as under:

Name of Director	Designation	No. of Meeting(s)	
		Held	Attended
Mr. Kamal Khushlani	Chairman	2	2
Mr. Amer Jaleel	Member	2	2
Mr. Rasik Mittal	Member	2	2

The Committee functions in accordance with the terms of reference as specified by the Board from time to time, which inter- alia includes:

1. To formulate a detailed risk management policy which shall include:

   (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

   (b) Measures for risk mitigation including systems and processes for internal control of identified risks.

   (c) Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
8. To review and recommend potential risk involved in any new business plans and processes;
9. To review the Company's risk-reward performance to align with the Company's overall policy objectives;
10. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
11. Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy;
12. Coordination of activities with other committee, in instances where there is any overlap with the activities of such committees as per the framework laid down by the Board of Directors;
13. Seeking information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary; and
14. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or the SEBI LODR Regulations or by any other regulatory authority.

The Audit Committee and the Board of Directors frame, implement and monitor the risk management plan and periodically review the risk assessment and minimisation procedures.

The risk management framework adopted by the Company is discussed in detail in the Board report and Management Discussion and Analysis forming part of the Annual Report.

COMMITTEE OF DIRECTORS

The Committee of Directors comprises of Mr. Kamal Khushlani and Mrs. Poonam Khushlani. The Board has delegated powers to the Committee of Directors to carry out various activities for day-to-day operations of the Company and other specific activities as may be assigned by the Board of Directors from time to time. The Committee met as and when required to carry out various activities for day-to-day operations of the Company.

SENIOR MANAGEMENT

During the year under review, there was no change in the senior management team.

All Members of the Senior Management have confirmed to the Board that there is no material, financial and/or commercial transactions between them and the Company, which could have any potential conflict of interest with the Company at large.

GENERAL BODY MEETINGS

Annual General Meeting

The details of the last three Annual General Meetings (AGM) of the Company are as follows:

Year	Date and Time of AGM	Venue	Special Resolutions passed
2024	August 30, 2024 at 12:30 pm	Through video conferencing ("VC") / other audio-visual means ("OAVM").	• Ratification of CREDO STOCK OPTION PLAN 2020
2023	September 14, 2023 at 6:00 pm	Through video conferencing ("VC") / other audio-visual means ("OAVM").	• None
2022	December 07, 2022 at 5:30 pm	Through video conferencing ("VC") / other audio-visual means ("OAVM").	• None

Extraordinary General Meeting

No Extraordinary General Meeting (EGM) of the Company was held, during the year under review.

Postal Ballot

No business was carried out through postal ballot, during the year under review.

Means of Communication

The Company regularly submits quarterly/half yearly/ annual Financial Results to the Stock Exchanges, as soon as these are approved by the Board. The Financial Results are published in the leading English and Marathi dailies, viz. "Business Standard" (English) and "Mumbai Lakshdeep" (Marathi).

The Company's Annual Report, Financial Results, Shareholding Pattern and official news releases are displayed on the Company's website www.credobrands.in and also submitted to the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for disseminating on their website.

Analyst/Institutional Investors Presentations

The Company hosts calls with institutional investors/ analyst post announcement of quarterly/half-yearly and the audited financial results and also participate in Analyst/ Institutional Investors meeting. Presentations are also made to institutional investors and analysts. These presentations and other disclosures which are required to be disseminated are filed electronically with the Stock Exchanges as well as uploaded on the Company's website viz.: https://www.credobrands.in. In addition to the above, the Company also uploads transcripts of post earnings/quarterly calls and Audio-Visual recordings on the website of the Company.

All filing, disclosures and communications to Stock Exchanges are made electronically through their specific web portals to disseminate such information and make such information generally available.

GENERAL SHAREHOLDERS INFORMATION

Date, Time and Venue of the Twenty Sixth Annual General Meeting:

Monday, September 22, 2025

Time: 12:30 pm.

Venue: Meeting is being conducted through VC/OAVM.

Financial Year

The financial year covers the period from April 01 of every year to March 31 of the next year.

Dividend Payment Date

The Board of Directors of the Company has recommended a dividend of ₹ 3.00 (150%) per Equity Share of ₹ 2.00 each of the Company. The proposed dividend, if declared, at the forthcoming Annual General Meeting, will be paid/ credited within a period of 30 days from the date of declaration, to those Members whose names appear in the Company's Register of Members or in the list of beneficial owners as per the particulars to be furnished by the Depositories as on the record date, as may be fixed by the Company.

Listing of Equity Shares on Stock Exchanges

The Equity Shares of the Company are listed on the following Stock Exchanges:

- BSE Limited (BSE)
  Phiroze Jee Jee Bhoy Towers, Dalal Street, Mumbai - 400 001.
- National Stock Exchange of India Limited (NSE)
  Exchange Plaza, C - 1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Listing Fees

The requisite Listing Fees have been paid to both the Stock Exchanges where the securities of the Company are listed.

Credit ratings

During the year under review, CARE Ratings Limited ("CARE") have reaffirmed their ratings assigned to the Company's Long term Bank facilities and Short term Bank facilities. The Rating assigned to the Company's bank facilities as on March 31, 2025 are as under:

Sl. No.	Type/Facility	Rating
1.	Long Term Bank Facilities	CARE A+; Stable (Single A Plus; Outlook: Stable)
2.	Short Term Bank Facilities	CARE A+; Stable / CARE A1+ (Single A Plus; Outlook: Stable / A One Plus)

Corporate Identification Number (CIN)

The Company's CIN as allotted by the Ministry of Corporate Affairs is L18101MH1999PLC119669.

Share Transfer System

In terms of the SEBI LODR Regulations, securities of listed companies can only be transferred in dematerialised form, except in case of transmission or transposition of securities. Transfers of equity shares in dematerialised form are effected through the depositories with no involvement of the Company. In case of other matters relating to Shares, the Stakeholders' Relationship Committee meet as and when required to consider and attend Investors' grievances and any request for transmission of shares, split, consolidation, issue of duplicate share certificate, dematerialisation and rematerialisation of shares, etc.

De-materialisation of Shares and liquidity

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE220Q01020. Entire shareholding of Promoters and Promoter Group is in dematerialised form.

Status of Dematerialisation of Equity Shares as on March 31, 2025 is as under:

Corporate Governance Report (Contd.)

Particulars	No. of Shares	% of total Shares
NSDL	52,418,300	80.26
CDSL	12,892,203	19.74
Total	**65,310,503**	**100.00**

The Company's shares are liquid and actively traded on both the stock exchanges i.e. BSE and NSE.

Distribution of Shareholding as on March 31, 2025

No. of Shares	No. of Shareholders	% of total Shareholders	No. of Shares	% of total Shares
1-500	7,2013	94.04	5,692,753	8.72
501-1,000	2661	3.47	2,040,284	3.12
1,001-2,000	970	1.27	1,454,452	2.23
2,001-3,000	319	0.42	814,587	1.25
3,001-4,000	158	0.20	562,703	0.86
4,001-5,000	123	0.16	581,138	0.89
5,001-10,000	197	0.26	1,510,097	2.31
10,000 and above	137	0.18	52,654,489	80.62
Total	**76578**	**100.00**	**65,310,503**	**100.00**

Shareholding Pattern as on March 31, 2025

Category	No. of Shares	% of total Shares
Promoters and Promoter Group	35,960,700	55.06
Mutual Funds	2,219,995	3.40
Alternate Investment Funds	180,000	0.27
Insurance Companies	483,158	0.74
Foreign Portfolio Investors	170,499	0.26
Foreign Company	2,678,571	4.10
Non-Resident Indians	247,361	0.38
Non-Resident (Non Repatriable)	95,377	0.15
Bodies Corporate	6,485,717	9.93
Body Corporate - LLP	228,044	0.35
Indian Public (Individual)	15,417,206	23.61
Key Managerial Persons	233,547	0.36
Clearing Members	90	0.00
Hindu Undivided Family	910,238	1.39
Total	**65,310,503**	**100.00**

Outstanding Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments, conversion date and likely impact on equity.

The Company has not issued any Global Depository Receipts (GDRs) / American Depository Receipts (ADRs)/Warrants or any convertible instruments during the year under review. There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as on March 31, 2025.

Trading of security

The Company's equity shares have been listed and traded on BSE and NSE, effective from December 27, 2023. No securities of the Company were suspended from trading by any Stock Exchange, during the year under review.

Unclaimed Shares

There are no shares lying in the demat suspense account or unclaimed suspense account as on March 31, 2025, hence, no disclosure was required with respect to demat suspense account/ unclaimed suspense account, in accordance with the requirement of regulation 34(3) and Part F of Schedule V of the SEBI LODR Regulations.

Unpaid / unclaimed dividends

Pursuant to section 124 of the Act, dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund, established by the Government of India.

The details of unpaid / unclaimed dividend lying with the Company are as under:

Particulars	Date of declaration	Last date for claiming due amount
Dividend 2023-24	August 30, 2024	October 05, 2031

Plant Locations

In view of the nature of the Company's business i.e. fashion retail, the Company operates through various stores in India.

Address for Correspondence

Shareholders may correspondent with the Registrar and Transfer Agents at:

MUFG Intime India Private Limited
Unit: Credo Brands Marketing Limited
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai – 400 083
Tel: +91 810 811 8484 | Fax: +91-22-6656 8494
Email id: csg-unit@in.mpms.mufg.com
Website: www.in.mpms.mufg.com

For securities held in demat form

The investors may write to the concerned Depository Participant(s) of the Investors or the Registrar and Transfer Agents of the Company.

Registered Office of the Company:
The Company Secretary
Credo Brands Marketing Limited
B 8, MIDC Central Road, Marol,
Next To MIDC Police Station,
Andheri (E), Mumbai - 400093
Tel: 91 22 61417200
Email: investorrelations@mufti.in
Website: www.credobrands.in

DISCLOSURES

Related Party Transactions

During the year under review, there were no materially significant transactions entered into with the related parties that may have potential conflict with the interests of the Company at large. All related party transactions were reviewed and approved by the Audit Committee and were entered into in the ordinary course of business and at arm's length basis. Disclosure of transactions with related parties (including entity belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company) as required under SEBI LODR Regulations and the applicable Accounting Standards have been given in the note no. 39 in the Notes forming part of the Financial Statements. Policy on dealing with related party transactions is available on the website of the Company at the link - https://www.credobrands.in/investors/corporate-governance/#acc_631

Details of non-compliance

During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchange(s) or Securities and Exchange Board of India or any statutory authority, on any matter related to the capital markets.

Vigil Mechanism and Whistle Blower Policy

The Company has Vigil Mechanism and Whistle Blower Policy for Stakeholders to raise genuine concerns of any violations of legal or regulatory requirements, actual or suspected fraud or violation of the Company's code of conduct. This Policy inter-alia provides to a Whistle Blower a direct access to the Chairman of the Audit Committee. It is affirmed that no personnel have been denied access to the Audit Committee.

Subsidiary Company

The Company has only one unlisted and non-material subsidiary. During the year under review, the said subsidiary has filed an application for striking off its name from the Register of Companies.

The Company's policy for determining material subsidiaries of the Company is available on the website of the Company at the link https://www.credobrands.in/investors/corporate-governance/#acc_631

Commodity price risk or foreign exchange risk and hedging activities

The Company does not have any exposure hedged through commodity derivatives and hence, the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be made.

The details of foreign currency exposure are disclosed in note no. 40.3.1.4 in the Notes forming part of the Financial Statements.

Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the SEBI LODR Regulations

During the year under review, no funds have been raised through preferential allotment or qualified institutions placement as specified under regulation 32 (7A) of the SEBI LODR Regulations.

Particulars of loans/advances/investments pursuant to Para A of Schedule V of the Listing Regulations:

The particulars of loans/advances/investments required to be disclosed pursuant to Para A of Schedule V of the Listing Regulations are furnished separately in the Board's Report and forms part of this Annual Report.

Disclosure of Loans and advances:

During the year under review, the Company has not given any loans and advances in the nature of loans to any firms / companies in which directors are interested.

Certificate on Non-disqualification of Directors

The Company has received a certificate from M/s. M Siroya and Company, Company Secretaries, certifying 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.

Recommendations of the Committees of the Board

During the year under review, there was no such instances, where the Board has not accepted any recommendations of any Committee of the Board.

Disclosure of Accounting Treatment

During the year under review, the Company followed the Indian Accounting Standards as specified under section 133 of the Act, in the preparation of its financial statements.

Management

Management Discussion and Analysis (MDA) forms part of the Annual Report.

CEO/CFO Certification

The Managing Director and the Chief Financial Officer of the Company have furnished their Certificate to the Board of Directors of the Company, regarding financial statements and the cash flow statement for the financial year ended March 31, 2025 as required under regulation 17(8) of SEBI LODR Regulations.

Code of Conduct for Directors and Senior Management Personnel

All the Board Members and Senior Management Personnel have affirmed compliance with this Code. A declaration signed by the Managing Director to this effect is attached at the end of this Report. This Code is available on the Company's website at the link https://www.credobrands.in/investors/corporate-governance/#acc_631.

Total fees paid to Statutory Auditors

The details of total fees for all services paid by the Company and its subsidiary, on a consolidated basis, to the Statutory Auditors of the Company and all entities in the network firm/network entity of which the Statutory Auditors is a part, is given below:

Particulars	(₹ in million)
Audit fees (includes audit related services)	2.45
Other services	-
Total	2.45

Note: out of pocket expenses were reimbursed at actual.

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	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
Nil	Nil	Nil

Directors and Officers Liability Insurance:

As per the provisions of the Act and in compliance with Regulation 25(10) of the SEBI LODR Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors and Officers of the Company for indemnifying any of them against any personal liability coming onto them whilst discharging fiduciary responsibilities in relation to the Company.

Disclosure of certain type of agreements binding listed entities Schedule III, Para A, Clause 5A of Listing Regulations

There are no agreement impacting management or control of the Company or imposing any restriction or create any liability upon the Company.

Compliance with Mandatory requirements

Your Company has complied with all the mandatory requirements of the SEBI LODR Regulations relating to Corporate Governance report.

Compliance with discretionary requirements

The Board: The Company has Mrs. Ramona Jogeshwar as women Independent Director on its Board of Directors.

Shareholders' Rights: Quarterly, half yearly and annual financial results of the Company are furnished to the Stock Exchanges and are also published in the newspapers and uploaded on website of the Company. Significant events / Investor Presentations are also posted on the Company's website under the Investors section. Hence, no half-yearly declaration of financial performance including summary of the significant events in last six-months, were sent to each of household of Shareholders.

Modified opinion(s) in audit report: During the year under review, the Company has unmodified audit opinion on the Company's financial statements. The Company continues to adopt best practices and has ensured a track record of financial statements with unmodified audit opinion.

Reporting of Internal Auditor: Internal Auditors report to the Audit Committee and present their quarterly Internal Audit Report and their observations at the meeting of the Audit Committee.

Risk Management: The Company has constituted a Risk Management Committee with the composition, roles and responsibilities as specified in regulation 21 of the SEBI LODR Regulations.

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Credo Brands Marketing Limited

We have examined the compliance of conditions of Corporate Governance by M/s. Credo Brands Marketing Limited ('the Company') for the financial year ended March 31, 2025, as stipulated in regulation 17 to 27 and clauses (b) to (i) and (t) of regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

We have been requested by the management of the Company to provide a certificate on compliance of corporate governance under the relevant provisions of the Listing Regulations.

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

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

We further 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.

For **M Siroya and Company**
Company Secretaries

Mukesh Siroya
Proprietor
FCS No.: 5682
CP No.: 4157
PR No: 1075/2021
UDIN: F005682G000406181
ICSI Unique Code: S2003MH061300

Date: May 22, 2025
Place: Mumbai

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

To,
The Members,
Credo Brands Marketing Limited

I hereby declare that the Directors and Senior Management of the Company have affirmed in writing, their compliances with the Company's Code of Conduct, for Directors and Senior Management during the year ended March 31, 2025.

For **Credo Brands Marketing Limited**

Kamal Khushlani
Chairman and Managing Director
DIN: 00638929

Mumbai
May 22, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of
Credo Brands Marketing Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of Credo Brands Marketing Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Revenue Recognition The Company sells its products through various channels like distributors, franchisees and exclusive brand outlets (EBO) etc. As per the accounting policy of the Company, the revenue is recognised upon the transfer of control of goods to the customer and thus requires an estimation of the revenue including taking into consideration the sales returns. Owing to the volume of sales transactions spread across various channels and locations, there is a risk of revenue being recognized before control is transferred. Also the estimate of sales returns depends on sales terms and volumes and past history of quantum of returns. In accordance with Ind AS 115, "Revenue from contracts with customers", to account for the transfer of products with a right of return, Company records the revenue for the transferred products and reverses revenue for the products expected to be returned and record a refund liability and an asset, with corresponding adjustment to cost of sales, for its right to recover products from customers on settling the refund liability.	To obtain sufficient and appropriate audit evidence our principal audit procedures are as below, amongst others: • Evaluated the appropriateness of the revenue recognition accounting policies in compliance with the accounting standards. • Evaluated the design and tested the operating effectiveness of Company's controls to assess the occurrence of revenue recorded and adequacy of the sales reversal and the corresponding right to return assets. • Tested on a sample basis, the evidence of dispatches to distributor's and franchisee's and for the revenue from exclusive brand outlets verified the tender collected with the sales invoices for the selected samples. • Evaluated and verified the season-wise sales trend to determine the appropriateness of the sales reversal and the right to return asset created by the Management. • Tested the arithmetical accuracy of the Sales Reversal and right to return asset computation.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
The estimate of the expected sale returns involves significant judgment and analysis for such obligation. Recognition of revenue and the right to return asset is therefore considered a key audit matter.	• Evaluated and verified the appropriateness of the presentation and adequacy of the disclosures made in the standalone financial statements.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report including Director's Report but does not include the standalone and consolidated financial statements and our auditor's report thereon. The company's Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report including Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

OTHER MATTER:

The standalone financial statements of the Company for the year ended March 31, 2024, were audited by another auditor whose report dated May 30, 2024 expressed an unmodified opinion on those statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government

Independent Auditor's Report (Contd.)

of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

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

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(g) below on reporting under Rule 11(g).

    (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 Flow dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

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

    (g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33 to the standalone financial statements;

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

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

        iv. (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

        (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 43 to the Standalone financial statements)

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level in respect of an accounting software to log any direct data changes as explained in Note 44 to the financial statements.

Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software(s). Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year, has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective year as explained in Note 44 to the financial statements.

3. In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For **M S K C & Associates LLP**
(Formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168

Ojas D. Joshi
Partner
Membership No. 109752
UDIN: 25109752BMMMGH4963

Place: Mumbai
Date: May 22, 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CREDO BRANDS MARKETING LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2025 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K C & Associates LLP**
(Formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168

Ojas D. Joshi
Partner
Membership No. 109752
UDIN: 25109752BMMMGH4963

Place: Mumbai
Date: May 22, 2025

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CREDO BRANDS MARKETING LIMITED

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment, capital Work in progress, investment property and relevant details of right-of-use assets.

i. (a) B The Company has maintained proper records showing full particulars of intangible assets.

i. (b) Property, Plant and Equipment, investment property and right of use assets were physically verified by the management according to a phased programme designed to cover all items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of Property, plant and equipment, investment property and right of use assets have been physically verified by Management during the year. No material discrepancies were noticed on such verification.

i. (c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company. The title deeds of immovable properties aggregating to ₹ 15.90 millions as at March 31, 2025, are pledged with the banks and original copies are not available with the Company. The same has been independently confirmed by the bank to us and verified by us.

i. (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.

i. (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The inventory (excluding stocks with third parties and stocks-in-transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and in respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies were noticed in respect of such confirmations. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

ii. (b) During the year the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from Banks on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the standalone financial statements, quarterly returns / statements filed with such Banks are in agreement with the books of accounts of the Company.

iii. (a) According to the information explanation provided to us, the Company has provided loans, advances in the nature of loans, to other entities.

(A) The details of such advances in nature of loans to parties other than Subsidiary are as follows:

	Advances in the nature of loans (₹ in Millions)
Aggregate amount provided during the year - Others	5.24
Balance Outstanding as at balance sheet date in respect of above cases - Others	3.99

During the year the Company has not provided loans, stood guarantee and provided security to any other entity. There are no Joint ventures and Associates of the company.

iii. (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to grant of all loans and advances in the nature of loans are not prejudicial to the interest of the Company.

Annexure "B" (Contd.)

iii. (c) In case of the loans and advances in the nature of loan, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the repayment of the principal and payment of interest.

iii. (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no amounts overdue for more than ninety days in respect of the advances in the nature of loans granted to other parties.

iii. (e) According to the information explanation provided to us, there were no advance in the nature of loan granted which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing advances in the nature of loan given to the same parties.

iii. (f) According to the information explanation provided to us, the Company has not granted advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013 either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the requirement to report under clause 3(iii)(f) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013, are applicable and accordingly, the requirement to report under clause 3(iv) of the Order is not applicable to the Company.

v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of the provisions of Sections 73 to 76 of the Companies Act, 2013 and the rules framed there under. Accordingly, the requirement to report under clause 3(v) of the Order is not applicable to the Company.

vi. The provisions of sub-Section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products/ services of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the information and explanations given to us and the records examined by us, in our opinion, undisputed statutory dues including [Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax and cess] and other statutory dues have generally been regularly deposited with the appropriate authorities during the year, though there has been a slight delay in a few cases.

Undisputed amounts payable in respect these statutory dues in arrears, which were outstanding, as at March 31, 2025, for a period of more than six months from the date they became payable, are as follows:

Name of the statute	Nature of the dues	Amount ₹ in millions	Period to which the amount relates	Due Date	Date of Payment
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	0.08	FY 2018-19 to FY 2019-20 and FY 2021-22	Various Dates	Not Paid
Labour Welfare fund Act (Various States)	Employee Dues	2.19	FY 2014- 15 to FY 2020-21	Various Dates	Not Paid
Professional Tax Act (Various States)	Professional Tax	0.04	FY 2022-23 to FY 2023-24	Various Dates	Not Paid

vii. (b) According to the information and explanation given to us and the records examined by us, dues relating to [goods and services tax, provident fund] which have not been deposited as on March 31, 2025, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded ₹ in millions	Amount Paid ₹ in millions	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.10	-	FY 2010-11	The Commissioner of Income tax (Appeals)
Income Tax Act, 1961	Income Tax	2.82	-	FY 2016-17	National Faceless Appeal Centre
Goods and Services Tax Act 2017	Goods and Services Tax	40.51	-	FY 2017-18	Additional Commissioner of GST

Annexure "B" (Contd.)

There are no dues relating to [employees' state insurance, income-tax, sales-tax, cess, and other statutory dues] which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us, there are no transaction which are not recorded in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment under the Income Tax Act, 1961. Accordingly, the requirement to report as stated under clause 3(viii) of the Order is not applicable to the Company.

ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.

ix. (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

ix. (c) In our opinion and according to the information and explanations given to us, no money was raised by way of term loans. Accordingly, the requirement to report under clause 3(ix)(c) of the Order is not applicable to the Company.

ix. (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

ix. (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiary.

ix. (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. Accordingly, the requirement to report under Clause 3(ix)(f) of the order is not applicable to the Company.

x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting requirement under clause 3(x)(a) of the Order is not applicable to the Company.

x. (b) 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 convertible debentures (fully, partly, or optionally convertible) during the year. Accordingly, the requirements to report under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) Based on our examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year in the course of our audit.

xi. (b) During the year no report under Section 143(12) of the Act, has been filed by in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

xi. (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are 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 Companies Act, 2013, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

xiv. (b) We have considered the internal audit reports of the Company issued till the date of our audit report, for the period under audit.

xv. According to the information and explanations given to us, and based on our examination of the records of the Company, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and

Annexure "B" (Contd.)

accordingly, the requirement to report on on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the requirements to report under clause 3(xvi)(a) of the Order is not applicable to the Company.

xvi. (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3 (xvi)(b) of the Order are not applicable to the Company.

xvi. (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report under clause 3 (xvi)(c) of the Order is not applicable to the Company.

xvi. (d) The Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one Core Investment Company as a part of its group. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. Based on the overall review of standalone financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the requirement to report under clause 3(xvii) of the Order is not applicable to the Company.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 41 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a Fund as specified in Schedule VII of the Companies Act, 2013 (or mention 'the Act' if already defined) as disclosed in note 38 to the standalone1 financial statements.

xx. (b) There are no ongoing projects and accordingly reporting under Clause 3(xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said Clause has been included in the report.

For **M S K C & Associates LLP**
(Formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168

Ojas D. Joshi
Partner
Membership No. 109752
UDIN: 25109752BMMMGH4963

Place: Mumbai
Date: May 22, 2025

ANNEXURE "C" TO THE INDEPENDENT AUDITOR'S REPORT

ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF CREDO BRANDS MARKETING LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Credo Brands Marketing Limited on the Standalone Financial Statements for the year ended March 31, 2025]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls with reference to standalone financial statements of Credo Brands Marketing Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to standalone 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI').

MANAGEMENT'S AND BOARD OF DIRECTOR'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 control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes 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 standalone 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 standalone financial statements.

Annexure "C" (Contd.)

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K C & Associates LLP**
(Formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168

Ojas D. Joshi
Partner
Membership No. 109752
UDIN: 25109752BMMMGH4963

Place: Mumbai
Date: May 22, 2025

STANDALONE BALANCE SHEET

As at March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars	Notes	As at March 31, 2025	As at March 31, 2024
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	5(a)	745.49	772.34
	(b) Right of use assets	5(b)	2,145.16	2,014.98
	(c) Capital work-in-progress	5(c)	7.04	8.34
	(d) Investment properties	6	15.90	16.28
	(e) Other intangible assets	7	1.25	2.25
	(f) Financial assets			
	(i) Investments	8	-	-
	(ii) Other financial assets	9	174.15	157.68
	(g) Deferred tax assets (net)	10	306.86	266.68
	(h) Non-current tax assets	11	5.49	5.49
	(i) Other non-current assets	12	141.11	188.29
	Total non-current assets		**3,542.45**	**3,432.33**
2	Current assets			
	(a) Inventories	13	1,018.16	1,249.39
	(b) Financial assets			
	(i) Trade receivables	14	2,391.21	2,122.15
	(ii) Cash and cash equivalents	15(a)	452.30	16.48
	(iii) Bank balance other than cash and cash equivalents	15(b)	1.62	8.29
	(iv) Other financial assets	9	83.23	86.26
	(c) Other current assets	12	203.33	183.82
	Total current assets		**4,149.85**	**3,666.39**
	Total assets		**7,692.30**	**7,098.72**
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	16	130.62	128.96
	(b) Other equity	17	3,971.16	3,287.44
	Total equity		**4,101.78**	**3,416.40**
2	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	10.74	48.46
	(ii) Lease liabilities	5(b)	1,981.51	1,814.16
	(iii) Other financial liabilities	19	411.79	398.98
	(b) Provisions	20	38.02	40.19
	Total non-current liabilities		**2,442.06**	**2,301.79**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	3.42	326.89
	(ii) Lease liabilities	5(b)	374.23	342.28
	(iii) Trade payables	22		
	Total outstanding dues of micro enterprises and small enterprises		79.84	85.77
	Total outstanding dues of creditors other than micro enterprises and small enterprises		176.09	131.61
	(iv) Other financial liabilities	19	13.25	32.04
	(b) Provisions	20	22.82	48.72
	(c) Current tax liabilities (net)	23	18.95	5.43
	(d) Other current liabilities	21	459.86	407.79
	Total current liabilities		**1,148.46**	**1,380.53**
	Total liabilities		**3,590.52**	**3,682.32**
	Total equity and liabilities		**7,692.30**	**7,098.72**

The accompanying notes are an integral part of the Standalone Financial Statements. 1-46

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
(Firm Registration No. 001595S/S000168)

Ojas D. Joshi
(Partner)
(Membership No. 109752)

Place: Mumbai
Date: May 22, 2025

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(M. No. ACS15884)

Place: Mumbai
Date: May 22, 2025

STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
1	Revenue from operations	24	6,181.80	5,673.32
2	Other income	25	60.79	46.12
3	**Total income (1+2)**		**6,242.59**	**5,719.44**
4	**Expenses**			
	(a) Cost of materials consumed	26	151.94	167.56
	(b) Purchases of stock-in-trade	26	2,271.97	2,363.57
	(c) Changes in inventories of finished goods and stock-in-trade	27	218.84	(118.40)
	(d) Employee benefits expenses	28	320.58	315.50
	(e) Finance costs	29	254.78	240.57
	(f) Depreciation and amortisation expenses	30	685.65	622.25
	(g) Other expenses	31	1,420.53	1,339.80
	Total expenses		**5,324.29**	**4,930.85**
5	**Profit before tax (3-4)**		**918.30**	**788.59**
6	**Tax expense**			
	Current tax	32	276.18	265.87
	Excess provision of income tax in relation to earlier years		(1.07)	(4.88)
	Deferred tax credit	10	(40.90)	(64.02)
	Total tax expense		**234.21**	**196.97**
7	**Profit for the year (5-6)**		**684.09**	**591.62**
8	**Other comprehensive income**			
	A **Items that will not be reclassified to profit or loss**			
	Re-measurement gain/(loss) on defined benefit liability		2.69	(0.55)
	Tax related to above item		(0.68)	0.14
			2.01	(0.41)
	Total other comprehensive income for the year (net of tax)		**2.01**	**(0.41)**
9	**Total comprehensive income for the year (7+8)**		**686.10**	**591.21**
	Earnings per share (face value of ₹ 2 each fully paid up)			
	Basic earnings per share in ₹	35	10.54	9.20
	Diluted earnings per share in ₹	35	10.52	9.19

The accompanying notes are an integral part of the Standalone Financial Statements. 1-46

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
(Firm Registration No. 001595S/S000168)

Ojas D. Joshi
(Partner)
(Membership No. 109752)

Place: Mumbai
Date: May 22, 2025

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(M. No. ACS15884)

Place: Mumbai
Date: May 22, 2025

STANDALONE STATEMENT OF CHANGES IN EQUITY

As at March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

(A) EQUITY SHARE CAPITAL

	No. of shares	Amount
Balance as at April 01, 2023	**32,15,094**	**32.15**
Changes in equity share capital:		
Issue of shares	1,79,340	0.36
Issue of bonus shares	96,45,282	96.45
Split of shares	5,14,41,504	-
Balance as at March 31, 2024	**6,44,81,220**	**128.96**
Changes in equity share capital:		
Issue of shares	8,29,283	1.66
Balance as at March 31, 2025	**6,53,10,503**	**130.62**

(B) OTHER EQUITY

Particulars	Reserve and surplus			
	Securities premium	Retained earnings	Share option outstanding account	Total
Balance as at April 01, 2023				
Recognition of share based payments	-	-	5.99	5.99
Additions during the year	5.26	-	-	5.26
Transfer in respect to share option exercised during the year	0.75	-	(0.75)	-
Profit for the year	-	591.62	-	591.62
Utilisation on issue of bonus shares	(96.45)	-	-	(96.45)
Re-measurement of defined benefit plan (net of tax)	-	(0.41)	-	(0.41)
Balance as at March 31, 2024	**68.70**	**3,204.48**	**14.26**	**3,287.44**
Recognition of share based payments	-	-	5.76	5.76
Additions during the year	24.34	-	-	24.34
Transfer in respect to share option exercised during the year	5.74	-	(5.74)	-
Profit for the year	-	684.09	-	684.09
Re-measurement of defined benefit plan (net of tax)	-	2.01	-	2.01
Payment of dividend	-	(32.48)	-	(32.48)
Balance as at March 31, 2025	**98.78**	**3,858.10**	**14.28**	**3,971.16**
The accompanying notes are an integral part of the Standalone Financial Statements.	1-46			

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
(Firm Registration No. 001595S/S000168)

Ojas D. Joshi
(Partner)
(Membership No. 109752)

Place: Mumbai
Date: May 22, 2025

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(M. No. ACS15884)

Place: Mumbai
Date: May 22, 2025

STANDALONE STATEMENT OF CASH FLOWS

For the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	918.30	788.59
	Adjustments for:		
	Depreciation and amortisation expenses	685.65	622.25
	Interest income on financial assets	(27.00)	(13.81)
	Rental income on investment properties	(4.69)	(4.46)
	Finance cost	230.68	212.95
	Net loss on property, plant and equipment sold and written off	11.43	5.82
	Allowance for expected credit loss on receivables and security deposits	2.40	8.10
	Gain on termination of leases (Net)	(11.57)	(5.39)
	Share based payments to employees	5.76	5.99
	Bad debts written off	-	0.37
	Security deposits written off	0.80	-
	Sundry balances written back	(0.03)	-
	Excess provision written back	(0.93)	-
	Operating cash flows before working capital changes	**1,810.80**	**1,620.41**
	Working capital adjustments:		
	Adjustment for (Increase) / Decrease in Operating Assets:		
	Decrease / (Increase) in inventories	231.23	(115.36)
	Increase in trade receivables	(270.53)	(757.06)
	Decrease / (Increase) in other financial assets	9.23	(24.33)
	(Increase) / Decrease in other current assets	(19.51)	16.11
	Decrease / (Increase) in non-current assets	45.93	(37.62)
	Adjustment for Increase / (Decrease) in Operating Liabilities:		
	Increase / (Decrease) in trade payables	38.58	(176.29)
	Increase in other current liabilities	44.80	240.12
	(Decrease) / Increase in other financial liabilities	(20.15)	18.35
	(Decrease) / Increase in provisions	(25.37)	24.36
	Cash generated from operations	**1,845.01**	**808.69**
	Less: Income tax paid (net)	(253.81)	(246.07)
	Net cash generated from operating activities (A)	**1,591.20**	**562.62**
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(213.05)	(359.28)
	Purchase of other intangible assets	(0.40)	-
	Proceeds from sale of property, plant and equipment	1.53	5.13
	Proceeds from / (Investment in) bank deposits other than cash and cash equivalents	(6.87)	4.11
	Interest income on financial assets	17.06	0.03
	Rental income on investment properties	4.69	4.46
	Net cash used in investing activities (B)	**(197.04)**	**(345.55)**
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from long term borrowings	-	18.25
	Repayment of long term borrowings	(70.68)	(34.20)
	Repayment of short term borrowings (net)	(290.51)	290.51
	Proceeds from issue of shares under stock option plan	26.00	5.62
	Repayment of lease liabilities	(556.41)	(511.32)
	Interest paid	(34.26)	(46.54)
	Dividend paid	(32.48)	-
	Net cash used in financing activities (C)	**(958.34)**	**(277.68)**
	Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	**435.82**	**(60.61)**
	Cash and cash equivalent at the beginning of the year	16.48	77.09
	Cash and cash equivalents at the end of the year	**452.30**	**16.48**
	Cash and cash equivalents as above comprises of the following		
	Cash on hand	10.05	7.75
	Balances with bank - in current accounts	72.65	8.73
	In demand deposit accounts - Having original maturity less than 3 months	369.60	-
	Total cash and cash equivalents (Refer note 15a)	**452.30**	**16.48**

STANDALONE STATEMENT OF CASH FLOWS

For the year ended March 31, 2025 (Contd.)

(All amounts in ₹ millions, unless otherwise stated)

Notes:

Reconciliation of liabilities from financing activities for the year ended March 31, 2025

Particulars	Opening Balance	Additions of Lease Liabilities	Proceeds	Repayment	Closing Balance
Borrowings	375.35	-	-	(361.19)	14.16
Lease liabilities	2,156.44	755.71	-	(556.41)	2,355.74
Total liabilities from financing activities	**2,531.79**	**755.71**	**-**	**(917.60)**	**2,369.90**

Reconciliation of liabilities from financing activities for the year ended March 31, 2024

Particulars	Opening Balance	Additions of Lease Liabilities	Proceeds	Repayment	Closing Balance
Borrowings	100.79	-	308.76	(34.20)	375.35
Lease liabilities	1,818.35	849.41	-	(511.32)	2,156.44
Total liabilities from financing activities	**1,919.14**	**849.41**	**308.76**	**(545.52)**	**2,531.79**

The accompanying notes are an integral part of the Standalone Financial Statements.

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
(Firm Registration No. 001595S/S000168)

Ojas D. Joshi
(Partner)
(Membership No. 109752)

Place: Mumbai
Date: May 22, 2025

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(M. No. ACS15884)

Place: Mumbai
Date: May 22, 2025

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

1 GENERAL INFORMATION

CREDO BRANDS MARKETING LIMITED (Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED) 'the Company' is a public limited company domiciled and incorporated in India under the Companies Act, 2013 vide CIN: L18101MH1999PTC119669 on April 29, 1999. The Company is a public limited company w.e.f. May 11, 2023 with new CIN: L18101MH1999PLC119669. The registered office of the Company is located at B-8, MIDC Central Road, Marol, Next to MIDC Police Station, Andheri (E), Mumbai - 400093.

The Company is mainly engaged in the business of selling of fashion casual garments and accessories under the brand name MUFTI. A fresh certificate of incorporation consequent to the conversion of Private to Public Company was issued by the Registrar of Companies Mumbai on May 11, 2023 under section 18 of the Companies Act, 2013 to give effect of conversion.

The Company has completed its Initial Public Offer ("IPO") of 19,634,960 equity shares of face value of ₹ 2 each at an Issue price of ₹ 280/- per share (Including share premium of ₹ 278/- per share), comprising offer for sale of 19,634,960 equity shares by Selling Shareholders aggregating to ₹ 5,497.79 millions. Pursuant to the IPO, the equity shares of the Company were listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") effective December 27, 2023.

The financial statements for the year ended March 31, 2025 were approved for issue by Company's Board of Directors on May 22, 2025.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation, Presentation and Measurement

The Standalone Financial Statements of the Company comprises the Standalone Balance Sheet as at March 31, 2025, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended and a summary of material accounting policies and other explanatory information (together referred to as the "Standalone Financial Statements").

The Standalone Financial Statements of the Company are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

The Standalone Financial Statements of the Company have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation / settlement within a twelve month period from the balance sheet date.

The Standalone Financial Statements are presented in Indian Rupees (₹) and all amounts disclosed in the financial statements and notes have been rounded off to the nearest millions, up to two places of decimal, unless otherwise stated.

2.2 Functional and presentation currency

The Standalone Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than ₹ 5,000 have been rounded-off and are presented as 0.00 millions in the Standalone Financial Statements.

2.3 Current and non-current classification

The Company presents assets and liabilities in the Standalone Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash

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equivalents. Based on the nature of product and the time between procurement of products and their realisation in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current / non-current classification of assets and liabilities.

2.4 Property, plant and equipment

Property plant and equipment are stated at their cost of acquisition, less accumulated depreciation / amortisation and impairment loss. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset. Parts (major components) of an item of Property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date. Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under "Other Non-Current Assets" and assets which are not ready for intended use as on the reporting date are disclosed as "Capital Work in Progress".

2.4.1 Depreciation method and estimated useful lives

Depreciation on the property, plant and equipment (other than capital work in progress) is provided on a straight line method over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013. The estimated useful lives are as under:

Plant and equipment	15 years
Furniture and fixtures*	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are amortised on a straight line basis over the respective lease term.

*The Company, based on technical assessment made by the management, depreciates certain items of furniture and fixtures at its retail stores at lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013, as detailed below.

Mannequin	5 Years
Signages	3 Years
Other Furniture and Fixtures at Stores	5 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation method and useful lives are reviewed at each financial year end and adjusted prospectively.

2.4.2 Derecognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Profit or Loss when the asset is de-recognised.

2.5 Intangible assets

2.5.1 Recognition and measurement

Intangible assets that are acquired by the Company are stated at cost of acquisition less amortisation and impairment losses, if any. Cost of an intangible asset includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use. Intangible assets are recognised only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the reporting period.

2.5.2 Amortisation and useful lives

Intangible assets with finite lives comprise of trademarks / brand and software, are amortised over the period of 5 years and 3 years respectively on straight-line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

2.5.3 Derecognition policy

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition 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 profit or loss when the asset is derecognised.

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2.6 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.7 Investment properties

Investment properties are properties held to earn rentals and / or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

Depreciation is recognised so as to write-off the cost over the estimated useful life of 60 years, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn form use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss in the period in which the property is derecognised.

2.8 Leases

The Company's lease asset primarily comprise of leases for buildings / premises. The Company assesses whether a contract contains a lease, at the inception of a contract. The determination of whether a contract is (or contains) a lease is based on the substance of the contract at the inception. The contract is, or contains, a lease if the contract provide lessee, the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee does not have the right to use an identified asset if, at inception of the contract, a lessor has a substantive right to substitute the asset throughout the period of use.

The Company accounts for the lease arrangement as follows:

(i) Where the Company is the lessee

Right of Use Asset

The Company applies single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. On the commencement of the lease, the Company, in its Standalone Balance Sheet, recognised the right of use asset at cost and lease liability at present value of the lease payments to be made over the lease term.

Subsequently, the right of use asset is measured at cost less accumulated depreciation [calculated on straight line method] and any accumulated impairment loss. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Asset category	Lease Term
Lease hold premises	3 to 9 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.6 on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on a revenue generated from respective stores, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments

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of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The lease payment made, are apportioned between the finance charge and the reduction of lease liability, and are recognised as expense in the Standalone Statement of profit and loss.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Lease deposits given are a financial asset and are measured at amortised cost under Ind AS 109 since it satisfies Solely Payment of Principal and Interest (SPPI) condition. The difference between the present value and the nominal value of deposit is considered as Right of Use Asset and depreciated over the lease term. Unwinding of discount is treated as finance income and recognised in the Standalone Statement of profit and loss.

(ii) Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Lease deposits received are financial instruments (financial liability) and are measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as rent in advance and recognised over the lease term on a straight line basis. Unwinding of discount is treated as interest expense (finance cost) for deposits received and is accrued as per the EIR method.

2.9 Inventories

Inventories of raw material, finished good and stock-in-trade are valued at the lower of cost (on First-in-First out basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the

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present value of those cash flows. (when the effect of the time value of money is material)

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.13.1 Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit or Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through Other Comprehensive Income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

2.13.2 Subsequent measurement

Financial assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. All equity investments are measured at fair value through other comprehensive income, except for investments in subsidiary / associate which is measured at cost. Changes in the fair value of financial assets are recognised in Statement of Other Comprehensive Income. In those cases, there is no subsequent reclassification of fair value gains and losses to Statement of profit and loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on such financial assets that are subsequently measured at FVTPL and is recognised and presented net in the Statement of profit and loss within other income in the period in which it arises.

2.13.3 Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

(b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each

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reporting date, right from its initial recognition.

For other financial assets carried at amortised cost the Company assesses, on a forward looking basis, the expected credit losses associated with such assets and recognises the same in profit or loss.

2.13.4 Derecognition of financial assets

The Company derecognises a financial asset when the contractual right to the cash flows from the financial asset expire or it transfers substantially all risk and rewards of ownership of the financial asset. A gain or loss on such financial assets that are subsequently measured at amortised cost is recognised in the Statement of Profit or Loss when the asset is derecognised.

2.14 Financial liabilities and equity instruments

2.14.1 Classification of debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

2.15 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. (fair value through profit or loss)

2.15.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables). 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.

2.15.2 Subsequent measurement

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 derecognised. 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. This category generally applies to interest-bearing loans and borrowings.

2.15.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition 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.

2.15.4 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 realise the assets and settle the liabilities simultaneously.

2.16 Cash and cash equivalents

Cash and cash equivalents includes cash and cheques on hand, current accounts and fixed deposits accounts with banks with original maturities of three months or less that are readily convertible to known amounts of cash (other than on lien) and which are subject to an insignificant risk of changes in value and book overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.16.1 Statements of cash flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.17 Fair value measurement

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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in

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its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 – Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the Standalone Financial Statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy. Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.18 Revenue recognition

The Company's revenue majorly represents revenue from sale of garments. The Company sells garments through own stores and to business partners such as distributors, franchisees, large format stores and E-Commerce.

Revenue towards satisfaction of a performance obligation i.e. sale of traded goods is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

2.18.1 Sale of goods

The Company derives revenue from sale of goods and revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. To recognise revenues, the Company applies the following five step approach:

(1) identify the contract with a customer,

(2) identify the performance obligations in the contract,

(3) determine the transaction price,

(4) allocate the transaction price to the performance obligations in the contract, and

(5) recognise revenues when a performance obligation is satisfied.

The Company has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Company has concluded with respect to arrangements with its business partners, where the Company has an unconditional right relating to unsold inventory, the Company has concluded that these arrangements are also on principal to principal basis as the control is passed or right of consideration is established.

The transfer of control of promised goods as above, generally coincides with the delivery of goods and collection of tender to / from customers.

- For business partner acting as principal, revenue is recognised upon sale to business partner.

Sales are recognised, net of returns and trade discounts, rebates, and Goods and Services Tax (GST).

Under the Company's standard contract terms, the Company may calls for return goods at the end of the seasons as per Company's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Company has a right to recover the product when the return occurs; consequently, the Company recognises a right-to-returned-goods asset with a corresponding adjustment to cost of sales. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

The Company under the schemes gives discount to its retail customers. Based on market trends, competitiveness in pricing, etc, the Company also negotiates and gives discount to its business partners / franchisee's. These are reduced from the revenue being variable considerations.

The Company operates a loyalty program through which retail customers accumulate points on purchases of apparels that entitle them to discounts on future purchases. These points provide a discount to customers that they would not receive without purchasing the apparels (i.e. it is a material right). The promise to provide the discount to the

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customer is therefore a separate performance obligation. The transaction price is allocated between the sale of apparels and the rights related to the loyalty points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Company's historical experience. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognised when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognised in proportion to the pattern of rights exercised by customers.

2.18.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.18.3 Other income

Other incomes are accounted on accrual basis and except interest on delayed payment by debtors which are accounted on acceptance of the Company's claim.

2.19 Foreign currency Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss and reported within foreign exchange gains / (losses).

2.20 Employee benefits

Company's Employee benefit obligations include Short-term obligations and Post-employment obligations which includes gratuity plan and contributions to provident fund.

2.20.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service which are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2.20.2 Post-employment obligations

Defined benefit plans

The Company has defined benefit plan namely gratuity, which is unfunded. The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The defined contribution plan is a post-employment benefit plan under which the Company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund, Employee State Insurance Scheme and Employee Pension Scheme. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

2.21 Share-based payment to employees

Equity-settled share-based payments to employees providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note No. 37.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the

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number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.22 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

2.22.1 Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates applicable for the respective period.

2.22.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Standalone Financial Statements and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.22.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.24 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Company as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3 RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, the management has assessed that impact of the new amendments to the existing standards or issuance of any new standard is immaterial to the Company.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

4 USE OF ESTIMATES AND CRITICAL ACCOUNTING JUDGEMENTS

The preparation of Financial Information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Information are disclosed below.

4.1 Property, plant and equipment and Intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life. The useful lives of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

4.2 Leases

The Company determines the lease term in accordance with Ind AS 116 which requires lessees 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 a 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 the lease and the importance of the underlying asset to Company's operations.

4.3 Inventories

The Company considers year and seasonality to which inventory pertains for determining net realisable value for old inventories. Such old inventories are marked down to its estimated realisable value based on amount which the Company has been able to realise on sale of old inventory. The management applies judgement in determining the appropriate provisions for slow moving and / or obsolete stock, based on the analysis of old season inventories, past experience, current trend and future expectations for these inventories, depending upon the category of goods.

4.4 Employee benefits

The cost of the defined benefit plan is determined by actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rates, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its nature, a defined benefit is highly sensitive to change in these assumptions. All assumptions are reviewed at each reporting period.

4.5 Provision for sales return

The Company recognises a provision for sales returns based on seasonal trends observed in prior years. This provision is reviewed periodically to ensure its continued relevance in light of changing market conditions, based on management's assessment.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

5(a) PROPERTY, PLANT AND EQUIPMENT

	Particulars	Office Equipment	Computers	Leasehold Improvement	Furniture & Fixtures	Vehicles	Plant & Equipment	Total
I.	**Gross Carrying Value**							
	Balance as on April 01, 2023	94.45	20.48	457.34	260.28	29.15	15.22	**876.92**
	Additions	51.00	6.81	171.54	97.45	21.51	0.49	**348.80**
	Disposals / adjustments	(7.31)	(1.85)	(70.05)	(1.57)	(9.10)	(0.20)	**(90.08)**
	Balance as on March 31, 2024	**138.14**	**25.44**	**558.83**	**356.16**	**41.56**	**15.51**	**1,135.64**
	Additions	31.83	3.34	108.88	45.79	10.84	0.51	**201.19**
	Disposals / adjustments	(29.55)	(4.55)	(167.32)	(3.12)	(4.13)	(0.87)	**(209.54)**
	Balance as on March 31, 2025	**140.42**	**24.23**	**500.39**	**398.83**	**48.27**	**15.15**	**1,127.29**
II.	**Accumulated Depreciation**							
	Balance as on April 01, 2023	29.25	9.96	141.13	71.04	7.65	2.04	**261.07**
	Depreciation expense	25.67	5.66	99.47	44.05	5.02	1.50	**181.37**
	Disposals / adjustments	(6.73)	(1.82)	(63.08)	(0.71)	(6.74)	(0.06)	**(79.14)**
	Balance as on March 31, 2024	**48.19**	**13.80**	**177.52**	**114.38**	**5.93**	**3.48**	**363.30**
	Depreciation expense	29.03	6.93	106.02	65.72	5.98	1.39	**215.07**
	Disposals / adjustments	(27.41)	(4.52)	(158.54)	(1.63)	(4.13)	(0.34)	**(196.57)**
	Balance as on March 31, 2025	**49.81**	**16.21**	**125.00**	**178.47**	**7.78**	**4.53**	**381.80**
III.	**Net Carrying Value (I-II)**							
	Balance as on April 01, 2023	**65.20**	**10.52**	**316.21**	**189.24**	**21.50**	**13.18**	**615.85**
	Balance as on March 31, 2024	**89.95**	**11.64**	**381.31**	**241.78**	**35.63**	**12.03**	**772.34**
	Balance as on March 31, 2025	**90.61**	**8.02**	**375.39**	**220.36**	**40.49**	**10.62**	**745.49**

Notes:

(i) Property, plant and equipment have been mortgaged / hypothecated against secured term loan and cash credit facility (Refer note 18).

5(b) RIGHT OF USE ASSETS

	Particulars	As at March 31, 2025	As at March 31, 2024
I.	**Gross Carrying Value**		
	Opening gross carrying amount	2,934.80	2,452.92
	Additions	662.79	768.33
	Disposals / adjustments	(341.46)	(286.45)
	Closing gross carrying value	**3,256.13**	**2,934.80**
II.	**Accumulated Depreciation**		
	Opening accumulated depreciation	919.82	721.65
	Depreciation expense	468.80	439.00
	Disposals / adjustments	(277.65)	(240.83)
	Closing accumulated depreciation	**1,110.97**	**919.82**
III.	**Net Carrying Value**	**2,145.16**	**2,014.98**

The right-of-use assets comprise of buildings / premises taken on lease. The Company has applied a single discount rate to a portfolio of leases with similar characteristics.

(i) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liability	374.23	342.28
Non current lease liability	1,981.51	1,814.16
Total	**2,355.74**	**2,156.44**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

(ii) The following is the movement in lease liabilities during the year:

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	2,156.44	1,818.35
Additions/modifications	626.73	733.09
Deletions	(67.74)	(49.36)
Finance cost on lease liabilities (Refer note 29)	196.72	165.68
Lease rentals paid	(556.41)	(511.32)
Balance as at the end of the year	**2,355.74**	**2,156.44**

(iii) Details of contractual maturities of lease liabilities on an undiscounted basis:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Less than one year	596.62	501.02
One to five years	2,106.29	1,640.32
More than five years	339.03	711.14
Total	**3,041.94**	**2,852.48**

The Company does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the lease liabilities as and when they fall due.

(iv) Impact on statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on lease liabilities	196.72	165.68
Depreciation on right of use assets	468.80	439.00
Expenses relating to short-term leases	28.56	3.80
Expenses relating to variable leases	34.05	58.22
Expenses relating to low value leases	1.62	2.41

5(c) CAPITAL WORK IN PROGRESS

Particulars	Leasehold Improvement
Balance as on April 01, 2023	**2.08**
Expenditure during the year	8.34
Capitalised during the year	(2.08)
Balance as on March 31, 2024	**8.34**
Expenditure during the year	7.04
Capitalised during the year	(8.34)
Balance as on March 31, 2025	**7.04**

Capital work-in-progress ageing schedule as at March 31, 2025 is as follows

Particulars	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.04	-	-	-	7.04
Total	**7.04**	**-**	**-**	**-**	**7.04**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

Capital work-in-progress ageing schedule as at March 31, 2024 is as follows

Particulars	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8.34	-	-	-	8.34
Total	**8.34**	**-**	**-**	**-**	**8.34**

Note:

There is no capital work in progress pertaining to projects as of March 31, 2025 and March 31, 2024 whose completion is overdue or has exceeded it's cost compared to original plan.

6 INVESTMENT PROPERTIES

Particulars	As at March 31, 2025	As at March 31, 2024
Gross carrying value		
Opening gross carrying amount	17.42	17.42
Additions	-	-
Disposals / adjustments	-	-
Closing gross carrying value	**17.42**	**17.42**
Accumulated depreciation		
Opening accumulated depreciation	1.14	0.76
Depreciation charge (Refer note 30)	0.38	0.38
Closing accumulated depreciation	**1.52**	**1.14**
Net carrying value	**15.90**	**16.28**

The investment properties comprise commercial spaces in a building.

Notes:

(i) Amounts recognised in Statement of Profit and Loss for investment properties

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rental income (Refer note 25)	4.69	4.46
Direct operating expenses from property that generated rental income	(0.18)	(0.81)
Profit/(Loss) from investment properties before depreciation	**4.50**	**3.65**
Depreciation charge (Refer note 30)	(0.38)	(0.38)
Profit/(Loss) from investment properties	**4.13**	**3.27**

(ii) There is no immovable property which is not held in the name of the Company.

(iii) Investment property includes ₹ 3,250/- being the value of sixty five shares of ₹ 50 each in Tex Centre Premises Co-operative Society Limited.

(iv) Details of rental income receivable on an undiscounted basis:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	4.65	4.69
One to five years	1.77	6.42
More than five years	-	-
Total	**6.42**	**11.11**

(v) The fair value of investment properties of ₹ 153.18 millions as at March 31, 2025 has been arrived at on the basis of valuations carried out at that date by 'Yardi Prabhu Consultants & Valuers Private Limited', an accredited independent valuer. They specialise in valuing these types of investment properties and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties Valuation	Technique
Building	Selling price method based on recent market prices

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

7 OTHER INTANGIBLE ASSETS

	Particulars	Trade Mark & Brands	Software	Total
I.	**Gross Carrying Value**			
	Balance as on April 01, 2023	**1.94**	**3.09**	**5.03**
	Additions	-	-	**-**
	Disposals / adjustments	(0.01)	-	**(0.01)**
	Balance as on March 31, 2024	**1.93**	**3.09**	**5.02**
	Additions	-	0.40	**0.40**
	Disposals / adjustments	-	-	**-**
	Balance as on March 31, 2025	**1.93**	**3.49**	**5.42**
II.	**Accumulated Amortisation**			
	Balance as on April 01, 2023	**1.05**	**0.22**	**1.27**
	Amortisation expense	0.50	1.01	**1.51**
	Disposals / adjustments	(0.01)	-	**(0.01)**
	Balance as on March 31, 2024	**1.54**	**1.23**	**2.77**
	Amortisation expense	0.39	1.01	**1.40**
	Disposals / adjustments	-	-	**-**
	Balance as on March 31, 2025	**1.93**	**2.24**	**4.17**
III.	**Net Carrying Value (I-II)**			
	Balance as on April 01, 2023	**0.89**	**2.87**	**3.76**
	Balance as on March 31, 2024	**0.39**	**1.86**	**2.25**
	Balance as on March 31, 2025	**-**	**1.25**	**1.25**

8 NON-CURRENT INVESTMENTS

Particulars	As at March 31, 2025		As at March 31, 2024	
	Units	Amount	Units	Amount
Investments in Equity Instruments				
Unquoted investment (measured at cost)				
Investments in subsidiary				-
KAPS Mercantile Private Limited, equity shares of ₹ 10/- each fully paid up	21,40,000	21.40	21,40,000	21.40
Less: Provision for Impairment in value of investment in subsidiary	(21,40,000)	(21.40)	(21,40,000)	(21.40)
Total	**-**	**-**	**-**	**-**

Note:

During the current financial year, KAPS Mercantile Private Limited ("KMPL", a wholly owned subsidiary of the Company) had filed an application for striking off it's name from the Register of Companies, under Section 248(2) of the Companies Act, 2013, on January 21, 2025. Subsequently, the name of KMPL has been struck off from the Register of Companies w.e.f. April 23, 2025 as per the Form STK-7 received by the Company and KMPL is hence dissolved subsequent to the balance sheet date.

The value of the Investment held by the Company in KMPL, has already been fully impaired in the financial year 2022-23. Hence, there would be no financial impact in the books of account of the Company, although the investment shall be written off in the books of accounts in financial year 2025-26 being the year in which the actual Form STK-7 has been received giving effect to the Strike Off and dissolution of KMPL.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

9 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Non-current		
Security deposits paid	174.15	157.68
	174.15	**157.68**
(Unsecured, considered doubtful)		
Non-current		
Security deposits paid	9.90	9.89
Less: Allowance for doubtful security deposits	(9.90)	(9.89)
	-	**-**
Total	**174.15**	**157.68**
(Unsecured, considered good)		
Current		
(a) Security deposits paid	74.51	86.06
(b) Accrued interest on bank deposits	1.85	0.20
(c) In demand deposit accounts	-	-
- Having original maturity more than 12 months	6.87	-
Total	**83.23**	**86.26**

10 DEFERRED TAX ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets (a)	900.90	776.96
Deferred tax liabilities (b)	(594.04)	(510.28)
Deferred tax assets (net) (a-b)	**306.86**	**266.68**

Deferred tax assets / (liabilities) in relation to:

	Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	As at March 31, 2025				
i)	**Deferred tax assets in relation to:**	-	-	-	-
	Property, plant and equipment	113.09	18.73	-	131.82
	Leases (net)	542.74	50.15	-	592.89
	Security deposits paid	16.37	14.39	-	30.76
	Employee benefits	17.66	0.45	(0.68)	17.43
	Doubtful debts	25.50	0.36	-	25.86
	Loyalty points	9.47	(6.91)	-	2.56
	Revenue reversal - goods sold on sale or return basis	50.94	48.64	-	99.58
	GST input tax credit	0.82	(0.82)	-	-
	Trade payable - MSME	0.37	(0.37)	-	-
	Total	**776.96**	**124.62**	**(0.68)**	**900.90**
ii)	**Deferred tax liabilities in relation to:**				
	Other Intangible assets	-	0.18	-	0.18
	Investment properties	3.15	-	-	3.15
	Leases (net)	493.97	45.92	-	539.89
	Security deposits paid	13.16	(1.33)	-	11.83
	Revenue reversal - goods sold on sale or return basis	-	38.99	-	38.99
	Total	**510.28**	**83.76**	**-**	**594.04**
	Deferred tax assets (net)	**266.68**	**40.90**	**(0.68)**	**306.86**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	As at March 31 2024				
i)	**Deferred tax assets in relation to:**				
	Property, plant and equipment	101.55	11.54	-	113.09
	Leases (net)	457.65	85.09	-	542.74
	Security deposits paid	13.11	3.26	-	16.37
	Employee benefits	15.01	2.51	0.14	17.66
	Doubtful debts	23.46	2.04	-	25.50
	Loyalty points	4.67	4.80	-	9.47
	Revenue reversal - goods sold on sale or return basis	26.01	24.93	-	50.94
	GST input tax credit	1.13	(0.31)	-	0.82
	Trade payable - MSME	-	0.37	-	0.37
	Total	**642.59**	**134.23**	**0.14**	**776.96**
ii)	**Deferred tax liabilities in relation to:**				
	Other Intangible assets	0.04	(0.04)	-	-
	Investment properties	3.14	0.01	-	3.15
	Leases (net)	424.33	69.64	-	493.97
	Security deposits paid	12.56	0.60	-	13.16
	Total	**440.07**	**70.21**	**-**	**510.28**
	Deferred tax assets (net)	**202.52**	**64.02**	**0.14**	**266.68**

Note:

The Company has recognised deferred tax assets (net) amounting to ₹ 306.86 millions as at March 31, 2025 (As at March 31, 2024: ₹ 266.68 millions), consistent with applicable Indian Accounting Standard as it is considered probable that future taxable profits will be available.

11 NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax assets (net of provision for tax)	5.49	5.49
Total	**5.49**	**5.49**

12 OTHER ASSETS

(Unsecured, considered good)

	Particulars	As at March 31, 2025	As at March 31, 2024
	Non-current		
(a)	Capital advances	4.11	4.90
(b)	Balance with government authorities (Goods and Services tax input receivable)	131.58	176.26
(c)	Prepayments	0.75	1.35
(d)	Prepayments - Security deposits	4.67	5.78
	Total	**141.11**	**188.29**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars	As at March 31, 2025	As at March 31, 2024
	Current		
(a)	Advances to employees	5.51	4.73
(b)	Prepayments	8.42	7.09
(c)	Prepayments - Security deposits	0.11	0.01
(d)	Advances to suppliers	23.76	12.39
(e)	Right to return good assets (Refer note (i) below)	142.25	128.60
(f)	Other advances (Refer note (ii) below)	23.28	31.00
	Total	**203.33**	**183.82**

Note:

(i) The right to return goods asset represents the Company's right to recover products from customers under the Company's returns policy. The Company uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

(ii) The Company has incurred, expenses amounting to ₹ 343 millions in connection with initial public offer of equity shares of the Company. In accordance with the Companies Act, 2013 (the Act), the Company has fully recovered the aforesaid expenses from the selling shareholders. As at March 31, 2025 balance of ₹ 23.28 millions are lying in the escrow account.

13 INVENTORIES

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials	45.28	57.67
Finished goods	6.13	30.29
Stock in trade	951.11	1,155.43
Stock in trade - In Transit	15.64	6.00
Total	**1,018.16**	**1,249.39**

(i) The cost of inventories recognised as an expense is ₹ 2,642.75 millions for the year ended March 31, 2025 (for the year ended March 31, 2024 ₹ 2,412.73 millions).

(ii) The cost of inventories recognised as an expense on account of write-down of inventory is ₹ 35.27 millions for the year ended March 31, 2025 (for the year ended March 31, 2024 ₹ 16.65 millions).

(iii) The mode of valuation of inventory has been stated in note 2.9.

(iv) Inventories have been pledged against secured term loan and cash credit facility (Refer note 18)

14 TRADE RECEIVABLES

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Unsecured, considered good	2,391.21	2,122.15
Unsecured, considered doubtful	92.88	91.41
	2,484.09	**2,213.56**
Less: Expected credit loss allowance	(92.88)	(91.41)
Total	**2,391.21**	**2,122.15**

Note:

(i) **Movement in expected credit loss allowance**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at the beginning of the year	91.41	84.04
Add: Provided during the year	3.14	7.37
Less: Amount Written off	(1.67)	-
Balance as at the end of the year	**92.88**	**91.41**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

(ii) Trade receivable ageing:
Outstanding for following periods from date of transaction

	Particulars	As at March 31, 2025	As at March 31, 2024
(a)	**Undisputed trade receivables - considered good**		
	Not due	-	-
	Less than 6 months	2,258.76	2,002.59
	6 months - 1 year	130.53	97.13
	1-2 years	1.03	22.43
	2-3 years	0.80	-
	More than 3 years	0.09	-
	Sub-total	**2,391.21**	**2,122.15**
(b)	**Undisputed trade receivables which have significant increase in credit risk**		
	Not due	-	-
	Less than 6 months	0.06	0.02
	6 months - 1 year	1.03	1.07
	1-2 years	0.92	5.66
	2-3 years	4.48	8.70
	More than 3 years	86.39	75.96
	Sub-total	**92.88**	**91.41**
	Less: Allowance for doubtful trade receivables (expected credit loss allowance)	(92.88)	(91.41)
	Sub-total	**-**	**-**
	Total	**2,391.21**	**2,122.15**

(iii) The Company recognises allowance for expected credit loss on trade receivables, which are assessed for credit risk on individual basis.

(iv) The management has established a credit policy under which customers are analysed for their creditworthiness.

(v) Trade receivables have been pledged against secured term loan and cash credit facility (Refer note 18)

(vi) There were no receivables due from directors or any of the officers of the Company.

(vii) No single customer represents 10% or more of the Company's total revenue for the year ended March 31, 2025 and 2024, respectively.

(viii) Generally, customers remit sales consideration without specifying particular invoices in respect of which such remittances are being made. Hence, such receipts from the customers are adjusted against their trade receivables on First in First out (FIFO) basis.

(ix) There are no disputed trade receivables as at March 31, 2025 and March 31, 2024.

(x) Relationship with Struck off Companies: During the current financial year, Company doesn't have any transactions and outstanding balances with struck off Companies.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

15 CASH AND CASH EQUIVALENTS

For the purpose of statement of cashflows, cash and cash equivalents includes cash on hand and balance in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Cash on hand (Refer note (i) below)	10.05	7.75
Balance with banks (Refer note (i) below)		
In current accounts	72.65	8.73
In demand deposit accounts		
- Having original maturity less than 3 months	369.60	-
(b) Other bank balances		
In earmarked deposit accounts	1.62	8.29
Total	**453.92**	**24.77**

Note:

(i) Cash and cash equivalents have been pledged against secured term loan and cash credit facility (Refer note 18)

16 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Authorised share capital				
Equity share capital				
Equity shares of ₹ 2 each with equal voting rights (Refer note (i) below)	7,00,00,000	140.00	7,00,00,000	140.00
Total	**7,00,00,000**	**140.00**	**7,00,00,000**	**140.00**
Issued share capital				
Equity shares of ₹ 2 each with equal voting rights (Refer note (i) below)	6,53,10,503	130.62	6,44,81,220	128.96
Total	**6,53,10,503**	**130.62**	**6,44,81,220**	**128.96**
Subscribed and paid-up share capital				
Equity shares of ₹ 2 each with equal voting rights (Refer note (i) below)	6,53,10,503	130.62	6,44,81,220	128.96
Total	**6,53,10,503**	**130.62**	**6,44,81,220**	**128.96**

(i) The Authorised Share Capital of the Company was increased from ₹ 50 millions (consisting of 50,00,000 equity shares of face value of ₹ 10 each) to ₹ 140 millions (consisting of 7,00,00,000 equity shares of face value of ₹ 2 each) through an ordinary resolution passed by the Shareholders of the Company in Extra Ordinary General Meeting of Company held on April 23, 2023.

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Equity shares with voting rights				
At the beginning of the year	6,44,81,220	128.96	32,15,094	32.15
Add: Shares issued during the year	8,29,283	1.66	1,79,340	0.36
Add: Issued on account of bonus shares during the year (Refer note 16 f)	-	-	96,45,282	96.45
Add: Issued on account of split of shares during the year (Refer note 16 g)	-	-	5,14,41,504	-
At the end of the year	**6,53,10,503**	**130.62**	**6,44,81,220**	**128.96**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

b. Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with equal voting rights				
Mrs. Poonam Khushlani	1,40,39,480	21.50%	1,38,89,380	21.54%
Mr. Kamal Khushlani	1,83,09,220	28.03%	1,81,20,420	28.10%
M/s. Bennett, Coleman & Company Limited	53,88,555	8.25%	52,31,701	8.11%

c. Details of shares held by promoters at the end of the year *

Class of shares / Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with equal voting rights				
Mrs. Poonam Khushlani	1,40,39,480	21.50%	1,38,89,380	21.54%
(Percentage change during the year)	-	(0.04%)	-	(6.71%)
Mr. Kamal Khushlani	1,83,09,220	28.03%	1,81,20,420	28.10%
(Percentage change during the year)	-	(0.07%)	-	(6.52%)
Mr. Andrew Khushlani	18,06,000	2.77%	18,06,000	2.80%
(Percentage change during the year)	-	(0.04%)	-	(0.18%)
Ms. Sonakshi Khushlani	18,06,000	2.77%	18,06,000	2.80%
(Percentage change during the year)	-	(0.04%)	-	(0.18%)

* Promoters means promoters as defined in Companies Act, 2013.

d. Shares reserved for issue under options:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Equity shares of ₹ 2 each with equal voting rights	19,12,097	3.82	27,41,380	5.48

e. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 each (Refer note 16 g). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

f. Bonus-issue of equity shares

The Company has allotted 96,45,282 fully paid-up shares of face value ₹ 10 each on April 07, 2023, pursuant to bonus issue approved by the shareholders in the Extraordinary General Meeting dated February 14, 2023. For the bonus issue, bonus share of three equity share for every one equity shares held, has been allotted.

g. Sub-division of equity shares

The Shareholders in their Extraordinary General Meeting dated April 18, 2023 approved sub-division of each authorised and issued equity shares of face value ₹ 10 into five equity shares of face value of ₹ 2 each.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

17 OTHER EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
Securities Premium	98.78	68.70
Share option outstanding account	14.28	14.26
Retained earnings	3,858.10	3,204.48
Total	**3,971.16**	**3,287.44**

(i) Securities Premium

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	68.70	159.14
Utilisation on issue of bonus shares	-	(96.45)
Transfer from share option outstanding account	5.74	0.75
Addition on issue of shares	24.34	5.26
Balance as at end of the year	**98.78**	**68.70**

Securities premium is used to record the premium on issue of shares. Securities premium is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Share option outstanding account

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	14.26	9.02
Recognition of share based payments	5.76	5.99
Transfer to share premium	(5.74)	(0.75)
Balance as at end of the year	**14.28**	**14.26**

The above reserve relates to share option granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 37.

(iii) Retained earnings

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	3,204.48	2,613.27
Add: Profit for the year	684.09	591.62
Less: Payment of dividend	(32.48)	-
Add: Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of tax)	2.01	(0.41)
Balance as at end of the year	**3,858.10**	**3,204.48**

Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

18 BORROWINGS

	Particulars	As at March 31, 2025	As at March 31, 2024
	Secured - at amortised cost		
	Non-current borrowings		
(a)	Term loans from bank (Refer note 1 below)	-	34.31
(b)	Vehicle loans from bank (Refer note 2 below)	10.74	14.15
	Total	**10.74**	**48.46**
	Current borrowings		
(a)	**Current maturities of long-term borrowings (secured)**		
	Term loans from bank (Refer note 1 below)	-	33.24
	Vehicle loans from bank (Refer note 2 below)	3.42	3.14
	Sub-total	**3.42**	**36.38**
(b)	**Other Borrowings**		
	Cash credit from bank (Refer note 3 below)	-	90.51
	Working capital demand loan (Refer note 4 below)	-	200.00
	Sub-total	**-**	**290.51**
	Total	**3.42**	**326.89**

Note:

1 Term loans

1.1 Interest

Interest rate on term loans is calculated at a sum of the 6 Month MCLR plus 20 basis points. The interest rate is subject to changes on the base rate of Reserve Bank of India from time to time.

Particulars	As at March 31, 2025	As at March 31, 2024
Interest rate	8.60%	8.60%

1.2 Repayment terms

The repayment schedule of outstanding balances of term loans is as under:

Repayable in	As at March 31, 2025	As at March 31, 2024
2024-2025	-	33.24
2025-2026	-	34.31
Total	**-**	**67.55**

1.3 Security

Term loan are secured by hypothecation of entire current assets, movable and immovable assets of the Company.

1.4 Prepayment terms

Prepayment of vehicle loan prior to completion of tenure shall attract a penal charge.

2 Vehicle loans

2.1 Interest

Interest rate on vehicle loan as at March 31, 2025 is 8.70% per annum.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

2.2 Repayment terms

The repayment schedule of outstanding balances of vehicle loan is as under:

Repayable in	As at March 31, 2025	As at March 31, 2024
2024-25	-	3.14
2025-26	3.42	3.42
2026-27	3.73	3.73
2027-28	4.06	4.06
2028-29	2.95	2.95
Total	**14.16**	**17.30**

2.3 Security

Vehicle loan is secured by first and exclusive charge on the corresponding vehicle.

2.4 Prepayment terms

Prepayment of term loan prior to completion of tenure shall attract a penal charge.

3 Cash credit facility

Cash credit from banks are secured by hypothecation of existing current assets and immovable assets of the Company.

4 Working capital demand loan

Working capital facilities and other fund based facilities i.e. working capital demand loan and are secured by hypothecation of inventories, book debts and receivables.

19 OTHER FINANCIAL LIABILITIES

	Particulars	As at March 31, 2025	As at March 31, 2024
	Non-Current	-	-
(a)	Security deposits received	411.79	398.98
	Total	**411.79**	**398.98**
	Current		
(b)	Creditors for capital goods	3.22	17.18
(c)	Interest accrued but not due on borrowings	0.07	1.00
(d)	Interest accrued and due on security deposits	6.17	5.54
(e)	Interest to MSME vendors	3.79	8.32
	Total	**13.25**	**32.04**

20 PROVISIONS

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Provision for employee benefits:		
Provision for gratuity (Refer note no. 36)	38.02	40.19
Total	**38.02**	**40.19**
Current		
Provision for employee benefits:		
Provision for compensated absences	-	2.94
Provision for gratuity (Refer note no. 36)	12.67	8.16
Other provisions		
Provision for loyalty points	10.15	37.62
Total	**22.82**	**48.72**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

Customer Loyalty Points

Particulars	As at March 31, 2025	As at March 31, 2024
As at the beginning of the year	37.62	18.54
Deferred during the year	10.15	37.62
Released to the statement of profit and Loss	(37.62)	(18.54)
As at the end of the year	**10.15**	**37.62**

The Company estimates the fair value of points awarded under the loyalty programme by applying statistical techniques. Inputs to the model includes making assumptions about expected redemption basis the Company's historic trends of redemption and expiry period of the points and such estimates are subject to significant uncertainty.

21 OTHER LIABILITIES

	Particulars	As at March 31, 2025	As at March 31, 2024
	Current		
(a)	Advances from customers	4.34	3.41
(b)	Statutory dues (Refer note (i) below)	29.05	15.28
(c)	Refund liability for expected sales return (Refer note (ii) below)	361.17	319.21
(d)	Accrued payroll and employee benefits	41.99	38.89
(e)	Outstanding expenses - IPO	23.28	31.00
(f)	Unclaimed dividend	0.03	-
	Total	**459.86**	**407.79**

Note:

(i) Statutory dues include goods and service tax, tax deducted at source, provident fund, profession tax, labour welfare fund.

(ii) Other current liabilities include refund liabilities relating to the right of return in accordance with the Company's policy. At the point of sale, the Company recognises a refund liability along with a corresponding adjustment to revenue for products expected to be returned. The estimate of returns is determined using the expected value method, based on the Company's accumulated historical experience and seasonal trends.

22 TRADE PAYABLES

	Particulars	As at March 31, 2025	As at March 31, 2024
(i)	Total outstanding dues of micro enterprises and small enterprises	79.84	85.77
	Sub-total	**79.84**	**85.77**
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	176.09	131.61
	Sub-total	**176.09**	**131.61**
	Total	**255.93**	**217.38**

Note:

(i) The average credit period on purchases of goods and services are within 30 to 75 days.

(ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars	As at March 31, 2025	As at March 31, 2024
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.		
	Principal*	82.78	90.92
	Interest	-	0.07
(b)	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.46	2.69
(e)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	0.05	0.01

Dues to Micro and Small Enterprises (MSME) have been determined to the extent such parties have been Identified on the basis of Information collected by the Management. This has been relied upon by the auditors.

*Includes dues of MSME Creditors for capital goods amounting to ₹ 2.94 millions (as at March 31, 2024 ₹ 7.84 millions) as per Note 19.

(iii) Trade payable analysis

Outstanding for following periods from date of transaction

Particulars	As at March 31, 2025	As at March 31, 2024
Undisputed dues		
Micro enterprises and small enterprises		
Unbilled	-	-
Not due	-	-
Less than 1 year	79.82	85.77
1-2 years	0.02	-
2-3 years	-	-
More than 3	-	-
Sub-total	**79.84**	**85.77**
Other than micro enterprises and small enterprises		
Unbilled	53.94	55.81
Not due	-	-
Less than 1 year	115.01	72.61
1-2 years	4.08	1.17
2-3 years	1.01	1.35
More than 3	2.05	0.67
Sub-total	**176.09**	**131.61**
Total	**255.93**	**217.38**

(iv) There are no disputed trade payables as at March 31, 2025 and March 31, 2024.

(v) Relationship with Struck off Companies: During the current financial year, Company doesn't have any transactions and outstanding balances with struck off Companies.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

23 CURRENT TAX LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax liability (Refer note (i) below)	18.95	5.43
Total	**18.95**	**5.43**

Note:

(i) The above income tax liability is net of advance tax and tax deducted at source, ₹ 257.23 millions (as at March 31, 2024, ₹ 260.44 millions)

24 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of products (traded goods)	6,181.80	5,673.32
Total	**6,181.80**	**5,673.32**

Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract price of sale of products	8,408.18	8,206.13
Less:		
Sales return	(1,604.75)	(1,857.88)
Discount	(614.22)	(626.06)
Customer loyalty points & gift vouchers	(7.41)	(48.87)
Net revenue from sale of products	**6,181.80**	**5,673.32**

25 OTHER INCOME

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Interest received on		
Financial assets measured at amortised cost		
Bank deposits	12.04	0.62
Security deposits	14.96	13.19
Others	1.50	3.49
(b) Other gains and losses		
Rental income (Refer note 6 (i))	4.69	4.46
Profit on property, plant and equipment sold	1.45	2.63
Discount received	13.33	9.58
Sundry balances written back	0.03	2.03
Excess provisions written back	0.93	-
Gain on termination of leases (Net)	11.57	5.39
Miscellaneous income	0.29	4.73
Total	**60.79**	**46.12**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

26 COST OF MATERIALS CONSUMED

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Opening stock (including Goods-in-transit)	57.67	60.71
	Add: Purchase of raw materials	139.55	164.52
		197.22	**225.23**
	Less: Closing stock (including Goods-in-transit)	(45.28)	(57.67)
	Total (a)	**151.94**	**167.56**
(b)	Purchases of stock-in-trade	2,271.97	2,363.57
	Total (b)	**2,271.97**	**2,363.57**
	Total	**2,423.91**	**2,531.13**

27 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Closing stock		
	Finished goods	6.13	30.29
	Stock-in-trade	966.75	1,161.43
	Sub-total	**972.88**	**1,191.72**
(b)	Opening stock		
	Finished goods	30.29	8.82
	Stock-in-trade	1,161.43	1,064.50
	Sub-total	**1,191.72**	**1,073.32**
	Total	**218.84**	**(118.40)**

28 EMPLOYEE BENEFITS EXPENSE

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Salaries, wages and bonus	291.04	287.50
(b)	Share-based payments (Refer note 37)	5.76	5.99
(c)	Contribution to provident and other funds	4.42	4.43
(d)	Gratuity expenses (Refer note 36)	7.71	7.00
(e)	Staff welfare expenses	11.65	10.58
	Total	**320.58**	**315.50**

29 FINANCE COSTS

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Interest expenses for financial liabilities (classified at amortised cost)		
	Borrowings	8.14	22.74
	Trade payables	0.51	2.69
	Security deposits	25.82	24.53
(b)	Interest on lease liabilities (Refer note 5b)	196.72	165.68
(c)	Interest on delayed payment of taxes	0.21	1.22
(d)	Others	23.38	23.71
	Total	**254.78**	**240.57**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

30 DEPRECIATION AND AMORTISATION EXPENSES

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Depreciation on property, plant and equipment (Refer note 5a)	215.07	181.37
(b)	Depreciation on right of use assets (Refer note 5b)	468.80	438.99
(c)	Depreciation on investment properties (Refer note 6)	0.38	0.38
(d)	Amortisation of other intangible assets (Refer note 7)	1.40	1.51
	Total	**685.65**	**622.25**

31 OTHER EXPENSES

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Power and fuel	40.64	36.26
(b)	Rent	82.48	65.76
(c)	Repair and maintenance	12.57	17.47
(d)	Insurance expenses	14.37	12.72
(e)	Rates and taxes	2.68	22.52
(f)	Communication	6.95	7.61
(g)	Travelling and conveyance	52.96	60.89
(h)	Printing and stationery	2.56	3.87
(i)	Freight charges	59.04	57.20
(j)	Sales commission	213.55	189.30
(k)	Advertisement	219.38	264.28
(l)	Sales promotion	98.04	54.52
(m)	Net loss on foreign currency transactions and translation other than considered as finance costs	0.01	0.01
(n)	Legal and professional	44.39	36.89
(o)	Payments to auditors (Refer note below)	2.80	4.83
(p)	Expenditure on corporate social responsibility	15.55	10.64
(q)	Loss on property, plant and equipment sold and written off	12.88	8.44
(r)	Computer and software charges	19.51	16.91
(s)	Labour charges	6.23	5.10
(t)	Security charges	8.53	8.22
(u)	Store expenses	98.68	90.23
(v)	Courier charges	17.16	16.83
(w)	Manpower expenses	369.47	322.71
(x)	Bad debts written off	-	0.37
(y)	Security deposit written off	0.80	-
(z)	Allowance for expected credit loss on receivables	2.05	7.37
(aa)	Allowance for doubtful security deposits	0.35	0.73
(ab)	Director sitting fees	1.80	3.13
(ac)	Miscellaneous expenses	15.10	14.99
	Total	**1,420.53**	**1,339.80**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

Note:

Payment to auditors comprise (net of tax input credit, where applicable)*:

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	To Statutory auditors for:		
(a)	For Audit	2.70	4.50
(b)	For Other services	-	0.24
(c)	Reimbursement of expenses	0.10	0.09
	Total	**2.80**	**4.83**

*excluding payment made related to IPO services. (Refer note 12(ii)).

32 TAX EXPENSE

(i) Income tax recognised in Standalone Statement of Profit or Loss

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Current tax	276.18	265.87
(b)	Excess provision of income tax in relation to earlier years	(1.07)	(4.88)
(c)	Deferred tax credit	(40.90)	(64.02)
	Total	**234.21**	**196.97**

(ii) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	918.30	788.59
Tax rate	25.17%	25.17%
Income tax expense calculated	**231.12**	**198.47**
Adjustment		
Expense that are not deductible in determining taxable profit	3.77	3.46
Excess provision of income tax in relation to earlier years	(1.07)	(4.88)
Others	0.39	(0.08)
	3.09	**(1.50)**
Income tax expense recognised in Standalone Statement of Profit or Loss	**234.21**	**196.97**

(iii) Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred tax arising on expense recognised in other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(0.68)	0.14
Total	**(0.68)**	**0.14**

33 CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	As at March 31, 2025	As at March 31, 2024
A.	Contingent Liabilities		
	Claims against the Company not acknowledged as debts (Refer note (i) below)		
	Income tax matters	4.00	4.00
	Goods and service tax matters	40.57	3.24
	Other matters (Refer note (ii) below)	7.58	7.61

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(All amounts in ₹ millions, unless otherwise stated)

	Particulars	As at March 31, 2025	As at March 31, 2024
B.	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances (Refer note 12(a) and (iv) below)	3.28	2.64
	Bank Guarantee given (Refer note (v) below)	27.50	27.50

Notes:

(i) The Company has assessed all its pending litigation and proceedings and has adequately provided where provision are required. The Company has disclosed contingent liabilities wherever applicable. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Company.

(ii) Other matters includes:

a) Bonus liability amounting to ₹ 3.87 millions for the 2014-15 is pending for settlement with judiciary authorities.

b) The vendors have raised claims amounting to ₹ 3.71 (as at March 31, 2024 ₹ 3.74 millions) on account of non-payment in accordance with the terms of the respective contracts. The Company has contested these claims, asserting that the vendors have not complied with certain contractual terms. The matters are currently pending before the appropriate jurisdictional authorities.

(iii) Apart from the commitments disclosed above, the Company has no financial commitments other than those in the nature of regular business operations.

(iv) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(v) Bank guarantee amounting to ₹ 27.50 millions given to Bombay Stock Exchange (BSE) in relation to Initial Public Offer (IPO).

34 SEGMENT REPORTING

The Company is primarily engaged in the business of retailing of men's casual wear under its Brand MUFTI, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting business segment.

There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets. During the year ended March 31, 2025 and March 31, 2024, revenue from transactions with a single external customer did not amount to 10% or more of the Company's revenues from the external customers.

35 EARNINGS PER SHARE ('EPS')

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Basic earnings per share		
Profit for the year (A)	**684.09**	**591.62**
Weighted Number of equity shares outstanding	6,44,81,220	6,43,01,880
Add: Increase in number of shares on account of shares exercised under stock option plan.	4,42,118	27,003
Weighted average number of shares outstanding during the year for Basic EPS (B)	**6,49,23,338**	**6,43,28,883**
Basic earnings per share in ₹ (C=A/B)	**10.54**	**9.20**
Diluted earnings per share		
Profit for the year (A)	**684.09**	**591.62**
Weighted average number of shares outstanding during the year for Basic EPS	6,49,23,338	6,43,28,883
Add: Weighted average number of potential equity shares*	75,825	46,661
Weighted average number of equity shares for Diluted EPS (B)	**6,49,99,163**	**6,43,75,544**
Diluted earnings per share in ₹ (C=A/B)	**10.52**	**9.19**

*Stock options granted to the employees under stock option plan are considered to be potential equity shares. The same is considered in the determination of diluted earnings per share to the extent that they are not anti-dilutive. The stock options are not included in the determination of basic earnings per share.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

36 EMPLOYEE BENEFIT PLANS

Disclosure on Retirement Benefits as required in Indian Accounting Standard (Ind AS) 19 on "Employee Benefits" are given below:

A. Defined Contribution Plan

The Company's contribution to Provident & Other Funds is ₹ 4.42 millions for the year ended March 31, 2025 (for the year ended March 31, 2024: ₹ 4.43 millions), has been recognised in the Statement of Profit and Loss under the head employee benefit expense.

B. Defined Benefit Plan:

Gratuity

(a) The Company offers to its employees unfunded defined-benefit plan in the form of a gratuity scheme. Benefits under the unfunded defined-benefit plans are based on years of service and the employees' compensation (immediately before retirement). Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

(b) This plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest Risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

(c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Particulars	Valuation	Valuation
		As at March 31, 2025	As at March 31, 2024
(i)	Discount rate(s)	6.61%	7.20%
(ii)	Expected rate(s) of salary increase	10.00%	10.00%
(iii)	Mortality table used	IALM (2012-14) Urban	IALM (2012-14) Urban
(iv)	Attrition rate		
	Service 1 year and below	12.07% p.a.	35.00% p.a.
	Service 2 years to 3 years	12.07% p.a.	21.00% p.a.
	Service 4 years to 5 years	12.07% p.a.	10.00% p.a.
	Service 6 years and above	12.07% p.a.	5.00% p.a.

The discount rate is based on prevailing market yields of Government of India bonds as at the balance sheet date for the expected term of obligation. The estimates of future salary increases considered, takes into account the inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

(d) The following tables sets out the funded status of the defined benefit scheme in respect of gratuity:

	Particulars	Gratuity As at March 31, 2025	Gratuity As at March 31, 2024
I.	**Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:**		
(i)	Current service cost	4.23	3.80
(ii)	Past service cost and (gains)/losses from settlements	-	-
(iii)	Net interest expense	3.48	3.19
	Components of defined benefit costs recognised in statement of profit and loss	**7.71**	**6.99**
	Remeasurement on the net defined benefit liability		
(i)	Actuarial (gains)/loss arising form changes in financial assumptions	1.40	0.97
(ii)	Actuarial (gains)/loss arising form changes in demographic assumptions	(1.54)	-
(iii)	Actuarial (gains)/loss arising form experience adjustments	(2.56)	(0.42)
	Components of defined benefit costs recognised in other comprehensive income	**(2.69)**	**0.55**
	Total	**5.01**	**7.54**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss and the remeasurement of the net defined benefit liability is included in 'Other comprehensive income'.

II. Net Asset/(Liability) recognised in the Balance Sheet

	Particulars	Gratuity As at March 31, 2025	Gratuity As at March 31, 2024
(i)	Present value of defined benefit obligation	(50.69)	(48.35)
(ii)	Fair value of plan assets	-	-
(iii)	**Surplus**	**(50.69)**	**(48.35)**
(iv)	Current portion of the above	(12.67)	(8.16)
(v)	Non current portion of the above	(38.02)	(40.19)

III. Change in the obligation during the year

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation at the beginning of the year	48.35	43.20
Expenses recognised in statement of profit and loss		
Current service cost	4.23	3.80
Interest expense (income)	3.48	3.19
Actuarial gain (loss) arising from:		
i. Financial assumptions	1.40	0.97
ii. Demographic assumptions	(1.53)	-
iii. Experience adjustments	(2.56)	(0.42)
Benefit payments	(2.68)	(2.39)
Present value of defined benefit obligation at the end of the year	**50.69**	**48.35**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

(e) Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant:

	Particulars	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
(i)	**Discount rate**			
	As at March 31, 2025	1%	(2.33)	2.60
	As at March 31, 2024	1%	(3.54)	4.10
(ii)	**Salary growth rate**			
	As at March 31, 2025	1%	1.99	(1.90)
	As at March 31, 2024	1%	2.91	(2.78)
(iii)	**Rate of employee turnover**			
	As at March 31, 2025	1%	(0.36)	0.39
	As at March 31, 2024	1%	(0.41)	0.46

Note:

I. The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

II. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

37 SHARE-BASED PAYMENTS

A. Credo stock option plan 2020

a. The shareholders of the Company, vide special resolution dated November 05, 2020, authorised the Board to grant options under one or more stock option plans. Pursuant to the said approval from the shareholders the Board adopted Credo stock option plan 2020 and granted options to the permanent employees of the Company for the first time on November 06, 2020, second time on November 06, 2021 and third time on August 14, 2023.

The Company has used the Fair Value Method by applying Black and Scholes Option Pricing Model to measure share-based payments plan.

b. Options granted would vest over a maximum period of 5 years, while the exercise period is 10 years from the date of grant. Options vest on account of passage of time as well as on fulfilling certain performance criteria. The options exercised would be settled in Equity.

c. There were no modification to the awards during the year ended March 31, 2025. Grant 1 issued on November 06, 2020 has been fully exercised in the earlier years. Details and movement of the outstanding options as at the end of the financial year are as follows:

Particulars	As at March 31, 2025			
	Grant 2	Grant 3	Grant 4	Grant 5
Date of grant	November 06, 2020	November 06, 2020	November 06, 2021	August 14, 2023
Options granted under ESOP				
Options outstanding at the beginning of the year	17,60,140	7,34,240	1,27,000	1,20,000
Options granted during the year	-	-	-	-
Options forfeited during the year	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

Particulars	As at March 31, 2025			
	Grant 2	Grant 3	Grant 4	Grant 5
Options exercised during the year	(5,21,383)	(2,38,400)	(47,000)	(22,500)
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	12,38,757	4,95,840	80,000	97,500
Options exercisable at the end of the year	12,23,757	4,80,840	-	7,500
Exercise price of the outstanding options (₹)	31.35	31.35	31.35	31.35
Remaining contractual life of the outstanding options (years)	5.60	5.60	6.60	8.38
Dividend yield (%)	0.39%	0.39%	0.39%	0.07%
Expected Life (Time to Maturity)	6.16	6.08	6.50	6.25
Risk free interest rate (%)	5.58%	5.61%	6.12%	7.07%
Volatility*	15.00%	15.00%	15.00%	44.04%
Weighted average fair value	4.92	4.99	6.25	141.02

Particulars	As at March 31, 2024			
	Grant 2	Grant 3	Grant 4	Grant 5
Date of grant	'November 06, 2020	'November 06, 2020	November 06, 2021	August 14, 2023
Options granted under ESOP				
Options outstanding at the beginning of the year	92,074	37,962	10,000	-
Options granted during the year^	17,49,406	7,21,278	1,90,000	1,20,000
Options forfeited during the year	-	-	-	-
Options exercised during the year	(81,340)	(25,000)	(73,000)	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	17,60,140	7,34,240	1,27,000	1,20,000
Options exercisable at the end of the year	13,48,620	5,45,380	7,000	-
Exercise price of the outstanding options (₹)	31.35	31.35	31.35	31.35
Remaining contractual life of the outstanding options (years)	6.61	6.61	7.61	9.38
Dividend yield (%)	0.39%	0.39%	0.39%	0.07%
Expected Life (Time to Maturity)	6.16	6.08	6.50	6.25
Risk free interest rate (%)	5.58%	5.61%	6.12%	7.07%
Volatility*	15.00%	15.00%	15.00%	44.04%
Weighted average fair value	4.92	4.99	6.25	141.02

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

The Expected life of the share option is based on historical data and Current expectation and is not necessarily indicative of exercise pattern that may occur.

^ Options granted during the year pertains to additional option granted upon issuance of bonus and sub-division of shares (except for Grant 5, which has been issued post issuance of bonus and sub-division of shares).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

38 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Amount required to be spent by the Company during the year	15.55	10.64
(b)	Amount of expenditure incurred	(15.55)	(10.64)
(c)	Short / (excess) amount spent	-	-
(d)	Nature of CSR Activities	Promotion of health care	Promotion of education
(e)	Details of related party transactions	-	-
(f)	Where a provision is made with report to a liability incurred by entering into a contractual obligation, the movements in the provision	Not Applicable	Not Applicable

Note :

(i) As per section 135 of the Companies Act, 2013, the amount required to be spent by the Company during the year is disclosed above.

39 RELATED PARTY DISCLOSURE

a. Names of related parties and related party relationships

I. Key management personnel

(a) Mr. Kamal Khushlani (Chairman and Managing Director)

(b) Mrs. Poonam Khushlani (Whole-time Director)

(c) Mr. Amer Jaleel (Independent Director)

(d) Mr. Rasik Mittal (CFO)

(e) Mr. Sanjay Kumar Mutha (Company Secretary) w.e.f. April 07, 2023

(f) Mr. Paresh Bambolkar (Independent Director) w.e.f. May 09, 2023

(g) Mr. Manoj Nakra (Non-executive Director) w.e.f. May 09, 2023

(h) Mrs. Ramona Jogeshwar (Independent Director) w.e.f. May 09, 2023

II. Relatives of key management personnel

(a) Ms. Sonakshi Khushlani (Daughter of Mr. Kamal and Mrs. Poonam Khushlani)

(b) Mr. Andrew Khushlani (Son of Mr. Kamal and Mrs. Poonam Khushlani)

III. Enterprises controlled by / under significantly influenced by directors and/or their relatives:

(a) Smart Global Solution and Services

(b) Desire 4 India Private Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

b. Related party transactions

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Transactions during the year		
Payment of TDS on behalf of		
KAPS Mercantile Private Limited	0.01	0.01
Payment of expenses on behalf of		
KAPS Mercantile Private Limited	0.02	-
Remuneration		
Mr. Kamal Khushlani	35.40	32.28
Mrs. Poonam Khushlani	5.04	5.04
Ms. Sonakshi Khushlani	1.84	2.00
Mr. Andrew Khushlani	1.35	1.29
Mr. Rasik Mittal	14.95	10.00
Mr. Sanjay Kumar Mutha	6.02	5.11
Reimbursement of expenses		
Smart Global Solution and Services	-	-
Final dividend paid		
Mr. Kamal Khushlani	9.06	-
Mrs. Poonam Khushlani	6.94	-
Ms. Sonakshi Khushlani	0.90	-
Mr. Andrew Khushlani	0.90	-
Mr. Rasik Mittal	0.11	-
Mr. Sanjay Kumar Mutha	0.01	-
Issue of equity shares under stock option plan		
Mr. Rasik Mittal	0.60	-
Mr. Sanjay Kumar Mutha	0.05	-
Sitting fees		
Mr. Amer Jaleel	0.53	0.88
Mr. Paresh Bambolkar	0.48	0.90
Mr. Manoj Nakra	0.50	0.80
Mrs. Ramona Jogeshwar	0.30	0.55
Professional fees		
Smart Global Solution and Services	3.44	3.27
Desire 4 India Private Limited	-	1.10

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

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c. Related party outstanding balances

Particulars	As at March 31, 2025	As at March 31, 2024
Investment in equity share capital		
KAPS Mercantile Private Limited	21.40	21.40
Impairment of investment in equity share capital		
KAPS Mercantile Private Limited	(21.40)	(21.40)
Trade receivables		
KAPS Mercantile Private Limited	-	0.02
Trade payables		
Smart Global Solution and Services	0.31	0.29
Remuneration payable		
Mr. Kamal Khushlani	7.80	10.42
Mrs. Poonam Khushlani	0.16	0.29
Ms. Sonakshi Khushlani	0.11	0.09
Mr. Andrew Khushlani	0.07	0.07
Mr. Rasik Mittal	3.23	1.75
Mr. Sanjay Kumar Mutha	0.67	0.40
Provision for share-based payments		
Mr. Rasik Mittal	0.20	0.59
Mr. Sanjay Kumar Mutha	5.28	4.78

d. Compensation of key management personnel

The remuneration of directors and other members including relatives of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term benefits	63.94	55.72
Total	**63.94**	**55.72**

Note :

(i) As the liabilities for defined benefit plans are provided on actuarial basis for the Company, the amounts pertaining to Key Managerial Personnel are not included.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

40 FINANCIAL INSTRUMENTS

40.1 Capital management

The Company's objective when managing capital is to safeguard its ability to continue as going concern so that the Company is able to provide maximum return to stakeholders, benefits to other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company consists of total equity (Refer note 16 and 17) and net debt (Refer note 18 and 15).

The Company's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital, risks associated with each class of capital.

Gearing Ratio

Following is the Company's gearing ratio:

Particulars	As at March 31, 2025	As at March 31, 2024
Debt (Refer note (i))	2,369.90	2,531.79
Less: Cash and bank balances	(452.30)	(16.48)
Net Debt (I)	**1,917.60**	**2,515.31**
Total equity (II)	**4,101.78**	**3,416.40**
Net debt to equity ratio (I/II)	**46.75%**	**73.62%**

Note:

(i) Debt is defined as long-term and short-term borrowing and lease liabilities.

40.2 Categories of financial instruments

	Particulars	As at March 31, 2025	As at March 31, 2024
	Financial assets		
	Measured at amortised cost*		
(a)	Trade receivables	2,391.21	2,122.15
(b)	Cash and cash equivalents	452.30	16.48
(c)	Other bank balances	1.62	8.29
(d)	Other financial assets	257.38	243.94
	Financial liabilities		
	Measured at amortised cost*		
(a)	Borrowings	14.15	375.35
(b)	Lease liabilities	2,355.74	2,156.45
(c)	Trade payables	255.93	217.38
(d)	Other financial liabilities	425.03	431.02

At the end of the reporting period, the carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

*The fair values of the above financial assets and liabilities approximate their carrying amounts.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

40.3 Financial risk management objectives

Ensuring liquidity is sufficient to meet Company's operational requirements, the Company's management also monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

40.3.1 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. Market risk includes currency risk, interest risk and price risk. There are no material market risk affecting the financial position of the Company.

40.3.1.1 Currency Risk

Currency risk is the risk or uncertainty arising from possible currency movements and their impact on the future cash flows of a business. There are no material currency risk affecting the financial position of the Company.

40.3.1.2 Interest Risk

Interest risk is the risk or uncertainty arising from possible interest rate movements and their impact on the future obligation and cash flow of a business. There are no material interest risk affecting the financial position of the Company.

40.3.1.3 Price Risk

Price risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. There are no material price risk affecting the financial position of the Company.

40.3.1.4 Foreign currency risk management

The Company undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows.

Particulars	As at March 31, 2025	As at March 31, 2024
Assets (₹)		
USD	-	0.06
HKD	-	-
SGD	-	-
Total	**-**	**0.06**

Foreign currency sensitivity analysis

The Company is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables.

The following table details the Company's sensitivity to a 10% increase and decrease in the ₹ against the relevant outstanding foreign currency denominated monetary items. 10% sensitivity indicates management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where Rupee appreciates 10% against the relevant currency. A negative number below indicates a decrease in profit or equity where the Rupee depreciates 10% against the relevant currency.

Particulars	As at March 31, 2025	As at March 31, 2024
Profit or (loss)		
₹ strengthens by 10%	-	(0.01)
₹ weakening by 10%	-	0.01

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting year does not reflect the exposure during the year.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

40.3.2 Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The concentration of credit risk in relation to trade receivables is high. Credit risk has always been monitored and managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Bank balances are held with reputed and creditworthy banking institutions.

Financial instrument and cash deposit

Credit risk is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

40.3.3 Liquidity risk management

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average effective interest rate (%)	Upto 1 year	1 - 5 year	More than 5 years	Total	Carrying amount
As at March 31, 2025						
Non-Interest bearing						
Trade payables	0.00%	255.93	-	-	255.93	255.93
Other financial liabilities	0.00%	13.25	-	-	13.25	13.25
Variable interest rate instruments						
Vehicle loans from others	8.70%	3.42	10.74	-	14.16	14.16
Lease Liabilities	8.44%	596.62	2,106.29	339.03	3,041.94	2,355.74
Fixed interest rate instruments						
Security Deposit received	6.33%	-	411.79	-	411.79	411.79
Total		**869.22**	**2,528.82**	**339.03**	**3,737.07**	**3,050.87**

Particulars	Weighted average effective interest rate (%)	Upto 1 year	1 - 5 year	More than 5 years	Total	Carrying Amount
As at March 31, 2024						
Non-Interest bearing						
Trade payables	0.00%	217.38	-	-	217.38	217.38
Other financial liabilities	0.00%	32.04	-	-	32.04	32.04
Variable interest rate instruments						
Term loans from bank	8.60%	33.24	34.31	-	67.55	67.55
Vehicle loans from others	8.70%	3.14	14.15	-	17.29	17.29

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

Particulars	Weighted average effective interest rate (%)	Upto 1 year	1 - 5 year	More than 5 years	Total	Carrying Amount
Cash credit from bank	0.00%	90.51	-	-	90.51	90.51
Working capital demand loan	7.90%	200.00	-	-	200.00	200.00
Lease Liabilities	8.34%	501.02	1,640.32	711.14	2,852.48	2,156.44
Fixed interest rate instruments						
Security Deposit received	7.97%	-	398.98	-	398.98	398.98
Total		**1,077.33**	**2,087.76**	**711.14**	**3,876.23**	**3,180.19**

Further table below set out the detail of additional undrawn facility that the Company has at its disposal to further reduce liquidity risk:

Particulars	As at March 31, 2025	As at March 31, 2024
Undrawn cash credit limit	700.00	409.49

41 RATIOS

Ratio	Formulae	As at March 31, 2025	As at March 31, 2024	Variance	Reasons
Current Ratio					
Numerator	Current Assets	4,149.85	3,666.39	36.06%	The variance is on account of increase in Fixed Deposit in current year in comparison with previous year. Aggregate Fixed Deposit as at March 31, 2025: 378.09 millions. Aggregate Fixed Deposit as at March 31, 2024: 8.29 millions.
Denominator	Current Liabilities	1,148.46	1,380.53		
		3.61	2.66		
Debt-Equity Ratio					
Numerator	Borrowings + Lease Liabilities	2,369.90	2,531.79	(22.04%)	Not Applicable
Denominator	Shareholder's Equity	4,101.78	3,416.40		
		0.58	0.74		
Debt Service Coverage ratio					
Numerator	Earnings available for debt service	1,635.95	1,460.25	8.41%	Not Applicable
Denominator	Debt Service	814.60	788.27		
		2.01	1.85		
Return on Equity Ratio					
Numerator	Net Profits after taxes	684.09	591.62	(4.18%)	Not Applicable
Denominator	Average Shareholder's Equity	3,759.09	3,114.92		
		18.20%	18.99%		
Inventory Turnover Ratio					
Numerator	Revenue from Operations	6,181.80	5,673.32	14.53%	Not Applicable
Denominator	Average Inventory	1,133.77	1,191.71		
		5.45	4.76		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

Ratio	Formulae	As at March 31, 2025	As at March 31, 2024	Variance	Reasons
Trade Receivables Turnover Ratio					
Numerator	Revenue from Operations	6,181.80	5,673.32	(15.62%)	Not Applicable
Denominator	Average Accounts Receivable	2,256.68	1,747.48		
		2.74	3.25		
Trade Payables Turnover Ratio					
Numerator	Total Purchases	2,411.52	2,528.09	24.23%	Not Applicable
Denominator	Average Trade Payables	236.66	308.20		
		10.19	8.20		
Net Capital Turnover Ratio					
Numerator	Revenue from Operations	6,181.80	5,673.32	(13.36%)	Not Applicable
Denominator	Average Working Capital	2,643.62	2,102.04		
		2.34	2.70		
Net Profit Ratio (*)					
Numerator	Net Profits after taxes	684.09	591.62	6.12%	Not Applicable
Denominator	Revenue from Operations	6,181.80	5,673.32		
		11.07%	10.43%		
Return on Capital Employed (*)					
Numerator	Earning before interest and taxes	1,173.08	1,029.15	(1.98%)	Not Applicable
Denominator	Average Capital Employed	6,209.94	5,340.39		
		18.89%	19.27%		
Return on Investment			Not Applicable		

42 ADDITIONAL REGULATORY INFORMATION

(a) Title deeds of all immovable properties are held in the name of the Company.

(b) The Company has not revalued its property, plant and equipment (including right-of-use assets) and other intangible assets during the current and previous year.

(c) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibitions Act, 1988 and the rules made thereunder.)

(d) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 except as disclosed. (Refer note 14(x))

(e) The Company has registered all its charges or satisfaction with Registrar of Companies within the statutory period.

(f) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(g) The Company has not advanced or loaned or invested funds to/in any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding that intermediary shall,

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate beneficiaries)

or

(ii) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(h) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that it will,

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries)

or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

(j) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act 1961.

(k) The Company has not entered into any scheme of arrangement which has an accounting impact on current period or previous financial year.

(l) The Company has not traded or invested in crypto and virtual currency during the reporting periods.

(m) The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.

(n) The borrowings obtained by the Company from banks have been applied for the purposes for which such borrowings were taken.

43 DIVIDEND

(a) The Company has declared and paid dividend amounting to ₹ 32.48 millions during the year ended March 31, 2025. (during the year ended March 31, 2024, ₹ NIL)

(b) The Board of Directors has proposed a final dividend of ₹ 3 per share of face value of ₹ 2/- each for the financial year 2024-25, subject to the approval of the Shareholders in the ensuing Annual General Meeting.

44 Ministry of Corporate Affairs (MCA) vide its notification number G.S.R. 206(E) dated March 24, 2021 (amended from time to time) in reference to the proviso to Rule 3 (1) of the Companies (Accounts) Amendment Rules, 2021, introduced the requirement of only using such accounting software with effect from April 01, 2023 which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Institute of Chartered Accountants of India ("ICAI") issued an "Implementation guide on reporting on audit trial under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 edition)" in February 2024 relating to feature of recording audit trail.

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level in respect of an accounting software to log any direct data changes.

Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software(s). Also, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded from October 01, 2023.

45 CODE ON SOCIAL SECURITY

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

46 Figures for the previous year have been regrouped / reclassified wherever necessary to make them comparable.

For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
(Firm Registration No. 001595S/S000168)

Ojas D. Joshi
(Partner)
(Membership No. 109752)

Place: Mumbai
Date: May 22, 2025

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(M. No. ACS15884)

Place: Mumbai
Date: May 22, 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of
Credo Brands Marketing Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of Credo Brands Marketing Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company, and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of report of other auditor on separate financial statements and on the other financial information of subsidiary, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2025, and of consolidated profit (including other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
Revenue Recognition The Holding Company sells its products through various channels like distributors, franchisees and exclusive brand outlets (EBO) etc. As per the accounting policy of the Holding Company, the revenue is recognised upon the transfer of control of goods to the customer and thus requires an estimation of the revenue including taking into consideration the sales returns. Owing to the volume of sales transactions spread across various channels and locations, there is a risk of revenue being recognized before control is transferred. Also the estimate of sales returns depends on sales terms and volumes and past history of quantum of returns. In accordance with Ind AS 115, "Revenue from contracts with customers", to account for the transfer of products with a right of return, Holding Company records the revenue for the transferred products and reverses revenue for the products expected to be returned and record a	To obtain sufficient and appropriate audit evidence our principal audit procedures are as below, amongst others: • Evaluated the appropriateness of the revenue recognition accounting policies in compliance with the accounting standards. • Evaluated the design and tested the operating effectiveness of Holding Company's controls to assess the occurrence of revenue recorded and adequacy of the sales reversal and the corresponding right to return assets. • Tested on a sample basis, the evidence of dispatches to distributors and franchisee's and for the revenue from exclusive brand outlets verified the tender collected with the sales invoices for the selected samples. • Evaluated and verified the season-wise sales trend to determine the appropriateness of the sales reversal and the right to return asset created by the Management.

Key Audit Matter	How the Key Audit Matter was addressed in our audit
refund liability and an asset, with corresponding adjustment to cost of sales, for its right to recover products from customers on settling the refund liability. The estimate of the expected sale returns involves significant judgment and analysis for such obligation. Recognition of revenue and the right to return asset is therefore considered a key audit matter.	• Tested the arithmetical accuracy of the Sales Reversal and right to return asset computation. • Evaluated and verified the appropriateness of the presentation and adequacy of the disclosures made in the standalone financial statements

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report including Director's Report but does not include the standalone and consolidated financial statements and our auditor's report thereon. The Holding company's Annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report including Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group including in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Independent Auditor's Report (Contd.)

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

OTHER MATTERS:

a. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. Nil as at December 31, 2024, total revenues of Rs. Nil and net cash flows amounting to Rs. 0.16 millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.(Refer note 46 of the consolidated financial statements) Our opinion on the consolidated financial statements is not modified in respect of the above matter.

b. The consolidated financial statements of the Company for the year ended March 31, 2024, were audited by another auditor whose report dated May 30, 2024 expressed an unmodified opinion on those statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the Separate Financial Statements of the subsidiary referred to in the Other Matters section above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2(g) below on reporting under Rule 11(g) and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies, are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group, and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

   g. The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).

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

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, – Refer Note 32 to the consolidated financial statements.

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.

   iv. (1) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend. (Refer Note 42 to the Standalone financial statements)

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level in respect of an accounting software to log any direct data changes as explained in Note 43 to the financial statements.

Further, where enabled, audit trail feature has been operated for all relevant transactions recorded in the accounting software(s). Also, during the course of our audit, we did not come across any instance of audit trail feature being tampered with in respect of such accounting software. Additionally, the audit trail of prior year, has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective year as explained in Note 43 to the financial statements.

Based on the other auditor's report on the subsidiary company incorporated in India, the reporting under proviso to the Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is not applicable to the subsidiary company as the subsidiary company is not using any accounting software or package for maintaining its books of accounts.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

3. According to the information and explanations given to us and based on the CARO reports issued by us for the Holding Company and on consideration of CARO reports issued by the statutory auditors of subsidiary included in the consolidated financial statements of the Group to which reporting under CARO is applicable, we report that there are no Qualifications/adverse remarks.

For **M S K C & Associates LLP**
(Formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168

Ojas D. Joshi
Partner
Membership No. 109752
UDIN: 25109752BMMMGI7959

Place: Mumbai
Date: May 22, 2025

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CREDO BRANDS MARKETING LIMITED

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K C & Associates LLP**
(Formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168

Ojas D. Joshi
Partner
Place: Mumbai — Membership No. 109752
Date: May 22, 2025 — UDIN: 25109752BMMMGI7959

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF CREDO BRANDS MARKETING LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Credo Brands Marketing Limited on the consolidated Financial Statements for the year ended March 31, 2025]

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2025, we have audited the internal financial controls reference to consolidated financial statements of Credo Brands Marketing Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal financial controls with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

Management's and Board of Director's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the Holding company considering the essential components of internal control stated in the Guidance Note issued by ICAI. 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 the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of its reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes 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 consolidated 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,

Annexure "B" (Contd.)

use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K C & Associates LLP**
(Formerly known as M S K C & Associates)
Chartered Accountants
ICAI Firm Registration Number: 001595S/S000168

Ojas D. Joshi
Partner
Membership No. 109752
UDIN: 25109752BMMMGI7959

Place: Mumbai
Date: May 22, 2025

CONSOLIDATED BALANCE SHEET

As at March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars			Notes	As at March 31, 2025	As at March 31, 2024
A	**ASSETS**					
1	**Non-current assets**					
	(a)	Property, plant and equipment		5(a)	745.39	772.22
	(b)	Right of use assets		5(b)	2,145.16	2,014.98
	(c)	Capital work-in-progress		5(c)	7.04	8.34
	(d)	Investment properties		6	15.90	16.28
	(e)	Other intangible assets		7	1.25	2.25
	(f)	Financial assets				
		(i)	Other financial assets	8	174.15	157.68
	(g)	Deferred tax assets (net)		9	306.86	266.68
	(h)	Non-current tax assets		10	5.49	5.49
	(i)	Other non-current assets		11	141.11	188.29
		Total non-current assets			**3,542.35**	**3,432.21**
2	**Current assets**					
	(a)	Inventories		12	1,018.16	1,249.39
	(b)	Financial assets				
		(i)	Trade receivables	13	2,391.21	2,122.41
		(ii)	Cash and cash equivalents	14(a)	452.30	16.64
		(iii)	Bank balance other than cash and cash equivalents	14(b)	1.62	8.29
		(iv)	Other financial assets	8	83.23	86.26
	(c)	Other current assets		11	203.33	183.82
		Total current assets			**4,149.85**	**3,666.81**
		Total assets			**7,692.20**	**7,099.02**
B	**EQUITY AND LIABILITIES**					
1	**Equity**					
	(a)	Equity share capital		15	130.62	128.96
	(b)	Other equity		16	3,971.06	3,287.72
		Total equity			**4,101.68**	**3,416.68**
2	**Liabilities**					
		Non-current liabilities				
	(a)	Financial liabilities				
		(i)	Borrowings	17	10.74	48.46
		(ii)	Lease liabilities	5(b)	1,981.51	1,814.16
		(iii)	Other financial liabilities	18	411.79	398.98
	(b)	Provisions		19	38.02	40.19
		Total non-current liabilities			**2,442.06**	**2,301.79**
		Current liabilities				
	(a)	Financial liabilities				
		(i)	Borrowings	17	3.42	326.89
		(ii)	Lease liabilities	5(b)	374.23	342.28
		(iii)	Trade payables	21		
		Total outstanding dues of micro enterprises and small enterprises			79.84	85.76
		Total outstanding dues of creditors other than micro enterprises and small enterprises			176.09	131.65
		(iv)	Other financial liabilities	18	13.25	32.04
	(b)	Provisions		19	22.82	48.72
	(c)	Current tax liabilities (net)		22	18.95	5.43
	(d)	Other current liabilities		20	459.86	407.78
		Total current liabilities			**1,148.46**	**1,380.55**
		Total liabilities			**3,590.52**	**3,682.34**
		Total equity and liabilities			**7,692.20**	**7,099.02**
The accompanying notes are an integral part of the Consolidated Financial Statements				1-47		

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
(Firm Registration No. 001595S/S000168)

Ojas D. Joshi
(Partner)
(Membership No. 109752)

Place: Mumbai
Date: May 22, 2025

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(M. No. ACS15884)

Place: Mumbai
Date: May 22, 2025

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
1	Revenue from operations	23	6,181.80	5,673.32
2	Other income	24	60.76	46.12
3	**Total income (1+2)**		**6,242.56**	**5,719.44**
4	**Expenses**			
	(a) Cost of materials consumed	25	151.94	167.56
	(b) Purchases of stock-in-trade	25	2,271.97	2,363.57
	(c) Changes in inventories of finished goods and stock-in-trade	26	218.84	(118.40)
	(d) Employee benefits expenses	27	320.58	315.50
	(e) Finance costs	28	254.78	240.62
	(f) Depreciation and amortisation expenses	29	685.63	621.90
	(g) Other expenses	30	1,420.90	1,339.75
	Total expenses		**5,324.64**	**4,930.50**
5	**Profit before tax (3-4)**		**917.92**	**788.94**
6	**Tax expense**			
	Current tax	31	276.18	265.87
	Excess provision of income tax in relation to earlier years		(1.07)	(4.88)
	Deferred tax credit	9	(40.90)	(64.02)
	Total tax expense		**234.21**	**196.97**
7	**Profit for the year (5-6)**		**683.71**	**591.97**
8	**Other comprehensive income**			
	A **Items that will not be reclassified to profit or loss**			
	Re-measurement gain/(loss) on defined benefit liability		2.69	(0.55)
	Tax related to above item		(0.68)	0.14
			2.01	(0.41)
	Total other comprehensive income for the year (net of tax)		**2.01**	**(0.41)**
9	**Total comprehensive income for the year (7+8)**		**685.72**	**591.56**
	Earnings per share (face value of ₹ 2 each fully paid up)			
	Basic earnings per share (in ₹)	34	10.53	9.20
	Diluted earnings per share (in ₹)	34	10.52	9.20

The accompanying notes are an integral part of the Consolidated Financial Statements 1-47

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
(Firm Registration No. 001595S/S000168)

Ojas D. Joshi
(Partner)
(Membership No. 109752)

Place: Mumbai
Date: May 22, 2025

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(M. No. ACS15884)

Place: Mumbai
Date: May 22, 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

(A) EQUITY SHARE CAPITAL

	No. of shares	Amount
Balance as at April 01, 2023	**32,15,094**	**32.15**
Changes in equity share capital:		
Issue of shares	1,79,340	0.36
Issue of bonus shares	96,45,282	96.45
Split of shares	5,14,41,504	-
Balance as at March 31, 2024	**6,44,81,220**	**128.96**
Changes in equity share capital:		
Issue of shares	8,29,283	1.66
Balance as at March 31, 2025	**6,53,10,503**	**130.62**

(B) OTHER EQUITY

Particulars	Reserve and surplus			
	Securities premium	Retained earnings	Share option outstanding account	Total
Balance as at April 01, 2023	**159.14**	**2,613.20**	**9.02**	**2,781.36**
Recognition of share based payments	-	-	5.99	5.99
Additions during the year	5.26	-	-	5.26
Transfer in respect to share option exercised during the year	0.75	-	(0.75)	-
Profit for the year	-	591.97	-	591.97
Utilisation on issue of bonus shares	(96.45)	-	-	(96.45)
Re-measurement of defined benefit plan (net of tax)	-	(0.41)	-	(0.41)
Balance as at March 31, 2024	**68.70**	**3,204.76**	**14.26**	**3,287.72**
Recognition of share based payments	-	-	5.76	5.76
Additions during the year	24.34	-	-	24.34
Transfer in respect to share option exercised during the year	5.74	-	(5.74)	-
Profit for the year	-	683.71	-	683.71
Re-measurement of defined benefit plan (net of tax)	-	2.01	-	2.01
Payment of dividend	-	(32.48)	-	(32.48)
Balance as at March 31, 2025	**98.78**	**3,858.00**	**14.28**	**3,971.06**
The accompanying notes are an integral part of the Consolidated Financial Statements	1-47			

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
(Firm Registration No. 001595S/S000168)

Ojas D. Joshi
(Partner)
(Membership No. 109752)

Place: Mumbai
Date: May 22, 2025

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(M. No. ACS15884)

Place: Mumbai
Date: May 22, 2025

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	917.92	788.94
	Adjustments for :		
	Depreciation and amortisation expenses	685.63	621.90
	Interest income on financial assets	(27.00)	(13.81)
	Rental income on investment properties	(4.69)	(4.46)
	Finance cost	230.68	212.95
	Net loss on property, plant and equipment sold and written off	11.43	5.82
	Allowance for expected credit loss on receivables and security deposits	2.40	8.10
	Gain on termination of leases (Net)	(11.57)	(5.39)
	Share based payments to employees	5.76	5.99
	Bad debts written off	-	0.37
	Security deposits written off	0.80	-
	Sundry balances written off	0.26	-
	Excess provision written back	(0.93)	-
	Operating cash flows before working capital changes	**1,810.69**	**1,620.41**
	Working capital adjustments :		
	Adjustment for (Increase) / Decrease in Operating Assets:		
	Decrease / (Increase) in inventories	231.23	(115.36)
	Increase in trade receivables	(270.25)	(757.05)
	Decrease / (Increase) in other financial assets	9.23	(24.33)
	(Increase) / Decrease in other current assets	(19.51)	16.11
	Decrease / (Increase) in non-current assets	45.90	(37.63)
	Adjustment for Increase / (Decrease) in Operating Liabilities:		
	Increase / (Decrease) in trade payables	38.26	(176.28)
	Increase in other current liabilities	44.82	240.12
	(Decrease) / Increase in other financial liabilities	(20.15)	18.35
	(Decrease) / Increase in provisions	(25.37)	24.36
	Cash generated from operations	**1,844.85**	**808.70**
	Less: Income tax paid (net)	(253.81)	(246.07)
	Net cash generated from operating activities (A)	**1,591.04**	**562.63**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(213.05)	(359.28)
	Purchase of other intangible assets	(0.40)	-
	Proceeds from sale of property, plant and equipment	1.53	5.13
	Proceeds from / (Investment in) bank deposits other than cash and cash equivalents	(6.87)	4.11
	Interest income on financial assets	17.06	0.03
	Rental income on investment properties	4.69	4.46
	Net cash used in investing activities (B)	**(197.04)**	**(345.55)**
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings	-	18.25
	Repayment of long term borrowings	(70.68)	(34.20)
	Repayment of short term borrowings (net)	(290.51)	290.51
	Proceeds from issue of shares under stock option plan	26.00	5.62
	Repayment of lease liabilities	(556.41)	(511.32)
	Interest paid	(34.26)	(46.54)
	Dividend paid	(32.48)	-
	Net cash used in financing activities (C)	**(958.34)**	**(277.68)**
	Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	**435.66**	**(60.60)**
	Cash and cash equivalent at the beginning of the year	16.64	77.24
	Cash and cash equivalents at the end of the year	**452.30**	**16.64**
	Cash and cash equivalents as above comprises of the following		
	Cash on hand	10.05	7.75
	Balances with bank - in current accounts	72.65	8.89
	In demand deposit accounts - Having original maturity less than 3 months	369.60	-
	Total cash and cash equivalents (Refer note 14(a))	**452.30**	**16.64**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended March 31, 2025 (Contd.)

(All amounts in ₹ millions, unless otherwise stated)

Notes:

Reconciliation of liabilities from financing activities for the year ended March 31, 2025

Particulars	Opening Balance	Additions of Lease Liabilities	Proceeds	Repayment	Closing Balance
Borrowings	375.35	-	-	(361.19)	14.16
Lease liabilities	2,156.44	755.71	-	(556.41)	2,355.74
Total liabilities from financing activities	**2,531.79**	**755.71**	**-**	**(917.60)**	**2,369.90**

Reconciliation of liabilities from financing activities for the year ended March 31, 2024

Particulars	Opening Balance	Additions of Lease Liabilities	Proceeds	Repayment	Closing Balance
Borrowings	100.79	-	308.76	(34.20)	375.35
Lease liabilities	1,818.35	849.41	-	(511.32)	2,156.44
Total liabilities from financing activities	**1,919.14**	**849.41**	**308.76**	**(545.52)**	**2,531.79**

The accompanying notes are an integral part of the Consolidated Financial Statements

As per our report of even date attached
For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
(Firm Registration No. 001595S/S000168)

Ojas D. Joshi
(Partner)
(Membership No. 109752)

Place: Mumbai
Date: May 22, 2025

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
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DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(M. No. ACS15884)

Place: Mumbai
Date: May 22, 2025

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

1 GENERAL INFORMATION

CREDO BRANDS MARKETING LIMITED (Formerly known as CREDO BRANDS MARKETING PRIVATE LIMITED) ('the Holding Company' / 'the Company') is a public limited company domiciled and incorporated in India under the Companies Act, 2013 vide CIN: L18101MH1999PTC119669 on April 29, 1999. The Company is a public limited company w.e.f. May 11, 2023 with new CIN: L18101MH1999PLC119669. The registered office of the Company is located at B-8, MIDC Central Road, Marol, Next to MIDC Police Station, Andheri (E), Mumbai - 400093.

These consolidated financial statements comprise the financial statements of the Company and its subsidiary (together referred to as the 'Group') The Holding Company is mainly engaged in the business of selling of fashion casual garments and accessories under the brand name MUFTI. A fresh certificate of incorporation consequent to the conversion of Private to Public Company was issued by the Registrar of Companies Mumbai on May 11, 2023 under section 18 of the Companies Act, 2013 to give effect of conversion.

The Holding Company has completed its Initial Public Offer ("IPO") of 19,634,960 equity shares of face value of ₹ 2 each at an Issue price of ₹ 280/- per share (Including share premium of ₹ 278/- per share), comprising offer for sale of 19,634,960 equity shares by Selling Shareholders aggregating to ₹ 5,497.79 millions. Pursuant to the IPO, the equity shares of the Company were listed on the National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") effective December 27, 2023.

The financial statements for the year ended March 31, 2025 were approved for issue by Company's Board of Directors on May 22, 2025.

2 MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation, Presentation and Measurement

The Consolidated Financial Statements of the Group comprises the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended and a summary of material accounting policies and other explanatory information (together referred to as the "Consolidated Financial Statements").

The Consolidated Financial Statements of the Group are prepared in accordance with and in compliance, in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read along with Companies (Indian Accounting Standards) Rules, as amended and other relevant provisions of the Act. The presentation of the Financial Statements is based on Ind AS Schedule III of the Companies Act, 2013.

The Consolidated Financial Statements of the Group have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/ settlement within a twelve month period from the balance sheet date.

The Consolidated Financial Statements are presented in Indian Rupees and all amounts disclosed in the financial statements and notes have been rounded off to the nearest millions, unless otherwise stated.

2.1.1 Basis of Consolidation:

Common control business combination means a business combination involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party both before and after the business combination, and that control is not transitory.

The Group accounts for its business combination under common control using pooling of interest method of accounting as per Appendix C of Ind AS 103. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the definition for recognition are recognised at their carrying amount at the acquisition date. Transferor's reserves are preserved and are appeared in the financial statements of the transferee in the same form in which they appear in the financial statements of the transferor. Acquisition date is the beginning of the preceding period in case the common control is established prior to such date. However, if business combination had occurred after such date, the acquisition date is considered only from that date.

The consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where there is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting is recognised as an expense in the year in which it is incurred.

2.1.2 Principles of Consolidation:

The Consolidated Financial Statement have been prepared on the following basis:

(a) The Consolidated Financial Statement of the Company and its subsidiary are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

(b) Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

(c) The Cronsolidated Financial Statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(d) The carrying amount of the Company's investments in each subsidiary is off set (eliminated) against the Company's portion of equity in the subsidiary.

The management of the Group performed assessment in relation to above matters and have made necessary adjustments to the underlying financial information of the Group for the purpose of preparation of these Consolidated Financial Statement.

2.2 Functional and presentation currency

The Consolidated Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian rupee (₹), which is also the Group's functional currency. All amounts have been rounded-off to the nearest millions, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than ₹ 5,000 have been rounded-off and are presented as 0.00 millions in the Consolidated Financial Statements.

2.3 Current and non-current classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of product and the time between procurement of products and their realisation in cash and cash equivalents, 12 months has been considered by the Group for the purpose of current / non-current classification of assets and liabilities.

2.4 Property, plant and equipment

Property plant and equipment are stated at their cost of acquisition, less accumulated depreciation / amortisation and impairment loss. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling / decommissioning of the asset. Parts (major components) of an item of Property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. The other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date. Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under "Other Non-Current Assets" and

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assets which are not ready for intended use as on the reporting date are disclosed as "Capital Work in Progress".

2.4.1 Depreciation method, estimated useful lives and residual value

Depreciation on the property, plant and equipment (other than capital work in progress) is provided on a straight line method over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013. The estimated useful lives are as under:

Plant and equipment	15 years
Furniture and fixtures*	10 years
Office equipment	5 years
Vehicles	8 years
Computers	3 years

Leasehold improvements are amortised on a straight line basis over lease term.

*The Group, based on technical assessment made by the management, depreciates certain items of furniture and fixtures at its retail stores at lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013, as detailed below.

Mannequin	5 Years
Signages	3 Years
Other Furniture and Fixtures at Stores	5 years

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation method and useful lives are reviewed at each financial year end and adjusted prospectively.

2.4.2 Derecognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Profit or Loss when the asset is de-recognised.

2.5 Intangible assets

2.5.1 Recognition and measurement

Intangible assets that are acquired by the Group are stated at cost of acquisition less amortisation and impairment losses, if any. Cost of an intangible asset includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use. Intangible assets are recognised only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates. Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the reporting period.

2.5.2 Amortisation and useful lives

Intangible assets with finite lives comprise of trademarks / brand and software, are amortised over the period of 5 years and 3 years respectively on straight-line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

2.5.3 Derecognition policy

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition 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 profit or loss when the asset is derecognised.

2.6 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is

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increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.7 Investment properties

Investment properties are properties held to earn rentals and / or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16 requirements for cost model.

Depreciation is recognised so as to write-off the cost over the estimated useful life of 60 years, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn form use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit or Loss in the period in which the property is derecognised.

2.8 Leases

The Group's lease asset primarily comprise of leases for buildings / premises. The Group assesses whether a contract contains a lease, at the inception of a contract. The determination of whether a contract is (or contains) a lease is based on the substance of the contract at the inception. The contract is, or contains, a lease if the contract provide lessee, the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee does not have the right to use an identified asset if, at inception of the contract, a lessor has a substantive right to substitute the asset throughout the period of use.

The Group accounts for the lease arrangement as follows:

(i) Where the Group is the lessee

Right of Use Asset

The Group applies single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. On the commencement of the lease, the Group, in its Consolidated Balance Sheet, recognised the right of use asset at cost and lease liability at present value of the lease payments to be made over the lease term.

Subsequently, the right of use asset is measured at cost less accumulated depreciation [calculated on straight line method] and any accumulated impairment loss. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Asset category	Lease Term
Lease hold premises	3 to 9 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 2.6 on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on a revenue generated from respective stores, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The lease payment made, are apportioned between the finance charge and the reduction of lease liability, and are recognised as expense in the Consolidated Statement of profit and loss.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are

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considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Lease deposits given are a financial asset and are measured at amortised cost under Ind AS 109 since it satisfies Solely Payment of Principal and Interest (SPPI) condition. The difference between the present value and the nominal value of deposit is considered as Right of Use Asset and depreciated over the lease term. Unwinding of discount is treated as finance income and recognised in the Consolidated Statement of profit and loss.

(ii) Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Lease deposits received are financial instruments (financial liability) and are measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as rent in advance and recognised over the lease term on a straight line basis. Unwinding of discount is treated as interest expense (finance cost) for deposits received and is accrued as per the EIR method.

2.9 Inventories

Inventories of raw material, finished good and stock-in-trade are valued at the lower of cost (on First-in-First out basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including other levies, transit insurance and receiving charges. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.12 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.13 Financial assets

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are

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attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.13.1 Classification of financial assets

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit or Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity instrument at fair value through Other Comprehensive Income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2.13.2 Subsequent measurement

Financial assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI. All equity investments are measured at fair value through other comprehensive income, except for investments in subsidiary / associate which is measured at cost. Changes in the fair value of financial assets are recognised in Statement of Other Comprehensive Income. In those cases, there is no subsequent reclassification of fair value gains and losses to Statement of profit and loss.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on such financial assets that are subsequently measured at FVTPL and is recognised and presented net in the Statement of profit and loss within other income in the period in which it arises.

2.13.3 Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

(b) Trade receivables.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For other financial assets carried at amortised cost the Group assesses, on a forward looking basis, the expected credit losses associated with such assets and recognises the same in profit or loss.

2.13.4 Derecognition of financial assets

The Group derecognises a financial asset when the contractual right to the cash flows from the financial asset expire or it transfers substantially all risk and rewards of ownership of the financial asset. A gain or loss on such financial assets that are subsequently measured at amortised cost is recognised in the Statement of Profit or Loss when the asset is derecognised.

2.14 Financial liabilities and equity instruments

2.14.1 Classification of debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.14.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

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2.15 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL (fair value through profit or loss).

2.15.1 Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost (loans and borrowings, and payables). 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.

2.15.2 Subsequent measurement

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 derecognised. 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. This category generally applies to interest-bearing loans and borrowings.

2.15.3 Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition 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.

2.15.4 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 realise the assets and settle the liabilities simultaneously.

2.16 Cash and cash equivalents

Cash and cash equivalents includes cash and cheques on hand, current accounts and fixed deposits accounts with banks with original maturities of three months or less that are readily convertible to known amounts of cash (other than on lien) and which are subject to an insignificant risk of changes in value and book overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.16.1 Statements of cash flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.17 Fair value measurement

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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 – Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the Consolidated Financial Statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization at the end of each reporting period.

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For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy. Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.18 Revenue recognition

The Group's revenue majorly represents revenue from sale of garments. The Group sells garments through own stores and to business partners such as distributors, franchisees, large format stores and E-Commerce.

Revenue towards satisfaction of a performance obligation i.e. sale of traded goods is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

2.18.1 Sale of goods

The Group derives revenue from sale of goods and revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration the Group expects to receive in exchange for those goods. To recognise revenues, the Group applies the following five step approach:

(1) identify the contract with a customer,

(2) identify the performance obligations in the contract,

(3) determine the transaction price,

(4) allocate the transaction price to the performance obligations in the contract, and

(5) recognise revenues when a performance obligation is satisfied.

The Group has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Group has concluded with respect to arrangements with its business partners, where the Group has an unconditional right relating to unsold inventory, the Group has concluded that these arrangements are also on principal to principal basis as the control is passed or right of consideration is established.

The transfer of control of promised goods as above, generally coincides with the delivery of goods to customers.

- For business partner acting as principal, revenue is recognised upon sale to business partner.

Sales are recognised, net of returns and trade discounts, rebates, and Goods and Services Tax (GST).

Under the Group's standard contract terms, the Group may calls for return goods at the end of the seasons as per Group's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when the return occurs; consequently, the Group recognises a right-to-returned-goods asset with a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

The Group under the schemes gives discount to its retail customers. Based on market trends, competitiveness in pricing, etc, the Group also negotiates and gives discount to its business partners / franchisee's. These are reduced from the revenue being variable considerations.

The Group operates a loyalty program through which retail customers accumulate points on purchases of apparels that entitle them to discounts on future purchases. These points provide a discount to customers that they would not receive without purchasing the apparels (i.e. it is a material right). The promise to provide the discount to the customer is therefore a separate performance obligation. The transaction price is allocated between the sale of apparels and the rights related to the loyalty points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated based on the discount to be given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Group's historical experience. A contract liability is recognised for revenue relating to the loyalty points at the time of the initial sales transaction. Revenue from the loyalty points is recognised when the points are redeemed by the customer. Revenue for points that are not expected to be redeemed is recognised in proportion to the pattern of rights exercised by customers.

2.18.2 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.18.3 Other income

Other incomes are accounted on accrual basis and except interest on delayed payment by debtors which are accounted on acceptance of the Group's claim.

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2.19 Foreign currency Transactions and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss and reported within foreign exchange gains / (losses).

2.20 Employee benefits

Group's Employee benefit obligations include Short-term obligations and Post-employment obligations which includes gratuity plan and contributions to provident fund.

2.20.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service which are recognised in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2.20.2 Post-employment obligations

Defined benefit plans

The Group has defined benefit plan namely gratuity, which is unfunded. The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The defined contribution plan is a post-employment benefit plan under which the Group contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund, Employee State Insurance Scheme and Employee Pension Scheme. The Group's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the period in which the employee renders the related service.

2.21 Share-based payment to employees

Equity-settled share-based payments to employees providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note No. 36.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.22 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

2.22.1 Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates applicable for the respective period.

2.22.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and their tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the

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initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.22.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.24 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Group by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year attributable to the shareholders of the Group as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

3 RECENT ACCOUNTING PRONOUNCEMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, the management has assessed that impact of the new amendments to the standards or any new standard is immaterial to the Group.

4 USE OF ESTIMATES AND CRITICAL ACCOUNTING JUDGEMENTS

The preparation of Financial Information requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Such judgments, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the Financial Information are disclosed below.

4.1 Property, plant and equipment and Intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life. The useful lives of the Group's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology etc.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

4.2 Leases

The Group determines the lease term in accordance with Ind AS 116 which requires lessees 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 Group makes an assessment on the expected lease term on a 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 Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations.

4.3 Inventories

The Group considers year and seasonality to which inventory pertains for determining net realisable value for old inventories. Such old inventories are marked down to its estimated realisable value based on amount which the Group has been able to realise on sale of old inventory. The management applies judgement in determining the appropriate provisions for slow moving and / or obsolete stock, based on the analysis of old season inventories, past experience, current trend and future expectations for these inventories, depending upon the category of goods.

4.4 Employee benefits

The cost of the defined benefit plan is determined by actuarial valuations using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rates, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its nature, a defined benefit is highly sensitive to change in these assumptions. All assumptions are reviewed at each reporting period.

4.5 Provision for sales return

The Group recognises a provision for sales returns based on seasonal trends observed in prior years. This provision is reviewed periodically to ensure its continued relevance in light of changing market conditions, based on management's assessment.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

5(a) PROPERTY, PLANT AND EQUIPMENT

	Particulars	Office Equipment	Computers	Leasehold Improvement	Furniture & Fixtures	Vehicles	Plant & Equipment	Total
I.	**Gross Carrying Value**							
	Balance as on April 01, 2023	94.45	20.48	457.34	260.28	29.15	14.76	**876.45**
	Additions	51.00	6.81	171.54	97.45	21.51	0.50	**348.81**
	Disposals / adjustments	(7.31)	(1.85)	(70.05)	(1.57)	(9.10)	(0.20)	**(90.08)**
	Balance as on March 31, 2024	**138.14**	**25.43**	**558.83**	**356.16**	**41.56**	**15.06**	**1,135.18**
	Additions	31.83	3.34	108.88	45.79	10.84	0.51	**201.19**
	Disposals / adjustments	(29.55)	(4.55)	(167.32)	(3.12)	(4.13)	(0.87)	**(209.54)**
	Balance as on March 31, 2025	**140.42**	**24.22**	**500.39**	**398.83**	**48.27**	**14.70**	**1,126.83**
II.	**Accumulated Depreciation**							
	Balance as on April 01, 2023	29.25	9.96	141.13	71.04	7.65	2.05	**261.08**
	Depreciation expense	25.66	5.66	99.47	43.85	5.02	1.36	**181.02**
	Disposals / adjustments	(6.73)	(1.82)	(63.08)	(0.71)	(6.74)	(0.06)	**(79.14)**
	Balance as on March 31, 2024	**48.18**	**13.80**	**177.52**	**114.18**	**5.93**	**3.35**	**362.96**
	Depreciation expense	29.03	6.93	106.03	65.72	5.98	1.36	**215.05**
	Disposals / adjustments	(27.41)	(4.52)	(158.54)	(1.63)	(4.13)	(0.34)	**(196.57)**
	Balance as on March 31, 2025	**49.80**	**16.21**	**125.01**	**178.27**	**7.78**	**4.37**	**381.44**
III.	**Net Carrying Value (I-II)**							
	Balance as on April 01, 2023	**65.20**	**10.51**	**316.21**	**189.24**	**21.50**	**12.71**	**615.37**
	Balance as on March 31, 2024	**89.96**	**11.63**	**381.31**	**241.98**	**35.63**	**11.71**	**772.22**
	Balance as on March 31, 2025	**90.62**	**8.01**	**375.38**	**220.56**	**40.49**	**10.33**	**745.39**

Notes:

(i) Property, plant and equipment have been mortgaged / hypothecated against secured term loan and cash credit facility (Refer note 17).

5(b) RIGHT OF USE ASSETS

	Particulars	As at March 31, 2025	As at March 31, 2024
I.	**Gross Carrying Value**		
	Opening gross carrying amount	2,934.80	2,452.92
	Additions	662.79	768.33
	Disposals / adjustments	(341.47)	(286.45)
	Closing gross carrying value	**3,256.12**	**2,934.80**
II.	**Accumulated Depreciation**		
	Opening accumulated depreciation	919.82	721.65
	Depreciation expense	468.80	438.99
	Disposals / adjustments	(277.66)	(240.82)
	Closing accumulated depreciation	**1,110.96**	**919.82**
III.	**Net Carrying Value**	**2,145.16**	**2,014.98**

The right-of-use assets comprise of buildings / premises taken on lease. The Group has applied a single discount rate to a portfolio of leases with similar characteristics.

(i) The following is the break-up of current and non-current lease liabilities :

Particulars	As at March 31, 2025	As at March 31, 2024
Current lease liability	374.23	342.28
Non current lease liability	1,981.51	1,814.16
Total	**2,355.74**	**2,156.44**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

(ii) The following is the movement in lease liabilities during the year :

Particulars	As at March 31, 2025	As at March 31, 2024
Balance at the beginning of the year	2,156.44	1,818.35
Additions/modifications	626.73	733.09
Deletions	(67.74)	(49.36)
Finance cost on lease liabilities (Refer note 28)	196.72	165.68
Lease rentals paid	(556.41)	(511.32)
Balance as at the end of the year	**2,355.74**	**2,156.44**

(iii) Details of contractual maturities of lease liabilities on an undiscounted basis :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Less than one year	596.62	501.02
One to five years	2,106.29	1,640.32
More than five years	339.03	711.14
Total	**3,041.94**	**2,852.48**

The Group does not face significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the lease liabilities as and when they fall due.

(iv) Impact on statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on lease liabilities	196.72	165.68
Depreciation on right of use assets	468.80	438.99
Expenses relating to short-term leases	28.56	3.80
Expenses relating to variable leases	34.05	58.22
Expenses relating to low value leases	1.62	2.41

5(c) CAPITAL WORK IN PROGRESS

Particulars	Leasehold Improvement
Balance as on April 01, 2023	**2.08**
Expenditure during the year	8.34
Capitalised during the year	(2.08)
Balance as on March 31, 2024	**8.34**
Expenditure during the year	7.04
Capitalised during the year	(8.34)
Balance as on March 31, 2025	**7.04**

Capital work-in-progress ageing schedule as at March 31, 2025 is as follows

Particulars	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	7.04	-	-	-	7.04
Total	**7.04**	**-**	**-**	**-**	**7.04**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

Capital work-in-progress ageing schedule as at March 31, 2024 is as follows

Particulars	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	8.34	-	-	-	8.34
Total	**8.34**	**-**	**-**	**-**	**8.34**

Note:

There is no capital work in progress pertaining to projects as of March 31, 2025 and March 31, 2024 whose completion is overdue or has exceeded it's cost compared to original plan.

6 INVESTMENT PROPERTIES

Particulars	As at March 31, 2025	As at March 31, 2024
Gross carrying value		
Opening gross carrying amount	17.42	17.42
Additions	-	-
Disposals / adjustments	-	-
Closing gross carrying value	**17.42**	**17.42**
Accumulated depreciation		
Opening accumulated depreciation	1.14	0.76
Depreciation charge (Refer note 29)	0.38	0.38
Closing accumulated depreciation	**1.52**	**1.14**
Net carrying value	**15.90**	**16.28**

The investment properties comprise commercial spaces in a building.

Notes:

(i) Amounts recognised in Statement of Profit and Loss for investment properties

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rental income (Refer note 24)	4.69	4.46
Direct operating expenses from property that generated rental income	(0.18)	(0.81)
Profit/(Loss) from investment properties before depreciation	**4.50**	**3.64**
Depreciation charge (Refer note 29)	(0.38)	(0.38)
Profit/(Loss) from investment properties	**4.13**	**3.26**

(ii) There is no immovable property which is not held in the name of the Group.

(iii) Investment property includes ₹ 3,250/- being the value of sixty five shares of ₹ 50 each in Tex Centre Premises Co-operative Society Limited.

(iv) Details of rental income receivable on an undiscounted basis:

Particulars	As at March 31, 2025	As at March 31, 2024
Less than one year	4.65	4.69
One to five years	1.77	6.42
More than five years	-	-
Total	**6.42**	**11.11**

(v) The fair value of investment properties of ₹ 153.18 millions as at March 31, 2025 has been arrived at on the basis of valuations carried out at that date by 'Yardi Prabhu Consultants & Valuers Private Limited', an accredited independent valuer. They specialise in valuing these types of investment properties and is a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

Description of valuation techniques used and key inputs to valuation on investment properties:

Investment properties Valuation	Technique
Building	Selling price method based on recent market prices

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

7 OTHER INTANGIBLE ASSETS

	Particulars	Trade Mark & Brands	Software	Total
I.	**Gross Carrying Value**			
	Balance as on April 01, 2023	**1.94**	**3.09**	**5.03**
	Additions	-	-	**-**
	Disposals / adjustments	(0.01)	-	**(0.01)**
	Balance as on March 31, 2024	**1.93**	**3.09**	**5.02**
	Additions	-	0.40	**0.40**
	Disposals / adjustments	-	-	**-**
	Balance as on March 31, 2025	**1.93**	**3.49**	**5.42**
II.	**Accumulated Amortisation**			
	Balance as on April 01, 2023	**1.05**	**0.22**	**1.27**
	Amortisation expense	0.50	1.01	**1.51**
	Disposals / adjustments	(0.01)	-	**(0.01)**
	Balance as on March 31, 2024	**1.54**	**1.23**	**2.77**
	Amortisation expense	0.39	1.01	**1.40**
	Disposals / adjustments	-	-	**-**
	Balance as on March 31, 2025	**1.93**	**2.24**	**4.17**
III.	**Net Carrying Value (I-II)**			
	Balance as on April 01, 2023	**0.89**	**2.87**	**3.76**
	Balance as on March 31, 2024	**0.39**	**1.86**	**2.25**
	Balance as on March 31, 2025	**-**	**1.25**	**1.25**

8 OTHER FINANCIAL ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
(Unsecured, considered good)		
Non-current		
Security deposits paid	174.15	157.68
	174.15	**157.68**
(Unsecured, considered doubtful)		
Non-current		
Security deposits paid	9.90	9.89
Less: Allowance for doubtful security deposits	(9.90)	(9.89)
	-	**-**
Total	**174.15**	**157.68**
(Unsecured, considered good)		
Current		
(a) Security deposits paid	74.51	86.06
(b) Accrued interest on bank deposits	1.85	0.20
(c) In demand deposit accounts		
- Having original maturity more than than 12 months	6.87	-
Total	**83.23**	**86.26**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

9 DEFERRED TAX ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Deferred tax assets (a)	900.90	776.96
Deferred tax liabilities (b)	(594.04)	(510.28)
Deferred tax assets (net) (a-b)	**306.86**	**266.68**

Deferred tax assets / (liabilities) in relation to:

	Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	As at March 31 2025				
i)	**Deferred tax assets in relation to:**				
	Property, plant and equipment	113.09	18.73	-	131.82
	Leases (net)	542.74	50.15	-	592.89
	Security deposits paid	16.37	14.39	-	30.76
	Employee benefits	17.66	0.45	(0.68)	17.43
	Doubtful debts	25.50	0.36	-	25.87
	Loyalty points	9.47	(6.91)	-	2.56
	Revenue reversal - goods sold on sale or return basis	50.94	48.64	-	99.58
	GST input tax credit	0.82	(0.82)	-	-
	Trade payable - MSME	0.37	(0.37)	-	-
	Total	**776.96**	**124.62**	**(0.68)**	**900.90**
ii)	**Deferred tax liabilities in relation to:**				
	Other intangible assets	-	0.18	-	0.18
	Investment properties	3.14	-	-	3.15
	Leases (net)	493.97	45.92	-	539.89
	Security deposits paid	13.16	(1.33)	-	11.83
	Revenue reversal - goods sold on sale or return basis	-	38.99	-	38.99
	Total	**510.28**	**83.76**	**-**	**594.04**
	Deferred tax assets (net)	**266.68**	**40.90**	**(0.68)**	**306.86**

	Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
	As at March 31 2024				
i)	**Deferred tax assets in relation to:**				
	Property, plant and equipment	101.55	11.54	-	113.09
	Leases (net)	457.65	85.09	-	542.74
	Security deposits paid	13.11	3.26	-	16.37
	Employee benefits	15.01	2.51	0.14	17.66
	Doubtful debts	23.46	2.04	-	25.50
	Loyalty points	4.67	4.80	-	9.47
	Revenue reversal - goods sold on sale or return basis	26.01	24.93	-	50.94
	GST input tax credit	1.13	(0.31)	-	0.82
	Trade payable - MSME	-	0.37	-	0.37
	Total	**642.59**	**134.23**	**0.14**	**776.96**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
ii)	**Deferred tax liabilities in relation to:**				
	Other intangible assets	0.04	(0.04)	-	-
	Investment properties	3.14	0.01	-	3.14
	Leases (net)	424.33	69.64	-	493.97
	Security deposits paid	12.56	0.60	-	13.16
	Total	**440.07**	**70.21**	**-**	**510.28**
	Deferred tax assets (net)	**202.52**	**64.02**	**0.14**	**266.68**

Note:

The Group has recognised deferred tax assets (net) amounting to ₹ 306.86 millions as at March 31, 2025 (As at March 31, 2024: ₹ 266.68 millions), consistent with applicable Indian Accounting Standard as it is considered probable that future taxable profits will be available.

10 NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax assets (net of provision for tax)	5.49	5.49
Total	**5.49**	**5.49**

11 OTHER ASSETS

(Unsecured, considered good)

	Particulars	As at March 31, 2025	As at March 31, 2024
	Non-current		
(a)	Capital advances	4.11	4.90
(b)	Balance with government authorities (Goods and Services tax input receivable)	131.58	176.26
(c)	Prepayments	0.75	1.35
(d)	Prepayments - Security deposits	4.67	5.78
	Total	**141.11**	**188.29**
	Current		
(a)	Advances to employees	5.51	4.73
(b)	Prepayments	8.42	7.09
(c)	Prepayments - Security deposits	0.11	0.01
(d)	Advances to suppliers	23.76	12.39
(e)	Right to return good assets (Refer note (i) below)	142.25	128.60
(f)	Other advances (Refer note (ii) below)	23.28	31.00
	Total	**203.33**	**183.82**

Note:

(i) The right to return goods asset represents the Group's right to recover products from customers where customers exercise their right of return under the Group's returns policy. The Group uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

(ii) The Group has incurred, expenses amounting to ₹ 343 millions in connection with initial public offer of equity shares of the Group. In accordance with the Companies Act, 2013 (the Act), the Group has fully recovered the aforesaid expenses from the selling shareholders. As at March 31, 2024 balance of ₹ 23.28 millions are lying in the escrow account.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

12 INVENTORIES

Particulars	As at March 31, 2025	As at March 31, 2024
Raw materials		
Finished goods	6.13	30.29
Stock in trade	951.11	1,155.43
Stock in trade - In Transit	15.64	6.00
Total	**1,018.16**	**1,249.39**

(i) The cost of inventories recognised as an expense is ₹ 2,642.75 millions for the year ended March 31, 2025 (for the year ended March 31, 2024 ₹ 2,412.73 millions).

(ii) The cost of inventories recognised as an expense on account of write-down of inventory is ₹ 35.27 millions for the year ended March 31, 2025 (for the year ended March 31, 2024 ₹ 16.65 millions).

(iii) The mode of valuation of inventory has been stated in note 2.9.

(iv) Inventories have been pledged against secured term loan and cash credit facility (Refer note 17)

13 TRADE RECEIVABLES

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Unsecured, considered good	2,391.21	2,122.41
Unsecured, considered doubtful	92.88	91.41
	2,484.09	**2,213.82**
Less: Expected credit loss allowance	(92.88)	(91.41)
Total	**2,391.21**	**2,122.41**

Note:

(i) Movement in expected credit loss allowance

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance as at the beginning of the year	91.41	84.04
Add: Provided during the year	3.14	7.37
Less: Amount Written off	(1.67)	-
Balance as at the end of the year	**92.88**	**91.41**

(iii) Trade receivable ageing:
Outstanding for following periods from date of transaction

	Particulars	As at March 31, 2025	As at March 31, 2024
(a)	**Undisputed trade receivables - considered good**		
	Not due	-	-
	Less than 6 months	2,258.76	2,002.57
	6 months - 1 year	130.53	97.41
	1-2 years	1.03	22.43
	2-3 years	0.80	-
	More than 3 years	0.09	-
	Sub-total	**2,391.21**	**2,122.41**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars	As at March 31, 2025	As at March 31, 2024
(b)	**Undisputed trade receivables which have significant increase in credit risk**		
	Not due	-	-
	Less than 6 months	0.06	0.02
	6 months - 1 year	1.03	1.07
	1-2 years	0.92	5.66
	2-3 years	4.48	8.70
	More than 3 years	86.39	75.96
		92.88	**91.41**
	Less: Allowance for doubtful trade receivables (expected credit loss allowance)	(92.88)	(91.41)
	Sub-total	-	-
	Total	**2,391.21**	**2,122.41**

(iii) The Group recognises allowance for expected credit loss on trade receivables, which are assessed for credit risk on individual basis.

(iv) The management has established a credit policy under which customers are analysed for their creditworthiness.

(v) Trade receivables have been pledged against secured term loan and cash credit facility (Refer note 17)

(vi) There were no receivables due from directors or any of the officers of the Group.

(vii) No single customer represents 10% or more of the Group's total revenue for the year ended March 31, 2025 and 2024, respectively.

(viii) Generally, customers remit sales consideration without specifying particular invoices in respect of which such remittances are being made. Hence, such receipts from the customers are adjusted against their trade receivables on First in First out (FIFO) basis.

(ix) There are no disputed trade receivables as at March 31, 2025 and March 31, 2024.

(x) Relationship with Struck off Companies: During the current financial year, Group doesn't have any transactions and outstanding balances with struck off Companies.

14 CASH AND CASH EQUIVALENTS

For the purpose of statement of cashflows, cash and cash equivalents includes cash on hand and balance in banks. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars		As at March 31, 2025	As at March 31, 2024
(a)	Cash on hand (Refer note (i) below)	10.05	7.75
	Balance with Banks (Refer note (i) below)		
	In current accounts	72.65	8.89
	In demand deposit accounts		
	- Having original maturity less than 3 months	369.60	-
(b)	Other bank balances		
	In earmarked deposit accounts	1.62	8.29
Total		**453.92**	**24.93**

Note:

(i) Cash and cash equivalents have been pledged against secured term loan and cash credit facility (Refer note 17)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

15 EQUITY SHARE CAPITAL

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Authorised share capital				
Equity share capital				
Equity shares of ₹ 2 each with equal voting rights (Refer note (i) below)	7,00,00,000	140.00	7,00,00,000	140.00
Total	**7,00,00,000**	**140.00**	**7,00,00,000**	**140.00**
Issued share capital				
Equity shares of ₹ 2 each with equal voting rights (Refer note (i) below)	6,53,10,503	130.62	6,44,81,220	128.96
Total	**6,53,10,503**	**130.62**	**6,44,81,220**	**128.96**
Subscribed and paid-up share capital				
Equity shares of ₹ 2 each with equal voting rights (Refer note (i) below)	6,53,10,503	130.62	6,44,81,220	128.96
Total	**6,53,10,503**	**130.62**	**6,44,81,220**	**128.96**

(i) The Authorised Share Capital of the Company was increased from ₹ 50 millions (consisting of 50,00,000 equity shares of face value of ₹ 10 each) to ₹ 140 millions (consisting of 7,00,00,000 equity shares of face value of ₹ 2 each) through an ordinary resolution passed by the Shareholders of the Company in Extra Ordinary General Meeting of Company held on April 23, 2023.

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Equity shares with equal voting rights				
At the beginning of the year	6,44,81,220	128.96	32,15,094	32.15
Add: Shares issued during the year	8,29,283	1.66	1,79,340	0.36
Add: Issued on account of bonus shares during the year (Refer note 15 f)	-	-	96,45,282	96.45
Add: Issued on account of split of shares during the year (Refer note 15 g)	-	-	5,14,41,504	-
At the end of the year	**6,53,10,503**	**130.62**	**6,44,81,220**	**128.96**

b. Details of shares held by each shareholder holding more than 5% shares

Class of shares / Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with equal voting rights				
Mrs. Poonam Khushlani	1,40,39,480	21.50%	1,38,89,380	21.54%
Mr. Kamal Khushlani	1,83,09,220	28.03%	1,81,20,420	28.10%
M/s. Bennett, Coleman & Company Limited	53,88,555	8.25%	52,31,701	8.11%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

c. Details of shares held by promoters at the end of the year *

Class of shares / Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with equal voting rights				
Mrs. Poonam Khushlani	1,40,39,480	21.50%	1,38,89,380	21.54%
(Percentage change during the year)		(0.04%)		(6.71%)
Mr. Kamal Khushlani	1,83,09,220	28.03%	1,81,20,420	28.10%
(Percentage change during the year)		(0.07%)		(6.52%)
Mr. Andrew Khushlani	18,06,000	2.77%	18,06,000	2.80%
(Percentage change during the year)		(0.04%)		(0.18%)
Ms. Sonakshi Khushlani	18,06,000	2.77%	18,06,000	2.80%
(Percentage change during the year)		(0.04%)		(0.18%)

* Promoters means promoters as defined in Companies Act, 2013.

d. Shares reserved for issue under options:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number	Amount	Number	Amount
Equity shares of ₹ 2 each with equal voting rights	19,12,097	3.82	27,41,380	5.48

e. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 each (Refer note 15 g). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholde₹ The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

f. Bonus-issue of equity shares

The Company has allotted 96,45,282 fully paid-up shares of face value ₹ 10 each on April 07, 2023, pursuant to bonus issue approved by the shareholders in the Extraordinary General Meeting dated February 14, 2023. For the bonus issue, bonus share of three equity share for every one equity shares held, has been allotted.

g. Sub-division of equity shares

The Shareholders in their Extraordinary General Meeting dated April 18, 2023 approved sub-division of each authorised and issued equity shares of face value ₹ 10 into five equity shares of face value of ₹ 2 each.

16 OTHER EQUITY

Particulars	As at March 31, 2025	As at March 31, 2024
Securities Premium	98.78	68.70
Share option outstanding account	14.28	14.26
Retained earnings	3,858.00	3,204.76
Total	**3,971.06**	**3,287.72**

(i) Securities Premium

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	68.70	159.14
Utilisation on issue of bonus shares	-	(96.45)
Transfer from share option outstanding account	5.74	0.75
Addition on issue of shares	24.34	5.26
Balance as at end of the year	**98.78**	**68.70**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

(ii) Share option outstanding account

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	14.26	9.02
Recognition of share based payments	5.76	5.99
Transfer to share premium	(5.74)	(0.75)
Balance as at end of the year	**14.28**	**14.26**

The above reserve relates to share option granted by the Group to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 37.

(iii) Retained earnings

Particulars	As at March 31, 2025	As at March 31, 2024
Balance as at beginning of the year	3,204.76	2,613.20
Add: Profit for the year	683.71	591.97
Less: Payment of dividend	(32.48)	-
Add: Other comprehensive income / (loss) arising from remeasurement of defined benefit obligation (net of tax)	2.01	(0.41)
Balance as at end of the year	**3,858.00**	**3,204.76**

Retained earnings comprises of the amounts that can be distributed by the Group as dividends to its equity share holders.

17 BORROWINGS

	Particulars	As at March 31, 2025	As at March 31, 2024
	Secured - at amortised cost		
	Non-current borrowings		
(a)	Term loans from bank (Refer note 1 below)	-	34.31
(b)	Vehicle loans from bank (Refer note 2 below)	10.74	14.15
	Total	**10.74**	**48.46**
	Current borrowings		
(a)	**Current maturities of long-term borrowings (secured)**		
	Term loans from bank (Refer note 1 below)	-	33.24
	Vehicle loans from bank (Refer note 2 below)	3.42	3.14
	Sub-total	**3.42**	**36.38**
(b)	**Other Borrowings**		
	Cash credit from bank (Refer note 3 below)	-	90.51
	Working capital demand loan (Refer note 4 below)	-	200.00
	Sub-total	**-**	**290.51**
	Total	**3.42**	**326.89**

Note:

1 Term loans

1.1 Interest

Interest rate on term loans is calculated at a sum of the 6 Month MCLR plus 20 basis points. The interest rate is subject to changes on the base rate of Reserve Bank of India from time to time.

Particulars	As at March 31, 2025	As at March 31, 2024
Interest rate	8.60%	8.60%

1.2 Repayment terms

The repayment schedule of outstanding balances of term loans is as under:

Repayable in	As at March 31, 2025	As at March 31, 2024
2024-25	-	33.24
2025-26	-	34.31
Total	**-**	**67.55**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

1.3 Security

Term loan are secured by hypothecation of entire current assets, movable and immovable assets of the Group.

1.4 Prepayment terms

Prepayment of vehicle loan prior to completion of tenure shall attract a penal charge.

2 Vehicle loans

2.1 Interest

Interest rate on vehicle loan as at March 31, 2025 is 8.70% per annum.

2.2 Repayment terms

The repayment schedule of outstanding balances of vehicle loan is as under:

Repayable in	As at March 31, 2025	As at March 31, 2024
2024-25	-	3.14
2025-26	3.42	3.42
2026-27	3.73	3.73
2027-28	4.06	4.06
2028-29	2.95	2.95
Total	**14.16**	**17.30**

2.3 Security

Vehicle loan is secured by first and exclusive charge on the corresponding vehicle.

2.4 Prepayment terms

Prepayment of term loan prior to completion of tenure shall attract a penal charge.

3 Cash credit facility

Cash credit from banks are secured by hypothecation of existing current assets and immovable assets of the Group.

4 Working capital demand loan

Working capital facilities and other fund based facilities i.e. working capital demand loan and are secured by hypothecation of inventories, book debts and receivables.

18 OTHER FINANCIAL LIABILITIES

	Particulars	As at March 31, 2025	As at March 31, 2024
	Non-Current	-	-
(a)	Security deposits received	411.79	398.98
	Total	**411.79**	**398.98**
	Current		
(b)	Creditors for capital goods	3.22	17.18
(c)	Interest accrued but not due on borrowings	0.07	1.00
(d)	Interest accrued and due on security deposits	6.17	5.54
(e)	Interest on MSME vendors	3.79	8.32
	Total	**13.25**	**32.04**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

19 PROVISIONS

Particulars	As at March 31, 2025	As at March 31, 2024
Non-Current		
Provision for employee benefits:		
Provision for gratuity (Refer note no. 35)	38.02	40.19
Total	**38.02**	**40.19**

Particulars	As at March 31, 2025	As at March 31, 2024
Current		
Provision for employee benefits:		
Provision for compensated absences	-	2.94
Provision for gratuity (Refer note no. 35)	12.67	8.16
Other provisions		
Provision for loyalty points	10.15	37.62
Total	**22.82**	**48.72**

Customer Loyalty Points

Particulars	As at March 31, 2025	As at March 31, 2024
As at the beginning of the year	37.62	18.54
Deferred during the year	10.15	37.62
Released to the statement of profit and Loss	(37.62)	(18.54)
As at the end of the year	**10.15**	**37.62**

The Group estimates the fair value of points awarded under the loyalty programme by applying statistical techniques. Inputs to the model includes making assumptions about expected redemption basis the Group's historic trends of redemption and expiry period of the points and such estimates are subject to significant uncertainty.

20 OTHER LIABILITIES

	Particulars	As at March 31, 2025	As at March 31, 2024
	Current		
(a)	Advances from customers	4.34	3.41
(b)	Statutory dues (Refer note (i) below)	29.05	15.28
(c)	Refund liability for expected sales return (Refer note (ii) below)	361.17	319.21
(d)	Accrued payroll and employee benefits	41.99	38.88
(e)	Outstanding expenses - IPO	23.28	31.00
(f)	Unclaimed dividend	0.03	-
	Total	**459.86**	**407.78**

Note:

(i) Statutory dues include goods and service tax, tax deducted at source, provident fund, profession tax, labour welfare fund.

(ii) Other current liabilities include refund liability relating to customers' right to return products as per Group's policy. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. The Group uses its accumulated historical experience to estimate the number of returns on a seasonal basis using the expected value method.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

21 TRADE PAYABLES

	Particulars	As at March 31, 2025	As at March 31, 2024
(i)	Total outstanding dues of micro enterprises and small enterprises	79.84	85.76
	Sub-total	**79.84**	**85.76**
(ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	176.09	131.65
	Sub-total	**176.09**	**131.65**
	Total	**255.93**	**217.41**

Note:

(i) The average credit period on purchases of goods and services are within 30 to 75 days.

(ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

	Particulars	As at March 31, 2025	As at March 31, 2024
(a)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year.*		
	Principal	82.78	90.92
	Interest	-	0.07
(b)	The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of accounting year; and	0.46	2.69
(e)	The amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act 2006.	0.05	0.01

Dues to Micro and Small Enterprises (MSME) have been determined to the extent such parties have been Identified on the basis of Information collected by the Management. This has been relied upon by the auditors.

*Includes dues of MSME Creditors for capital goods amounting to ₹ 2.94 millions (as at March 31, 2024 ₹ 7.84 millions) as per Note 18.

(iii) Trade payable analysis

Outstanding for following periods from date of transaction

Particulars	As at March 31, 2025	As at March 31, 2024
Undisputed dues		
Micro enterprises and small enterprises		
Unbilled	-	-
Not due	-	-
Less than 1 year	79.82	85.77
1-2 years	0.02	-
2-3 years	-	-
More than 3	-	-
Sub-total	**79.84**	**85.77**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Other than micro enterprises and small enterprises		
Unbilled	-	-
Not due	53.94	55.83
Less than 1 year	115.01	72.62
1-2 years	4.08	1.17
2-3 years	1.01	1.35
More than 3	2.05	0.67
Sub-total	**176.09**	**131.64**
Total	**255.93**	**217.41**

(iv) There are no disputed trade payables as at March 31, 2025 and March 31, 2024.

(v) Relationship with Struck off Companies: During the current financial year, Group doesn't have any transactions and outstanding balances with struck off Companies.

22 CURRENT TAX LIABILITIES

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax liability (net of advance tax and tax deduted at source)	18.95	5.43
Total	**18.95**	**5.43**

Note:

(i) The above income tax liability is net of advance tax and tax deducted at source, ₹ 257.23 millions (as at March 31, 2024, ₹ 260.44 millions)

23 REVENUE FROM OPERATIONS

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of products (traded goods)	6,181.80	5,673.32
Total	**6,181.80**	**5,673.32**

Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract price of sale of products	8,408.18	8,206.13
Less:		
Sales return	(1,604.75)	(1,857.88)
Discount	(614.22)	(626.06)
Customer loyalty points & gift vouchers	(7.41)	(48.87)
Net revenue from sale of products	**6,181.80**	**5,673.32**

24 OTHER INCOME

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Interest received on		
Financial assets measured at amortised cost		
Bank deposits	12.04	0.62
Security deposits	14.96	13.19
Others	1.50	3.49

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(b)	Other gains and losses		
	Rental income (Refer note 6 (i))	4.69	4.46
	Profit on property, plant and equipment sold	1.45	2.63
	Discount received	13.33	9.58
	Sundry balances written back	-	2.03
	Excess provisions written back	0.93	-
	Gain on termination of leases (Net)	11.57	5.39
	Miscellaneous income	0.29	4.73
	Total	**60.76**	**46.12**

25 COST OF MATERIALS CONSUMED

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Opening stock (including Goods-in-transit)	57.67	60.71
	Add: Purchase of raw materials	139.55	164.52
		197.22	**225.23**
	Less: Closing stock (including Goods-in-transit)	(45.28)	(57.67)
	Total (a)	**151.94**	**167.56**
(b)	Purchases of stock-in-trade	2,271.97	2,363.57
	Total (b)	**2,271.97**	**2,363.57**
	Total	**2,423.91**	**2,531.13**

26 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Closing stock		
	Finished goods	6.13	30.29
	Stock-in-trade	966.75	1,161.43
	Sub-total	**972.88**	**1,191.72**
(b)	Opening stock		
	Finished goods	30.29	8.82
	Stock-in-trade	1,161.43	1,064.50
	Sub-total	**1,191.72**	**1,073.32**
	Total	**218.84**	**(118.40)**

27 EMPLOYEE BENEFITS EXPENSE

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Salaries, wages and bonus	291.04	287.50
(b)	Share-based payments (Refer note 36)	5.76	5.99
(c)	Contribution to provident and other funds	4.42	4.43
(d)	Gratuity expenses (Refer note 35)	7.71	7.00
(e)	Staff welfare expenses	11.65	10.58
	Total	**320.58**	**315.50**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

28 FINANCE COSTS

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Interest expenses for financial liabilities (classified at amortised cost)		
	Borrowings	8.14	22.74
	Trade payables	0.51	2.69
	Security deposits	25.82	24.53
(b)	Interest on lease liabilities (Refer note 5b)	196.72	165.68
(c)	Interest on delayed payment of taxes	0.21	1.26
(d)	Others	23.38	23.72
	Total	**254.78**	**240.62**

29 DEPRECIATION AND AMORTISATION EXPENSES

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Depreciation on property, plant and equipment (Refer note 5a)	215.05	181.02
(b)	Depreciation on right of use assets (Refer note 5b)	468.80	438.99
(c)	Depreciation on investment properties (Refer note 6)	0.38	0.38
(d)	Amortisation of other intangible assets (Refer note 7)	1.40	1.51
	Total	**685.63**	**621.90**

30 OTHER EXPENSES

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Power and fuel	40.64	36.26
(b)	Rent	82.48	65.76
(c)	Repair and maintenance	12.57	17.47
(d)	Insurance expenses	14.37	12.72
(e)	Rates and taxes	2.68	22.52
(f)	Communication	6.95	7.61
(g)	Travelling and conveyance	52.96	60.89
(h)	Printing and stationery	2.56	3.87
(i)	Freight charges	59.04	57.20
(j)	Sales commission	213.55	189.30
(k)	Advertisement	219.38	264.28
(l)	Sales promotion	98.04	54.52
(m)	Net loss on foreign currency transactions and translation other than considered as finance costs	0.01	0.01
(n)	Legal and professional	44.47	36.89
(o)	Payments to auditors (Refer note below)	2.81	4.84
(p)	Expenditure on corporate social responsibility	15.55	10.64
(q)	Loss on property, plant and equipment sold and written off	12.88	8.44
(r)	Computer and software charges	19.51	16.91
(s)	Labour charges	6.23	5.10
(t)	Security charges	8.53	8.22
(u)	Store expenses	98.68	90.23
(v)	Courier charges	17.16	16.83
(w)	Manpower expenses	369.47	322.71
(x)	Sundry balances written off	0.26	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(y)	Bad debts written off	-	0.37
(z)	Security deposit written off	0.80	-
(aa)	Allowance for expected credit loss on receivables	2.05	7.37
(ab)	Allowance for doubtful security deposits	0.35	0.73
(ac)	Director sitting fees	1.80	3.13
(ad)	Miscellaneous expenses	15.12	14.93
	Total	**1,420.90**	**1,339.75**

Note:

Payment to auditors comprise (net of tax input credit, where applicable)*:

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
	To Statutory auditors for:		
(a)	For Audit	2.71	4.51
(b)	For Other services	-	0.24
(c)	Reimbursement of expenses	0.10	0.09
	Total	**2.81**	**4.84**

*excluding payment made related to IPO services. (Refer note 11(ii))

31 TAX EXPENSE

(i) Income tax recognised in Consolidated Statement of Profit or Loss

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Current tax	276.18	265.87
(b)	Excess provision of income tax in relation to earlier years	(1.07)	(4.88)
(c)	Deferred tax credit	(40.90)	(64.02)
	Total	**234.21**	**196.97**

(ii) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	917.92	788.94
Tax rate	25.17%	25.17%
Income tax expense calculated	**231.12**	**198.47**
Adjustment		
Expense that are not deductible in determining taxable profit	3.77	3.46
Excess provision of income tax in relation to earlier years	(1.07)	(4.88)
Others	0.39	(0.08)
	3.09	**(1.50)**
Income tax expense recognised in Consolidated Statement of Profit or Loss	**234.21**	**196.97**

(iii) Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Deferred tax arising on expense recognised in other comprehensive income:	-	-
Items that will not be reclassified to profit or loss	-	-
Remeasurement of the defined benefit plans	(0.68)	0.14
Total	**(0.68)**	**0.14**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

32 CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	As at March 31, 2025	As at March 31, 2024
A.	Contingent Liabilities		
	Claims against the Group not acknowledged as debts (Refer note (i) below)		
	Income tax matters	4.00	4.00
	Goods and service tax matters	40.57	3.24
	Other matters (Refer note (ii) below)	7.58	7.61
B.	Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for net of advances (Refer note 11(a) and (iv) below)	3.28	2.64
	Bank Guarantee given (Refer note (v) below)	27.50	27.50

Notes:

(i) The Group has assessed all its pending litigation and proceedings and has adequately provided where provision are required. The Group has disclosed contingent liabilities wherever applicable. The resolution of these legal proceedings is not likely to have a material and adverse effect on the results of operations or the financial position of the Group.

(ii) Other matters includes:

a) Bonus liability amounting to ₹ 3.87 millions for the 2014-15 is pending for settlement with judiciary authorities.

b) The vendors have raised claims amounting of ₹ 3.71 millions (as at March 31, 2024 ₹ 3.74 millions) on account of non payment as per terms of the respective contracts. The Group has contended that the vendors have not adhered to some of the contract terms. At present the matters are pending before the jurisdictional authorities.

(iii) Apart from the commitments disclosed above, the Group. has no financial commitments other than those in the nature of regular business operations.

(iv) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(v) Bank guarantee amounting to ₹ 27.50 millions given to Bombay Stock Exchange (BSE) in relation to Initial Public Offer (IPO)

33 SEGMENT REPORTING

The Group is primarily engaged in the business of retailing of men's casual wear under its Brand MUFTI, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting business segment.

There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets. During the year ended March 31, 2025 and March 31, 2024, revenue from transactions with a single external customer did not amount to 10% or more of the Group's revenues from the external customers.

34 EARNINGS PER SHARE ('EPS')

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Basic earnings per share		
Profit for the year (A)	**683.71**	**591.97**
Weighted Number of equity shares outstanding	6,44,81,220	6,43,01,880
Add: Increase in number of shares on account of shares exercised under stock option plan.	4,42,118	27,003
Weighted average number of shares outstanding during the year for Basic EPS (B)	**6,49,23,338**	**6,43,28,883**
Basic earnings per share in ₹ (C=A/B)	**10.53**	**9.20**

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(All amounts in ₹ millions, unless otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Diluted earnings per share		
Profit for the year (A)	**683.71**	**591.97**
Weighted average number of shares outstanding during the year for Basic EPS	6,49,23,338	6,43,28,883
Add: Weighted average number of potential equity shares*	75,825	46,661
Weighted average number of equity shares for Diluted EPS (B)	**6,49,99,163**	**6,43,75,544**
Diluted earnings per share in ₹ (C=A/B)	**10.52**	**9.20**

*Stock options granted to the employees under stock option plan are considered to be potential equity shares. The same is considered in the determination of diluted earnings per share to the extent that they are not anti-dilutive. The stock options are not included in the determination of basic earnings per share.

35 EMPLOYEE BENEFIT PLANS

Disclosure on Retirement Benefits as required in Indian Accounting Standard (Ind AS) 19 on "Employee Benefits" are given below:

A. Defined Contribution Plan

The Group's contribution to Provident & Other Funds is ₹ 4.42 millions for the year ended March 31, 2025 (for the year ended March 31, 2024: ₹ 4.43 millions), has been recognised in the Statement of Profit and Loss under the head employee benefit expense.

B. Defined Benefit Plan:

Gratuity

(a) The Group offers to its employees unfunded defined-benefit plan in the form of a gratuity scheme. Benefits under the unfunded defined-benefit plans are based on years of service and the employees' compensation (immediately before retirement). Benefits payable to eligible employees of the Group with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

(b) This plan typically exposes the Group to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest Risk

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision.

Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary Risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. entity has to manage pay-out based on pay as you go basis from own funds.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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(c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

	Particulars	Valuation As at March 31, 2025	Valuation As at March 31, 2024
(i)	Discount rate(s)	6.61%	7.20%
(ii)	Expected rate(s) of salary increase	10.00%	10.00%
(iii)	Mortality table used	IALM (2012-14) Urban	IALM (2012-14) Urban
(iv)	Attrition rate		
	Service 1 year and below	12.07% p.a.	35.00% p.a.
	Service 2 years to 3 years	12.07% p.a.	21.00% p.a.
	Service 4 years to 5 years	12.07% p.a.	10.00% p.a.
	Service 6 years and above	12.07% p.a.	5.00% p.a.

The discount rate is based on prevailing market yields of Government of India bonds as at the balance sheet date for the expected term of obligation. The estimates of future salary increases considered, takes into account the inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

(d) The following tables sets out the funded status of the defined benefit scheme in respect of gratuity:

	Particulars	Gratuity As at March 31, 2025	Gratuity As at March 31, 2024
I.	**Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:**		
(i)	Current service cost	4.23	3.80
(ii)	Past service cost and (gains)/losses from settlements	-	-
(iii)	Net interest expense	3.48	3.19
	Components of defined benefit costs recognised in statement of profit and loss	**7.71**	**6.99**
	Remeasurement on the net defined benefit liability		
(i)	Actuarial (gains)/loss arising form changes in financial assumptions	1.40	0.97
(ii)	Actuarial (gains)/loss arising form changes in demographic assumptions	(1.54)	-
(iii)	Actuarial (gains)/loss arising form experience adjustments	(2.56)	(0.42)
	Components of defined benefit costs recognised in other comprehensive income	**(2.69)**	**0.55**
	Total	**5.02**	**7.54**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss and the remeasurement of the net defined benefit liability is included in 'Other comprehensive income'.

II. Net Asset/(Liability) recognised in the Balance Sheet

	Particulars	Gratuity As at March 31, 2025	Gratuity As at March 31, 2024
(i)	Present value of defined benefit obligation	(50.69)	(48.35)
(ii)	Fair value of plan assets	-	-
(iii)	**Surplus**	**(50.69)**	**(48.35)**
(iv)	Current portion of the above	(12.67)	(8.16)
(v)	Non current portion of the above	(38.02)	(40.19)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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(All amounts in ₹ millions, unless otherwise stated)

III. Change in the obligation during the year

Particulars	As at March 31, 2025	As at March 31, 2024
Present value of defined benefit obligation at the beginning of the year	48.35	43.20
Expenses recognised in statement of profit and loss		
Current service cost	4.23	3.80
Interest expense (income)	3.48	3.19
Actuarial gain (loss) arising from:		
i. Financial assumptions	1.40	0.97
ii. Demographic assumptions	(1.54)	-
iii. Experience adjustments	(2.56)	(0.42)
Benefit payments	(2.68)	(2.39)
Present value of defined benefit obligation at the end of the year	**50.70**	**48.35**

(e) Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant:

	Particulars	Changes in assumption	Impact on defined benefit obligation	
			Increase in assumption	Decrease in assumption
(i)	**Discount rate**			
	As at March 31, 2025	1%	(2.33)	2.60
	As at March 31, 2024	1%	(3.54)	4.10
(ii)	**Salary growth rate**			
	As at March 31, 2025	1%	1.99	(1.90)
	As at March 31, 2024	1%	2.91	(2.78)
(iii)	**Rate of employee turnover**			
	As at March 31, 2025	1%	(0.36)	0.39
	As at March 31, 2024	1%	(0.41)	0.46

Note:

I. The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet.

II. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

36 SHARE-BASED PAYMENTS

A. Credo stock option plan 2020

a. The shareholders of the Group, vide special resolution dated November 05, 2020, authorised the Board to grant options under one or more stock option plans. Pursuant to the said approval from the shareholders the Board adopted Credo stock option plan 2020 and granted options to the permanent employees of the Company for the first time on November 06, 2020, second time on November 06, 2021 and third time on August 14, 2023.

The Group has used the Fair Value Method by applying Black and Scholes Option Pricing Model to measure share-based payments plan.

b. Options granted would vest over a maximum period of 5 years, while the exercise period is 10 years from the date of grant. Options vest on account of passage of time as well as on fulfilling certain performance criteria. The options exercised

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(All amounts in ₹ millions, unless otherwise stated)

would be settled in Equity.

c. There were no modification to the awards during the year ended March 31, 2025. Grant 1 issued on November 06, 2020 has been fully exercised in the earlier years. Details and movement of the outstanding options as at the end of the financial year are as follows:

Particulars	As at March 31, 2025			
	Grant 2	Grant 3	Grant 4	Grant 5
Date of grant	November 06, 2020	November 06, 2020	November 06, 2021	August 14, 2023
Options granted under ESOP				
Options outstanding at the beginning of the year	17,60,140	7,34,240	1,27,000	1,20,000
Options granted during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options exercised during the year	(5,21,383)	(2,38,400)	(47,000)	(22,500)
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	12,38,757	4,95,840	80,000	97,500
Options exercisable at the end of the year	12,23,757	4,80,840	-	7,500
Exercise price of the outstanding options (₹)	31.35	31.35	31.35	31.35
Remaining contractual life of the outstanding options (years)	5.60	5.60	6.60	8.38
Dividend yield (%)	0.39%	0.39%	0.39%	0.07%
Expected Life (Time to Maturity)	6.16	6.08	6.50	6.25
Risk free interest rate (%)	5.58%	5.61%	6.12%	7.07%
Volatility*	15.00%	15.00%	15.00%	44.04%
Weighted average fair value	4.92	4.99	6.25	141.02

Particulars	As at March 31, 2024			
	Grant 2	Grant 3	Grant 4	Grant 5
Date of grant	November 6, 2020	November 6, 2020	November 6, 2021	August 14, 2023
Options granted under ESOP				
Options outstanding at the beginning of the year	92,074	37,962	10,000	-
Options granted during the year^	17,49,406	7,21,278	1,90,000	1,20,000
Options forfeited during the year	-	-	-	-
Options exercised during the year	(81,340)	(25,000)	(73,000)	-
Options expired during the year	-	-	-	-
Options outstanding at the end of the year	17,60,140	7,34,240	1,27,000	1,20,000
Options exercisable at the end of the year	13,48,620	5,45,380	7,000	-
Exercise price of the outstanding options (₹)	31.35	31.35	31.35	31.35
Remaining contractual life of the outstanding options (years)	6.61	6.61	7.61	9.38
Dividend yield (%)	0.39%	0.39%	0.39%	0.07%
Expected Life (Time to Maturity)	6.16	6.08	6.50	6.25
Risk free interest rate (%)	5.58%	5.61%	6.12%	7.07%
Volatility*	15.00%	15.00%	15.00%	44.04%
Weighted average fair value	4.92	4.99	6.25	141.02

* Based on historical volatility of comparable companies over periods corresponding to the remaining life of the respective options.

The Expected life of the share option is based on historical data and Current expectation and is not necessarily indicative of exercise pattern that may occur.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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^ Options granted during the year pertains to additional option granted upon issuance of bonus and sub-division of shares (except for Grant 5, which has been issued post issuance of bonus and sub-division of shares)

37 CORPORATE SOCIAL RESPONSIBILITY (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

	Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a)	Amount required to be spent by the Company during the year	15.55	10.64
(b)	Amount of expenditure incurred	(15.55)	(10.64)
(c)	Short / (excess) amount spent	-	-
(d)	Nature of CSR Activities	Promotion of health care	Promotion of education
(e)	Details of related party transactions	-	-
(f)	Where a provision is made with report to a liability incurred by entering into a contractual obligation, the movements in the provision	Not Applicable	Not Applicable

Note :

(i) As per section 135 of the Companies Act, 2013, the amount required to be spent by the Company during the year is disclosed above.

38 RELATED PARTY DISCLOSURE

a. Names of related parties and related party relationships

I. Key management personnel

(a) Mr. Kamal Khushlani (Chairman and Managing Director)

(b) Mrs. Poonam Khushlani (Whole-time Director)

(c) Mr. Amer Jaleel (Independent Director)

(d) Mr. Rasik Mittal (CFO)

(e) Mr. Sanjay Kumar Mutha (Company Secretary) w.e.f. April 07, 2023

(f) Mr. Paresh Bambolkar (Independent Director) w.e.f. May 09, 2023

(g) Mr. Manoj Nakra (Non-executive Director) w.e.f. May 09, 2023

(h) Mrs. Ramona Jogeshwar (Independent Director) w.e.f. May 09, 2023

II. Relatives of key management personnel

(a) Ms. Sonakshi Khushlani (Daughter of Mr. Kamal and Mrs. Poonam Khushlani)

(b) Mr. Andrew Khushlani (Son of Mr. Kamal and Mrs. Poonam Khushlani)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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III. Enterprises controlled by / under significantly influenced by directors and/or their relatives:

(a) Smart Global Solution and Services

(b) Desire 4 India Private Limited

b. Related party transactions

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Transactions during the year		
Remuneration		
Mr. Kamal Khushlani	35.40	32.28
Mrs. Poonam Khushlani	5.04	5.04
Ms. Sonakshi Khushlani	1.84	2.00
Mr. Andrew Khushlani	1.35	1.29
Mr. Rasik Mittal	14.95	10.00
Mr. Sanjay Kumar Mutha	6.02	5.11
Final dividend paid		
Mr. Kamal Khushlani	9.06	-
Mrs. Poonam Khushlani	6.94	-
Ms. Sonakshi Khushlani	0.90	-
Mr. Andrew Khushlani	0.90	-
Mr. Rasik Mittal	0.11	-
Mr. Sanjay Kumar Mutha	0.01	-
Issue of equity shares under stock option plan		
Mr. Rasik Mittal	0.60	-
Mr. Sanjay Kumar Mutha	0.05	-
Sitting fees		
Mr. Amer Jaleel	0.53	0.88
Mr. Paresh Bambolkar	0.48	0.90
Mr. Manoj Nakra	0.50	0.80
Mrs. Ramona Jogeshwar	0.30	0.55
Professional fees		
Smart Global Solution and Services	3.44	3.27
Desire 4 India Private Limited	-	1.10

c. Related party outstanding balances

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
Smart Global Solution and Services	0.31	0.29
Remuneration payable		
Mr. Kamal Khushlani	7.80	10.42
Mrs. Poonam Khushlani	0.16	0.29
Ms. Sonakshi Khushlani	0.11	0.09
Mr. Andrew Khushlani	0.07	0.07
Mr. Rasik Mittal	3.23	1.75
Mr. Sanjay Kumar Mutha	0.67	0.40
Provision for share-based payments		
Mr. Rasik Mittal	0.2	0.59

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Mr. Sanjay Kumar Mutha	5.28	4.78

d. Compensation of key management personnel

The remuneration of directors and other members including relatives of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Short-term benefits	63.94	55.72
Total	**63.94**	**55.72**

Note :

(i) As the liabilities for defined benefit plans are provided on actuarial basis for the Group, the amounts pertaining to Key Managerial Personnel are not included.

39 FINANCIAL INSTRUMENTS

39.1 Capital management

The Group's objective when managing capital is to safeguard its ability to continue as going concern so that the Group is able to provide maximum return to stakeholders, benefits to other stakeholders and maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of total equity (Refer note 15 and 16) and net debt (Refer note 17 and 14).

The Group's management reviews the capital structure on a regular basis. As part of this review, the management considers the cost of capital, risks associated with each class of capital.

Gearing Ratio

Following is the Group's gearing ratio:

Particulars	As at March 31, 2025	As at March 31, 2024
Debt (Refer note (i))	2,369.90	2,531.79
Less: Cash and bank balances	(452.30)	(16.64)
Net Debt (I)	**1,917.60**	**2,515.16**
Total equity (II)	**4,101.68**	**3,416.68**
Net debt to equity ratio (I/II)	**46.75%**	**73.61%**

Note:

(i) Debt is defined as long-term and short-term borrowing and lease liabilities.

39.2 Categories of financial instruments

	Particulars	As at March 31, 2025	As at March 31, 2024
	Financial assets		
	Measured at amortised cost*		
(a)	Trade receivables	2,391.21	2,122.41
(b)	Cash and cash equivalents	452.30	16.64
(c)	Other bank balances	1.62	8.29
(d)	Other financial assets	257.38	243.94
	Financial liabilities		
	Measured at amortised cost*		
(a)	Borrowings	14.15	375.35
(b)	Lease liabilities	2,355.74	2,156.45
(c)	Trade payables	255.93	217.41
(d)	Other financial liabilities	425.03	431.02

At the end of the reporting period, the carrying amount reflected above represents the Group's maximum exposure to credit risk for such Financial assets.

*The fair values of the above financial assets and liabilities approximate their carrying amounts.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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39.3 Financial risk management objectives

Ensuring liquidity is sufficient to meet Group's operational requirements, the Group's management also monitors and manages key financial risks relating to the operations of the Group by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

39.3.1 Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. Market risk includes currency risk, interest risk and price risk. There are no material market risk affecting the financial position of the Group.

39.3.1.1 Currency Risk

Currency risk is the risk or uncertainty arising from possible currency movements and their impact on the future cash flows of a business. There are no material currency risk affecting the financial position of the Group.

39.3.1.2 Interest Risk

Interest risk is the risk or uncertainty arising from possible interest rate movements and their impact on the future obligation and cash flow of a business. There are no material interest risk affecting the financial position of the Group.

39.3.1.3 Price Risk

Price risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of a business. There are no material price risk affecting the financial position of the Group.

39.3.1.4 Foreign currency risk management

The Group undertakes transactions denominated in different foreign currencies and consequently exposed to exchange rate fluctuations.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the year are as follows.

Particulars	As at March 31, 2025	As at March 31, 2024
Assets (₹)		
USD	-	0.06
HKD	-	-
SGD	-	-
Total	**-**	**0.06**

Foreign currency sensitivity analysis

The Group is principally exposed to foreign currency risk against USD. Sensitivity of profit or loss arises mainly from USD denominated receivables.

The following table details the Group's sensitivity to a 10% increase and decrease in the ₹ against the relevant outstanding foreign currency denominated monetary items. 10% sensitivity indicates management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit or equity where Rupee appreciates 10% against the relevant currency. A negative number below indicates a decrease in profit or equity where the Rupee depreciates 10% against the relevant currency.

Particulars	As at March 31, 2025	As at March 31, 2024
Profit or (loss)		
₹ strengthens by 10%	-	(0.01)
₹ weakening by 10%	-	0.01

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting year does not reflect the exposure during the year.

39.3.2 Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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The concentration of credit risk in relation to trade receivables is high. Credit risk has always been monitored and managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business.

Bank balances are held with reputed and creditworthy banking institutions.

Financial instrument and cash deposit

Credit risk is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Counterparty credit limits are reviewed by the Group periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

39.3.3 Liquidity risk management

The Group manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Particulars	Weighted average effective interest rate (%)	Upto 1 year	1 - 5 year	More than 5 years	Total	Carrying amount
As at March 31, 2025						
Non-interest bearing						
Trade payables	0.00%	255.93	-	-	255.93	255.93
Other financial liabilities	0.00%	13.25	-	-	13.25	13.25
Variable interest rate instruments						
Vehicle loans from others	8.70%	3.42	10.74	-	14.15	14.15
Lease Liabilities	8.44%	596.62	2,106.29	339.03	3,041.94	2,355.74
Fixed interest rate instruments						
Security Deposit received	6.33%	-	411.79	-	411.79	411.79
Total		**869.21**	**2,528.82**	**339.03**	**3,737.06**	**3,050.86**

Particulars	Weighted average effective interest rate (%)	Upto 1 year	1 - 5 year	More than 5 years	Total	Carrying Amount
As at March 31, 2024						
Non-Interest bearing						
Trade payables	0.00%	217.41	-	-	217.41	217.41
Other financial liabilities	0.00%	32.04	-	-	32.04	32.04
Variable interest rate instruments						
Term loans from bank	8.60%	33.24	34.31	-	67.55	67.55
Vehicle loans from others	8.70%	3.14	14.15	-	17.29	17.29
Cash credit from bank	0.00%	90.51	-	-	90.51	90.51
Working capital demand loan	7.90%	200.00	-	-	200.00	200.00
Lease Liabilities	8.34%	501.02	1,640.32	711.14	2,852.48	2,156.44
Fixed interest rate instruments						
Security Deposit received	7.97%	-	398.98	-	398.98	398.98
Total		**1,077.36**	**2,087.76**	**711.14**	**3,876.26**	**3,180.22**

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Further table below set out the detail of additional undrawn facility that the Group has at its disposal to further reduce liquidity risk:

Particulars	As at March 31, 2025	As at March 31, 2024
Undrawn cash credit limit	700.00	409.49

40 RATIOS

Ratio	Formulae	As at March 31, 2025	As at March 31, 2024	Variance	Reasons
Current ratio					
Numerator	Current assets	4,149.85	3,666.81	36.04%	The variance is on account of increase in fixed deposit in current year in comparison with previous year. Aggregate fixed deposit as at March 31, 2025: 378.09 millions. Aggregate fixed deposit as at March 31, 2024: 8.29 millions.
Denominator	Current liabilities	1,148.46	1,380.55		
		3.61	2.66		
Debt-equity ratio					
Numerator	Borrowings + Lease liabilities	2,369.90	2,531.79	(22.03%)	Not Applicable
Denominator	Shareholder's equity	4,101.68	3,416.68		
		0.58	0.74		
Debt service coverage ratio					
Numerator	Earnings available for debt service	1,635.55	1,460.30	8.39%	Not Applicable
Denominator	Debt service	814.61	788.31		
		2.01	1.85		
Return on equity ratio					
Numerator	Net profits after taxes	683.71	591.97	(4.29%)	Not Applicable
Denominator	Average shareholder's equity	3,759.18	3,115.03		
		18.19%	19.00%		
Inventory turnover ratio					
Numerator	Revenue from operations	6,181.80	5,673.32	14.53%	Not Applicable
Denominator	Average inventory	1,133.77	1,191.71		
		5.45	4.76		
Trade receivables turnover ratio					
Numerator	Revenue from operations	6,181.80	5,673.32	(15.62%)	Not Applicable
Denominator	Average accounts receivable	2,256.81	1,747.75		
		2.74	3.25		
Trade payables turnover ratio					
Numerator	Total purchases	2,411.52	2,528.09	24.23%	Not Applicable
Denominator	Average trade payables	236.67	308.22		
		10.19	8.20		

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

Ratio	Formulae	As at March 31, 2025	As at March 31, 2024	Variance	Reasons
Net capital turnover ratio					
Numerator	Revenue from operations	6,181.80	5,673.32	(13.35%)	Not Applicable
Denominator	Average working capital	2,643.82	2,102.45		
		2.34	2.70		
Net profit ratio					
Numerator	Net Profits after taxes	683.71	591.97	6.00%	Not Applicable
Denominator	Revenue from operations	6,181.80	5,673.32		
		11.06%	10.43%		
Return on capital employed					
Numerator	Earning before interest and taxes	1,172.70	1,029.55	(2.05%)	Not Applicable
Denominator	Average capital employed	6,210.02	5,340.49		
		18.88%	19.28%		
Return on investment			Not Applicable		

41 ADDITIONAL REGULATORY INFORMATION

(a) Title deeds of all immovable properties are held in the name of the Group.

(b) The Group has not revalued its property, plant and equipment (including right-of-use assets) and other intangible assets during the current and previous year.

(c) No proceedings have been initiated or pending against the Group for holding any benami property under the Benami Transactions Prohibitions Act, 1988 and the rules made thereunder.

(d) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 except as disclosed. (Refer note 13(x))

(e) The Group has registered all its charges or satisfaction with Registrar of Companies within the statutory period.

(f) The Group has not been declared wilful defaulter by any bank or financial institution or other lender.

(g) The Group has not advanced or loaned or invested funds to/in any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding that intermediary shall,

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate beneficiaries)

or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

(h) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding party) with the understanding (whether recorded in writing or otherwise) that it will,

(i) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate beneficiaries)

or

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries.

(j) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act 1961.

(k) The Group has not entered into any scheme of arrangement which has an accounting impact on current period or previous financial year.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

(l) The Group has not traded or invested in Crypto and virtual currency during the reporting periods.

(m) The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of layers) Rules, 2017.

(n) The borrowings obtained by the Group from banks have been applied for the purposes for which such borrowings were taken.

42 DIVIDEND

(a) The Company has declared and paid dividend amounting to ₹ 32.48 millions for the year ended March 31, 2025. (for the year ended March 31, 2024, ₹ NIL)

(b) The Board of Directors has proposed a final dividend of ₹ 3 per share of face value of ₹ 2/- each for the financial year 2024-25, subject to the approval of the Shareholders in the ensuing Annual General Meeting.

43 Ministry of Corporate Affairs (MCA) vide its notification number G.S.R. 206(E) dated March 24, 2021 (amended from time to time) in reference to the proviso to Rule 3 (1) of the Companies (Accounts) Amendment Rules, 2021, introduced the requirement of only using such accounting software with effect from April 01, 2023 which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Institute of Chartered Accountants of India ("ICAI") issued an "Implementation guide on reporting on audit trial under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 edition)" in February 2024 relating to feature of recording audit trail.

The Holding Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility, except that audit trail feature was not enabled at the database level in respect of an accounting software to log any direct data changes.

Further, to the extent enabled, audit trail feature has operated throughout the year for all relevant transactions recorded in the accounting software(s). Also, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail of prior year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded from October 01, 2023.

The Subsidiary Company incorporated in India, the reporting under the proviso to the Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (editlog) facility is not applicable to the said subsidiary company as it is not using any accounting software or package for maintaining its books of accounts.

The Management has adequate internal financial controls over financial reporting which has operated effectively during the year.

44 CODE ON SOCIAL SECURITY

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the year ended March 31, 2025

(All amounts in ₹ millions, unless otherwise stated)

45 DISCLOSURE OF ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III TO THE COMPANIES ACT, 2013 AS AT AND FOR THE YEAR ENDED MARCH 31, 2025.

Name of Entity	Relationship	Net Assets		Share in profit and loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of Consolidated net assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Profit or Loss	Amount
Credo Brands Marketing Limited	Holding Company								
March 31, 2025		100.00%	4,101.78	100.06%	684.09	100.00%	2.01	100.06%	686.10
March 31, 2024		99.99%	3,416.40	99.94%	591.62	100.00%	(0.41)	99.94%	591.21
KAPS Mercantile Private Limited	Subsidiary Company								
March 31, 2025		0.00%	-	(0.06%)	(0.38)	0.00%	-	(0.06%)	(0.38)
March 31, 2024		0.01%	0.38	(0.01%)	(0.03)	0.00%	-	(0.01%)	(0.03)
Consolidation Adjustments / Eliminations									
March 31, 2025		0.00%	(0.10)	0.00%	-	0.00%	-	0.00%	-
March 31, 2024		0.00%	(0.10)	0.06%	0.38	0.00%	-	0.06%	0.38
March 31, 2025	**Total**	**100.00%**	**4,101.68**	**100.00%**	**683.71**	**100.00%**	**2.01**	**100.00%**	**685.72**
March 31, 2024		**100.00%**	**3,416.68**	**100.00%**	**591.97**	**100.00%**	**(0.41)**	**100.00%**	**591.56**

46 During the current financial year, KAPS Mercantile Private Limited ("KMPL", a wholly owned subsidiary of the Company) had filed an application for Striking off it's name from the Register of Companies, under Section 248(2) of the Companies Act, 2013, on January 21, 2025. Subsequently, the name of KMPL has been struck off from the Register of Companies w.e.f. April 23, 2025 as per the Form STK-7 received by the Company and KMPL is hence dissolved subsequent to the balance sheet date.

Considering that the Subsidiary and consequently the Group technically existed as on the balance sheet date, as per IND AS 110, the consolidated financial statements have been prepared as on March 31, 2025. The Financial Statements of KMPL, consolidated in the above Consolidated Financial Statements are for the nine months period ended December 31, 2024, being the last Financial Statement drawn by KAPS before applying for Strike Off.

47 Figures for the previous year have been regrouped / reclassified wherever necessary to make them comparable.

For M S K C & Associates LLP
(Formerly known as M S K C & Associates)
Chartered Accountants
(Firm Registration No. 001595S/S000168)

Ojas D. Joshi
(Partner)
(Membership No. 109752)

Place: Mumbai
Date: May 22, 2025

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(M. No. ACS15884)

Place: Mumbai
Date: May 22, 2025

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(All amounts in million, unless otherwise stated)

Sl. No.	Name of the subsidiary	The date since when subsidiary was acquired	Reporting currency	Exchange rate	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Gross Turnover	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	% of share-holding
1	KAPS Mercantile Private Limited	April 28, 2022	INR	NA	21.4	(21.04)	Nil	Nil	Nil	Nil	(0.39)	0	(0.39)	Nil	100%

During the year under review, KAPS Mercantile Private Limited ("KMPL") had filed an application for Striking off it's name from the Register of Companies under Section 248(2) of the Companies Act, 2013, on January 21, 2025. Subsequently, the name of KMPL has been struck off from the Register of Companies w.e.f. April 23, 2025 and KMPL is hence dissolved subsequent to the balance sheet date. The Financial Statement of KMPL are for the nine months period ended December 31, 2024, being the last Financial Statement drawn by KMPL before applying for Strike Off.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Not Applicable

For and on behalf of the Board of Directors
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669

Kamal Khushlani
(Chairman and Managing Director)
DIN: 00638929

Poonam Khushlani
(Whole-time Director)
DIN: 01179171

Rasik Mittal
(Chief Financial Officer)

Sanjay Kumar Mutha
(Company Secretary)
(Membership No. A 15884)

Place: Mumbai
Date: May 22, 2025

Credo Brands Marketing Limited

B-8 MIDC Central Road, Marol, Andheri (E),
Mumbai - 400093
Corporate: www.credobrands.in
E-Commerce: www.muftijeans.in

NOTICE

Notice is hereby given that Twenty-sixth Annual General Meeting (AGM) of the Members of Credo Brands Marketing Limited ("Company") will be held on Monday, September 22, 2025 at 12:30 P.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statement of the Company for the financial year ended March 31, 2025, together with the Reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2025, together with the Report of the Auditors thereon.
3. To declare Dividend of ₹ 3.00 per share on Equity Shares for the financial year ended March 31, 2025.
4. To appoint Dr. Manoj Nakra (DIN 08566768), who retires by rotation in the terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

5. **To re-appoint Mr. Amer Jaleel (DIN: 03194596) as an Independent Director of the Company**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder read with Schedule IV to the Act and Regulation 16(1)(b) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force) and recommendations of the Nomination and Remuneration Committee and the Board of Directors of the Company, Mr. Amer Jaleel (DIN: 03194596), who was appointed as an Independent Director and holds office of an Independent Director up to November 01, 2025 and being eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of an Independent Director, be and is hereby re-appointed as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years commencing from November 02, 2025 up to November 01, 2030 on the Board of the Company.

   RESOLVED FURTHER THAT the Board be and is hereby authorised to settle any question, difficulty or doubt, that may arise while giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

6. **To approve related party transaction with SmartGlobal Solutions and Services**

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

   "RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 ("the Act") and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force) and recommendations and approvals of the Audit Committee and Board of Directors of the Company, approval of the Members be and is hereby accorded to enter into transaction with SmartGlobal Solutions and Services, a proprietary firm of Dr. Manoj Nakra, Non-Executive Director of the Company and who would be deemed to be considered as holding of office or place of profit in the Company, on the terms and conditions, as stipulated herein below:

   a. Availing of advisory services for strengthening the Company's eCommerce capability and associated activities.

   b. Tenure: Period of 36 months w.e.f. April 01, 2026

   c. During the tenure, the fee would be in the range of ₹ 3.00 Lakh to ₹ 4.00 Lakh per month, as may be mutually agreed with the consultant, plus out of pocket expenses at actual.

   RESOLVED FURTHER THAT the Board of Directors of the Company (including Audit Committee thereof) be and is hereby authorised to vary, amend, modify and revise from time to time the terms of contract or arrangement and to do all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and to seek necessary approvals or settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company."

7. To appoint Secretarial Auditors 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 Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, if any (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for the time being in force) and based on the recommendations of the Audit Committee and Board of Directors of the Company, M/s. Siroya and BA Associates, Practising Company Secretaries (Firm Registration Number P2019MH074300) be and are hereby appointed as Secretarial Auditors of the Company for a term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30, at such fees, plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including Audit Committee thereof) be and is hereby authorised on behalf of the Company, including but not limited to negotiate, finalise, amend, sign and execute the terms of appointment including any contract or other necessary documents and to determine, alter, revise and vary the scope of work and other terms and conditions of appointment including remuneration, without being required to seek any further consent or approval of the Members of the Company and to do all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to settle any questions, difficulties or doubts that may arise in this regard without further referring to the Members of the Company."

Notes:

1. **Holding of the Annual General Meeting through Video Conferencing/Other Audio-Visual Means**

   Pursuant to the provisions of General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 05, 2020 and subsequent circulars issued in this regard, the latest being General Circular No. 09/2024 dated September 19, 2024 (collectively referred as "**MCA Circulars**") issued by the Ministry of Corporate Affairs (**"MCA"**), the Annual General Meeting ("**AGM"/ "Meeting"**) of the Company is being held through Video conferencing or Other Audio Visual Means (**"VC/OAVM"**), without the physical presence of the Members at a common venue.

   In compliance with the provisions of the Companies Act, 2013 (**"the Act"**) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR Regulations"**), physical attendance of the Members at the AGM is not required. Members can attend and participate at the ensuing AGM only through VC/ OAVM.

   In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India (**"ICSI"**), the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since AGM will be held through VC/ OAVM, the Route Map for the venue of the AGM, is not annexed to the Notice.

2. Pursuant to the abovementioned MCA circulars, the attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. Additional Information with respect to Item No. 4 and the Explanatory Statement pursuant to Section 102 of the Act setting out material facts concerning the business under Item Nos. 5 to 7 of the Notice, is annexed hereto. The relevant details as required pursuant to Regulation 36(3) of the SEBI LODR Regulations and Secretarial Standard on General Meeting (SS-2) of the ICSI, in respect of the Director(s) seeking appointment/ re-appointment at the AGM, are disclosed in the Explanatory statement.

5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with.

Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Bodies Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through remote e-voting.

6. Institutional shareholders/corporate shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/ Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-voting. The said Resolution/ Authorisation shall be sent to the Scrutiniser by e-mail on its registered e-mail address to siroyam@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter, etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

7. In accordance with the aforesaid MCA Circulars and Master Circular dated November 11, 2024 on compliance with the provisions of the SEBI LODR Regulations by listed entities and SEBI/HO/CFD/ CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 issued by the Securities and Exchange Board of India ("**SEBI**") (collectively referred to as "**SEBI Circulars**"), electronic copy of the Annual Report for the financial year 2024-25 and the Notice convening this AGM inter-alia indicating the process and manner of remote e-voting, are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), (collectively referred to as "Depositories").

   Additionally, in accordance with Regulation 36(1)(b) of the SEBI LODR Regulations, the Company is also sending a letter to Members whose e-mail address is not registered with Company/ Depositories providing the exact web-link of Company's website from where the Annual Report for financial year 2024-25 can be accessed.

   Registration for receiving Notice of the AGM and Annual Report:

   Members whose e-mail IDs are not registered with the Company may register the same on or before 5.00 p.m. (IST) on Wednesday, September 10, 2025, to receive Notice of this AGM and Annual Report for the financial year 2024-25:

   a) Click on the URL: https://web.in.mpms.mufg.com/EmailReg/Email_Register.html and select 'Credo Brands Marketing Limited' from the drop down.

   b) Enter DP ID and Client ID (for shares held in electronic form), Shareholder name, PAN, Mobile No. and e-mail ID. Then click on 'Continue' button.

   c) Enter the system generated One Time Password ("OTP") received on Mobile No. and e-mail ID, then click on "Submit" button. The request ID will be generated.

   E-mail ID registered is for limited purpose of sending this Notice and the Annual Report for the financial year 2024-25.

   Members are requested to register/update their email addresses, in respect of electronic holdings with the Depository through the concerned Depository Participants by following due procedure.

   Copies of the aforesaid Notice and Annual Report for the financial year 2024-25 are also available on the Company's website https://www.credobrands.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of National Securities Depository Limited ("NSDL") (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

8. **Registrar and Transfer Agent ("RTA")**

   The name of the RTA has been changed from "Link Intime India Private Limited" to "MUFG Intime India Private Limited" (MUFG Intime/RTA) with effect from December 31, 2024 upon acquisition of Link group by Mitsubishi UFJ Trust & Banking Corporation.

9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants for the shares held in electronic form.

   Members are requested to send all communications to our RTA at the following address:

   MUFG Intime India Private Limited
(Unit: Credo Brands Marketing Limited)
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083
Phone: +91 810 811 8484
Fax: +91-22-6656 8494
Email: csg-unit@in.mpms.mufg.com

10. **Final Dividend for financial year 2024-25**

The Board of Directors of the Company has recommended a dividend of ₹ 3.00 (150%) per Equity Share of ₹ 2.00 each of the Company. The proposed dividend, if declared, at the forthcoming Annual General Meeting, will be paid/ credited, subject to deduction of tax at source, as may be applicable, within a period of 30 days from the date of declaration, to those Members whose names appear in the Company's Register of Members or in the list of beneficial owners as per the particulars to be furnished by the Depositories as on the record date i.e. Wednesday, September 10, 2025.

11. **ELECTRONIC CREDIT OF DIVIDEND**

SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Transfer Agent for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the National Electronic Clearing Service (NECS)/ National Electronic Fund Transfer (NEFT)/Real Time Gross Settlement (RTGS)/Direct Credit, etc.

Members holding shares in demat form are requested to update their bank account details with their respective Depository Participants ("DPs").

The Company or our RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.

Members are requested to ensure that their bank account details in their respective demat accounts are updated to enable the Company to provide timely credit of dividend in their bank accounts. In case, the Company is unable to pay dividend to any Member by the electronic mode due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrant/demand draft to such Member by post/courier.

12. **TDS ON DIVIDEND:**

Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income has become taxable in the hands of shareholders with effect from April 01, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, shareholders are requested to refer to the latest Finance Act and amendments thereof. Shareholders are requested to update their Permanent Account Number ("PAN") with the Company or RTA (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode) on or before Wednesday, September 10, 2025.

A Resident individual shareholder with PAN and whose income does not exceed maximum amount not chargeable to tax or who is not liable to pay income tax, as the case may be, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to csgexemptforms2526@in.mpms.mufg.com by Wednesday, September 10, 2025.

Members are requested to note that if the PAN is not correct/ invalid/ inoperative or have not filed their income tax returns, then tax will be deducted at higher rates prescribed under Sections 206AA or 206AB of the Income-tax Act, as applicable and in case of invalid PAN, they will not be able to get credit of TDS from the Income Tax Department.

Non-resident shareholders [including Foreign Institutional Investors ("FIIs")/Foreign Portfolio Investors ("FPIs")] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose, the shareholder may submit the above documents (PDF/JPG Format) by e-mail to csgexemptforms2526@in.mpms.mufg.com or at Tax Exemption Link : https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html The aforesaid declarations and documents need to be submitted by the shareholders by Wednesday, September 10, 2025, in order to enable the Company to determine and deduct appropriate tax.

No communication on the tax determination/ deduction shall be entertained post Wednesday, September 10, 2025. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the shareholders, there would still be an option available with the shareholders to file the return of income and claim an appropriate refund, if eligible.

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

13. **INVESTORS EDUCATION AND PROTECTION FUND (IEPF)**

Pursuant to Section 124 of the Act, Dividends, if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

The details of unpaid / unclaimed dividends lying with the Company are as under:

Particulars	Date of declaration	Last date for claiming due amount
Dividend 2023-24	August 30, 2024	October 05, 2031

Members are requested to claim their dividends from the Company, within the stipulated timeline.

14. **NOMINATION:**

Members can themselves avail of the facility of nomination pursuant to the provisions of Section 72 of the Act. Members holding shares in electronic form may contact their respective Depository Participants for availing this facility.

15. **SEBI ONLINE DISPUTE RESOLUTION:**

SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/ OIAE/ OIAE_IAD-1/P/CIR/2023/135 dated August 04, 2023, read with Master Circular No. SEBI/HO/ OIAE/ OIAE_IAD-1/P/ CIR/2023/**145** dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to above-mentioned circulars, post exhausting the option to resolve Investors grievances with the RTA and/or the Company directly and through existing SEBI Complaints Redress System (SCORES) platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr. in/login).

16. In terms of Regulation 40 of the SEBI LODR Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 01, 2019, except in case of transmission or transposition of securities.

17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Act, certificate(s) and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. Monday, September 22, 2025. Members seeking to inspect such documents can send an email to Investorrelations@mufti.in.

18. **INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:**

I. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI LODR Regulations (as amended), Secretarial Standard on General Meetings issued by the ICSI as amended and the MCA Circular(s), the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-voting system as well as voting at the AGM will be provided by NSDL.

II. Members will also be provided with the facility for voting through electronic voting system during the VC / OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote at the end of discussion on the resolution(s) on which voting is to be held, upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-voting prior to the AGM will also be eligible to participate at the AGM through VC/ OAVM but shall not be entitled to cast their vote again on such resolution(s).

III. The remote e-voting period commences on Friday, September 19, 2025 (9:00 a.m. IST) and ends on Sunday, September 21, 2025, (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialised form, as on Monday, September 15, 2025, i.e. cut-off date, may cast their vote electronically through remote e-voting.

The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility, either during the period commencing from Friday, September 19, 2025 to Sunday, September 21, 2025, or e-voting during the AGM.

IV. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 15, 2025.

V. 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 shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through e-voting. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date will be entitled to vote during the AGM.

VI. 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 on such resolution again.

VII. THE DETAILS OF THE PROCESS AND MANNER FOR REMOTE E-VOTING ARE EXPLAINED HEREIN BELOW:

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https:// eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https:// eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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

Type of shareholders	Login Method
	User ID (i.e. your sixteen digit demat account number 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 i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www. cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
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 evoting@nsdl.com or call at 022 - 4886 7000
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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/ Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to siroyam@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Ms. Prajakta Pawle at evoting@nsdl.com

19. **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice**:
    1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back),

PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investorrelations@mufti.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investorrelations@mufti.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

20. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

21. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under **"Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in dematerialised mode."**

22. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against the Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the AGM.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorrelations@mufti.in. The same will be replied by the Company suitably.

23. SPEAKER REGISTRATION AND SUBMISSION OF QUESTIONS / QUERIES PRIOR TO AGM

- Members who would like to express their views/ ask questions during the AGM may register themselves as a speaker by sending their request at least 7 (Seven) days prior to AGM mentioning their name, demat account number/ folio number, PAN, e-mail address, mobile number at investorrelations@mufti.in.

- Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting
- Members will get confirmation on first cum first served basis
- Members who are registered as speakers for the event are requested to download and install necessary software as required for attending AGM
- Members are requested to speak only when moderator of the meeting/management will announce the name and serial number for speaking
- Please note that the Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM
- The Members who do not wish to speak during the AGM but have queries may send their queries in advance 7 (seven) days prior to the AGM mentioning their name, demat account number/ folio number, e-mail address, mobile number at investorrelations@mufti.in. These queries will be replied to by the Company suitably by e-mail.

24. The Board of Directors has appointed Mr. Mukesh Siroya (Membership No. FCS - 5682) of M/s. M Siroya and Company, Company Secretaries as the Scrutiniser to scrutinise the remote e-voting process and voting conducted during the AGM through e-voting in a fair and transparent manner
25. The results shall be declared within the time stipulated under the applicable laws, i.e., within two working days of conclusion of the Meeting. The results declared along with the Scrutiniser's Report will be placed on the website of the Company at https://www.credobrands.in and on the website of NSDL at www.evoting.nsdl.com immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed and shall be displayed at the Registered Office of the Company.

By Order of the Board of Directors

Sanjay Kumar Mutha
Company Secretary
ACS No. 15884

Registered Office:
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669
Regd. Off.: B 8, MIDC Central Road, Marol,
Andheri (E), Mumbai - 400093
Tel. No.: +91 22 6141 7200
Website: www.credobrands.in
Email: Investorrelations@mufti.in
Mumbai, July 31, 2025

ADDITIONAL INFORMATION WITH RESPECT TO ITEM NO. 4 AND EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS IN ITEM NOS. 5 TO 7 PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

To appoint Dr. Manoj Nakra (DIN 08566768), who retires by rotation and being eligible, offers himself for re-appointment

In terms of Section 152(6) of the Companies Act, 2013, ("the Act"), Dr. Manoj Nakra – Non-Executive Director of the Company shall retire by rotation and being eligible, offers himself for re-appointment.

Dr. Manoj Nakra (Aged 69 years) has an undergraduate degree in mechanical engineering from the Indian Institute of Technology, Delhi followed by a post graduate diploma in management from the Indian Institute of Management, Bangalore. He has also obtained his degree of Executive Doctor of Management from Case Western Reserve University. He is a co-founder of SCIP Services and Solutions Private Limited (now known as Zyeal Veloce Private Limited), a SaaS platform company. He led the creation and implementation of many global luxury and lifestyle brands in the Middle East and India. He engages with retailers for their digitalisation. He has held CEO positions at The Waterbase Limited (BSE listed company) and Jashanmal (Retailer in UAE), COO position at DubaiSME (Entrepreneur Development Organisation of Government of Dubai) and Director, Strategy at Apparel Group (Retailer in UAE). His expertise and experience are in the area of retail and distribution, entrepreneurship and technology application. He is also a visiting faculty at IIM Bangalore.

He is also an independent director of Arvind Fashions Limited and director of Zyeal Veloce Private Limited.

Dr. Manoj Nakra was first appointed as an Additional Director of the Company w.e.f. May 09, 2023. He is a member of Audit Committee and Nomination and Remuneration Committee and Chairman of Stakeholders Relationship Committee of the Board of Directors of the Company.

He does not hold any membership of committees of other public companies and did not resign from any listed entity in the past three years.

He would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. He has been paid ₹ 5.00 Lakh as sitting fees during the financial year 2024-25. He attended all six Board meetings of the Company held during the financial year 2024-25.

He does not hold by himself or for any other person on a beneficial basis, any shares of the Company. He is not related to any other Directors and Key Managerial Personnel of the Company.

He has given a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 4 of the Notice for approval of the Members.

Save and except Dr. Manoj Nakra, none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

Item No. 5

Re-appointment of Mr. Amer Jaleel (DIN: 03194596) as an Independent Director

Mr. Amer Jaleel was appointed as an Independent Director on the Board of the Company and holds office of an Independent Director up to November 01, 2025, in terms of the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 ("**the Act**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**").

Mr. Amer Jaleel (aged 59 years) has a Bachelor of Commerce degree from University of Mumbai. After an award-winning career as a young Creative Director on some of the Country's most reputed brands, he joined Lowe Lintas in 2002. From then onwards he has held multiple creative leadership positions including Chief Creative Officer and Chairman of the Lintas Group. During his stint, he has handled assignments for scores of prestigious brands. He is a prominent voice in the Indian corporate world, appearing and speaking at various media and association forums. He has an active interest in content development, music, technology, fashion and many creative arts. In 2023, he quit Lintas after 21 years of distinguished service, to co-found a visionary passion project - Curativity, a new-age digital platform for creative marketing.

He is also a director of Pitchverse Platforms Private Limited. He does not hold any directorship / membership of committees of other public companies and did not resign from any listed entity in the past three years.

Mr. Amer Jaleel was first appointed as an Additional Director of the Company w.e.f. November 05, 2020. Mr. Amer Jaleel is a member of Audit Committee and Risk Management Committee and Chairman of Nomination and Remuneration Committee of the Board of Directors of the Company.

He would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. He has been paid ₹ 5.25 Lakh as sitting fees during the financial year 2024-25. He attended all six Board meetings of the Company held during the financial year 2024-25.

He does not hold by himself or for any other person on a beneficial basis, any shares of the Company and he shall not be entitled to any stock option. He is not related to any other Directors and Key Managerial Personnel of the Company.

Mr. Amer Jaleel has confirmed: (a) his eligibility and criteria of independence as provided under Section 149(6) of the Act and Regulations 16(1)(b) and 25 of the SEBI LODR Regulations; (b) he is not disqualified or debarred from holding the office of director by virtue of any SEBI order or any other such authority; (c) he has undertaken registration in the Independent Director's data bank; and (d) he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Further, he has also given his consent to be re-appointed as an Independent Director of the Company.

Mr. Amer Jaleel as an Independent Director shall not be liable to retire by rotation.

The Nomination and Remuneration Committee at its Meeting held on May 22, 2025 has considered and recommended for re-appointment of Mr. Amer Jaleel as an Independent Director on the Board for the second term of five consecutive years with effective from November 02, 2025 up to November 01, 2030.

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on May 22, 2025, reviewed the performance evaluation of Mr. Amer Jaleel and acknowledged his skills, vast knowledge and experience specifically in the area of branding and marketing, which are aligned to the role and capabilities and his continued valuable contribution to the Board during his first term as an Independent Director. In the opinion of the Board, Mr. Amer Jaleel is a person of integrity and fulfils the conditions specified under the Act read with Rules thereunder and the SEBI LODR Regulations for his re-appointment as an Independent Director of the Company and his re-appointment as an Independent Director is in the best interest of the Company.

In terms of Section 149 read with Schedule IV to the Act and relevant provisions of the SEBI LODR Regulations, an Independent Directors shall be eligible to be re-appointed for second term of five consecutive years, on the basis of report of performance evaluation done by the Board and approval of Members by way of Special Resolution to be passed at a General Meeting.

The Board unanimously recommended for re-appointment of Mr. Amer Jaleel as an Independent Director of the Company for the second term of five consecutive years with effect from November 02, 2025 at Item No. 5 as a Special Resolution for approval of the Members.

Save and except Mr. Amer Jaleel (being an appointee), none of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

Item no. 6

To approve related party transaction with SmartGlobal Solutions and Services

SmartGlobal Solutions and Services, a proprietary firm of Dr. Manoj Nakra, Non-Executive Director of the Company, is providing advisory services for strengthening the Company's eCommerce capability and associated activities.

The Board of Directors at its meeting held on May 09, 2023 and the Shareholders at their Extraordinary Meeting held on July 04, 2023 have approved the related party transaction with SmartGlobal Solutions and Services for a tenure of 36 months.

Since, Dr. Manoj Nakra is proprietor of SmartGlobal Solutions and Services and a Non-Executive Director of the Company, any fees paid and/or payable to SmartGlobal Solutions and Services, would be deemed to be considered as holding of office or place of profit in the Company.

Section 188 of the Companies Act, 2013 ("**the Act**") inter-alia provides that except with the prior approval of the shareholders by way of a resolution, a company shall not enter into a transaction or transactions for appointment to any office or place of profit in the Company at a monthly remuneration exceeding two and a half lakh rupees.

The proposed fees payable to SmartGlobal Solutions and Services would exceed the limit, which requires prior approval of the shareholders of the Company.

The Board considered the vast experience, expertise and in-depth knowledge of Dr. Manoj Nakra in the field of retail and distribution, entrepreneurship and technology application, including creation and implementation of many global luxury and lifestyle brands in the Middle East and India. It is proposed to continue to avail the advisory services from SmartGlobal Solutions and Services, for strengthening the Company's eCommerce capability and associated activities.

The aforesaid transaction was reviewed and unanimously approved by the Independent Directors on the Audit Committee and the Board of Directors at their separate meetings held on May 22, 2025.

The additional information required to be disclosed pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

a.	Name of the related party	SmartGlobal Solutions and Services
b.	Name of the Director or Key Managerial Personnel who is related, if any	Dr. Manoj Nakra – Non-Executive Director
c.	Nature of relationship	Proprietor of SmartGlobal Solutions and Services
d.	Nature, material terms, monetary value and particulars of the contract or arrangement	- Availing of advisory services for strengthening the Company's eCommerce capability and associated activities - Tenure: 36 months w.e.f. April 01, 2026 - During the tenure, the fee would be in the range of ₹ 3.00 Lakh to ₹ 4.00 Lakh per month, as may be mutually agreed with the consultant, plus out of pocket expenses at actual

Your Directors recommend Resolution at Item No. 6 as an Ordinary Resolution for approval of the Members.

The Members may note that in terms of the provisions of Section 188 of the Act, no member of the Company shall vote to approve the resolution at item no 6, if such member is a related party.

Except Dr. Manoj Nakra, none of the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution mentioned at item no. 6.

Item no. 7

To appoint Secretarial Auditors of the Company

The Board of Directors at its Meeting held on May 22, 2025, based on the recommendation of the Audit Committee has recommended the appointment of M/s. Siroya and BA Associates, Company Secretaries (Firm Registration Number: P2019MH074300 and Peer Reviewed vide certificate no. 3907/2023, which is valid till July 31, 2028) as the Secretarial Auditors of the Company for a consecutive period of five years from the financial year 2025-26 to financial year 2029-30, subject to the approval of the Members of the Company.

The appointment of Secretarial Auditors shall be in terms of the amended Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") and provisions of Section 204 of the Companies Act, 2013 ("the Act") and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Brief profile of Secretarial Auditors

M/s. Siroya and BA Associates, Practicing Company Secretaries (the "Firm"), is a partnership firm led by Mr. Mukesh Siroya, a Fellow Member of the Institute of Company Secretaries of India. With over 26 years of professional experience, including 24 years in active practice, Mr. Siroya has been providing expert services to a distinguished clientele, encompassing both domestic and international corporates across diverse sectors.

The Firm is supported by a team of skilled and qualified company secretaries. Along with its network firm, it serves a diverse clientele across multiple industries, including finance, insurance, mutual funds, hospitality, technology, electronics, textiles, agriculture, employee leasing, aerospace, business solutions, and manufacturing.

M/s. Siroya and BA Associates has confirmed that the firm is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of Regulation 24A of the SEBI LODR Regulations.

The Board and the Audit Committee while recommending the appointment of new Secretarial Auditors have considered the relevant parameters including but not limited to their expertise and experience, industry experience, competency of the audit team, independence, clientele and technical knowledge, etc.

The fees proposed to be paid to Secretarial Auditors for the secretarial audit shall be ₹ 2,80,000/- (Rupees Two Lakh Eighty Thousand only) plus applicable taxes and other out-of-pocket expenses for financial year 2025-26. The remuneration proposed to the new Secretarial Auditors is reasonable and commensurate with their expertise, size of the firm, scope and coverage of audit.

The remuneration to the Statutory Auditors for the subsequent years of the term will be determined by the Board of Directors from time to time based on the recommendations of the Audit Committee and in consultation with the Secretarial Auditors, which will be commensurate with the services rendered by them during the said term.

The Company would also avail various professional services, certifications, reports or opinions (other than prohibited services under the SEBI LODR Regulations) from the Secretarial Auditor and/or M/s. M Siroya and Company, Practicing Company Secretary, a network firm of the Secretarial Auditor, from time to time, as may be permitted under the Act, SEBI LODR Regulations and ICSI guidelines, in addition to the Secretarial Audit, for which the Auditors will be remunerated separately on mutually agreed terms.

The Board in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Secretarial Auditors.

The Board recommends the Ordinary Resolution as set out in Item No. 7 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 7 of this Notice.

By Order of the Board of Directors

Sanjay Kumar Mutha
Company Secretary
ACS No. 15884

Registered Office:
Credo Brands Marketing Limited
CIN: L18101MH1999PLC119669
Regd. Off.: B 8, MIDC Central Road, Marol,
Andheri (E), Mumbai - 400093
Tel. No.: +91 22 6141 7200
Website: www.credobrands.in
Email: Investorrelations@mufti.in
Mumbai, July 31, 2025

INFORMATION AT A GLANCE:

S/N	Particulars	Details
1	**Date and Time of AGM**	Monday, September 22, 2025 at 12:30 p.m. (IST)
2	**Mode of conduct**	Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
3	**Link to participate in the AGM through VC/OAVM**	https://www.evoting.nsdl.com *[For details please refer Note No. 18 of the Notice]*
4	**Contact details of NSDL for assistance before or during the AGM**	E-mail: evoting@nsdl.com Contact No.: +91 22 48867000 Members may connect with: Ms. Prajakta Pawle at evoting@nsdl.com
5	**Record date for Final Dividend**	Wednesday, September 10, 2025
6	**Payment date for Final Dividend**	Within 30 days from the date of AGM
7	**Cut-off date to determine entitlement for e-voting**	Monday, September 15, 2025
8	**E-voting start date and time**	Friday, September 19, 2025 from 9:00 a.m. (IST)
9	**E-voting end date and time**	Sunday, September 21, 2025 till 5:00 p.m. (IST)
10	**E-voting event number (EVEN)**	135197
11	**Registration of e-mail ID for receiving Notice of the AGM and Annual Report**	Last date to register: Wednesday, September 10, 2025 on or before 5:00 p.m. (IST) Link: https://web.in.mpms.mufg.com/EmailReg/Email_Register.html
12	**Email ID and link to submit the form for TDS exemption**	Last date to submit: Wednesday, September 10, 2025 Email id: csgexemptforms2526@in.mpms.mufg.com Link: https://web.in.mpms.mufg.com/formsreg/submission-of-form-15g-15h.html
13	**Registration as speaker shareholder**	Please send email to investorrelations@mufti.in on or before Monday, September 15, 2025. *(Please send the request from your registered e-mail ID and mention name, demat account number, PAN, mobile number in the e-mail sent for registration)*
14	**Name, address and contact details of** **Registrar and Transfer Agent**	MUFG Intime India Private Limited C-101, Embassy 247, L. B. S. Marg, Vikhroli (West), Mumbai - 400083. Tel No: +91 810 811 8484 Link to register queries: https://web.in.mpms.mufg.com/helpdesk/Service_Request.html Website: https://in.mpms.mufg.com/
15	**Live webcast of AGM**	https://www.evoting.nsdl.com