

M/S. ARVIND LIFESTYLE BRANDS LIMITED

AHMEDABAD

FINAL ACCOUNTS

&

AUDIT REPORT

FOR THE YEAR ENDED ON

31st MARCH 2021

[A.Y. 2021-2022]

MUKESH M.SHAH & CO.

Chartered accountants

7TH FLOOR HERITAGE CHAMBERS,

NEHRU NAGAR, AMBAWADI,

AHMEDABAD – 380 015.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARVIND LIFESTYLE BRANDS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Arvind Lifestyle Brands Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 the 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, 2021, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

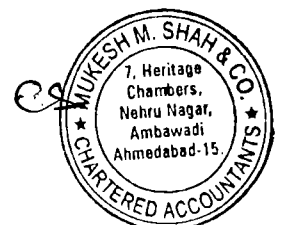
Emphasis of Matter Paragraph

We draw your attention to Note 43 of the financial statements which explains the uncertainties and management's assessment of the financial impact due to the lockdown and other restrictions imposed by the Government of India and other conditions related to the COVID-19 pandemic situation, for which a definitive assessment in the subsequent period is highly dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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



A. Recognition of Revenue from Contracts with Customers

Key Audit Matter Description

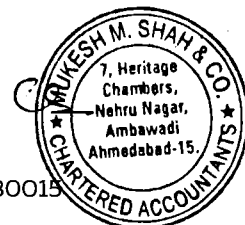
Revenue recognition involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period, estimate of variable consideration, reduction of revenue on the basis of consideration payable to customers in the form of loyalty points, determination of Principal versus agent consideration, recognition of contract assets and refund liability that is amount of returns, and discounts that have been incurred and not yet settled with the customer. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Refer Note 4 and Note 16 to the Financial Statements

How the Key Audit Matter was addressed in the Audit

We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- Evaluated the design of internal controls relating to the revenue recognition in accordance with accounting standard - Ind AS - 115.
- Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance, and inspection of evidence in respect of operation of these controls.
- Selected a sample of continuing and new contracts and performed the following procedures:
 - Read, analyzed and identified the distinct performance obligations in these contracts and compared these performance obligations with that identified and recorded by the Company.
 - Considered the terms of the contracts to determine (a) the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration; (b) for determination of Principal versus agent consideration, recognition of contract assets and refund liability including historical trend of returns.
 - Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
 - Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
 - Analyzed returns and discounts and held discussions with management to understand changes in provisioning norms/additional provisions made based on management's assessment of market conditions



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- We reviewed the collation of information to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

B. Valuation of Inventory

Key Audit Matter Description

Valuation of inventory requires (a) measurement of cost to be recognised as an inventory and carried forward until the related revenues are recognised; (b) any write-down to net realisable value; (c) identification of slow-moving stock; and (d) accuracy of expected selling prices, particularly for products with significant time lapse between manufacture and ultimate date of sale of product to the consumer. These include inherently subjective judgements about forecast future demand with the risk increased due to recent situation of COVID 19 and estimated net realisable value at the time the product is expected to be sold based upon a detailed analysis of old season inventory.

Refer Note 4 and Note 9 to the Financial Statements

How the Key Audit Matter Was Addressed in the Audit

We assessed the Company's process to identify and measurement of all costs which comprise of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

- Evaluated the design of internal controls relating to identification and measurement of cost of inventory, slow moving goods and estimated net realisable value;
- Selected sample of Inventory to verify the correctness of cost components.
- Tested the relevant information technology systems generating report of slow-moving goods specifically in relation to validity and completeness of the inventory flags and season codes applied;
- Performed sample testing for accuracy of net realizable value of inventory including slow moving goods with sales invoices;
- Validated cost write-down to estimated net realizable value.

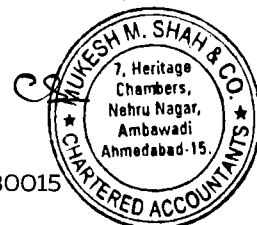
C. Ind AS 116 – “Leases” (accounting for rent concession arrangements)

Key Audit Matter Description

As at March 31, 2021, the Company has Rs. 5,12,73,32,076/- of Right of Use (RoU) assets and Rs. 6,24,25,04,181/- of Lease Liabilities recognised under Ind AS 116 pertaining to the premises leased by the Company.

During the year, considering the impact of COVID-19 pandemic on its business, the Company negotiated for rent concessions with its lessors for its retail outlets across malls, high street stores and other leased premises.

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 – Leases, by inserting a practical expedient with respect to “COVID-19 related rent concessions” effective from the period beginning on or after April 1, 2020.



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Pursuant to the above amendment, the Company has applied the practical expedient with effect from April 1, 2020. Accordingly, the Company accounted unconditional rent concessions of Rs. 72,21,01,183/- during the year in Other Income (Refer Note 17) in the Statement of Profit and Loss.

Accounting of rent concessions pursuant to amendment to Ind AS 116 is considered as a key audit matter considering the number of lease arrangements and the assessment of whether individual rent concession arrangements meet the criteria of the practical expedient under Ind AS 116, and the amounts involved.

How the Key Audit Matter Was Addressed in the Audit

In responding to the identified key audit matter, we completed the following audit procedures:

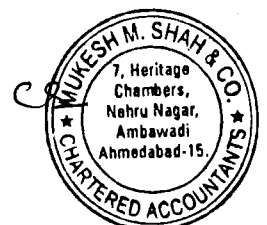
- Assessed the Company's accounting policy with respect to recognition of leases and for assessing compliance with Ind AS 116, including accounting for rent concession arrangements.
- Obtained an understanding, evaluated the design and tested the operating effectiveness of controls that the Company has in relation of accounting of rent concession arrangements under Ind AS 116.
- Tested on a sample basis, the rent concessions accounted by the Company, to agreed rent concession arrangements / underlying documents, calculations and assessed the terms of the same against the requirements of the practical expedient under Ind AS 116.
- Assessed the Company's disclosures made in accordance with the requirements of Ind AS 116 in this matter.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



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Auditor's Responsibilities for the Audit of the Financial statements

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

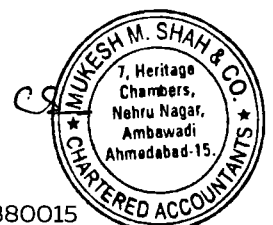
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.



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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

Other Matters

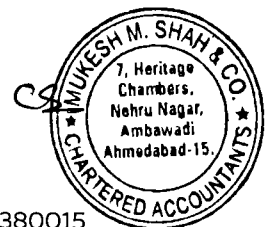
Due to COVID-19 related lockdown restrictions, management was able to perform year end physical verification of inventories, only at certain locations, subsequent to the year-end. Also, we were not able to physically observe the stock verification, wherever carried out by management. Consequently, we have performed alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" which includes inspection of supporting documentation relating to purchases, sales, results of cyclical count performed by the Management through the year and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these financial statements.

Our report on the Statement is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.



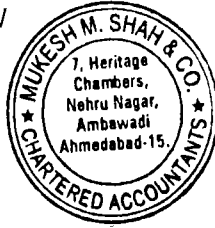
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- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There have been no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Mukesh M. Shah & Co.**
Chartered Accountants
Firm Registration No. 106625W

C.S. Shah
CA. Chandresh S. Shah
Partner
Membership No.042132
UDIN: 21042132AAAAUW9137



Ahmedabad
June 03, 2021

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Arvind Lifestyle Brands Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ARVIND LIFESTYLE BRANDS LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

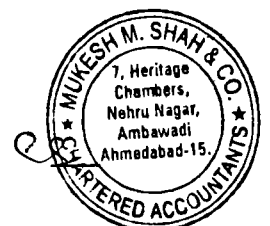
The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.



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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

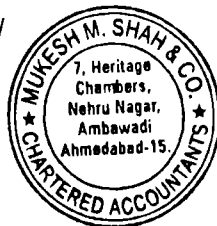
Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mukesh M. Shah & Co.**
Chartered Accountants
Firm Registration No. 106625W

CS Shah

CA. Chandresh S. Shah
Partner
Membership No.042132
UDIN: 21042132AAAAUW9137

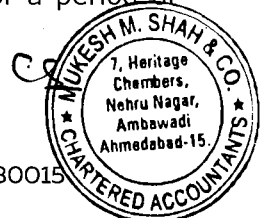


Ahmedabad
June 03, 2021

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Arvind Lifestyle Brands Limited of even date)

- i. In respect of the Company's fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) The Company does not hold any immovable properties and thus disclosure under clause (i)-(c) of paragraph 3 of the order are not applicable.
- ii. As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 of the Act. However, the Company has advanced loans or given guarantees or provided security or made investments covered under section 186 of the Act. We are of the opinion that provisions of section 186 of the Act have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act in respect of the Company's product. Consequently, requirement of clause (vi) of paragraph 3 of the order are not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it.
 - b) According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.



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c) Following amounts have not been deposited as on March 31, 2021, on account of any dispute:

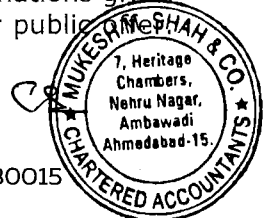
Nature of the Statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where matter is pending
Sales Tax Act	Sales Tax	9,96,490	1998-99	High Court
		2,38,735	2001-02	Deputy Commissioner
		24,25,111	2001-05	High Court
		1,40,000	2002-03	Appellate Tribunal
		6,24,751	2005-06	Additional Commissioner
		73,58,223	2005-06	Deputy Commissioner
		5,33,922	2006-07	Appellate Tribunal
		8,69,603	2007-08	Deputy Commissioner
		10,99,871	2008-09	Appellate Tribunal
		56,93,860	2009-10	Deputy Commissioner
		3,55,46,304	2009-10	Deputy Commissioner
		2,50,96,597	2010-11	Tribunal
		2,58,74,838	2010-11	Deputy Commissioner
		7,77,936	2011-12	Deputy Commissioner
		1,72,99,519	2011-12	Assistant Commissioner
		1,00,89,895	2012-13	Assistant Commissioner
		1,22,80,031	2012-13	Deputy Commissioner
		10,71,444	2013-14	Assistant Commissioner
		1,14,80,555	2013-14	Enforcement Division
		41,97,094	2013-14 to 2015-16	High Court
24,61,531	2014-15	Deputy Commissioner		
16,25,69,675	2015-16	Deputy Commissioner		
1,63,20,554	2016-17	Deputy Commissioner		
Central Excise Act	Excise Duty	1,00,000	2006-07	CESTAT
		1,58,000	2006-07	Commissioner of Central Excise
Textile Committee	Textile Committee Cess	10,94,000	2006-07	CESTAT
Employee Provident Fund	Provident Fund	52,92,000	January 2012- March 2015	EPF Tribunal
Customs Act	Basic Custom Duty	11,04,60,721	2013-18	Commissioner of Customs
Income Tax Act	Tax Deducted at Source	1,20,63,860	2010-11 to 2020-21	Commissioner of appeals

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.

ix. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public

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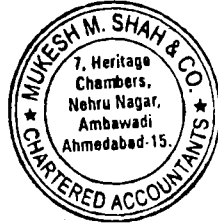
However, the term loans obtained during the year were, prima facie, applied by the Company for the purpose for which they were raised, other than temporary deployment pending application.

- x. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- xiii. To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- xv. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Mukesh M. Shah & Co.**
Chartered Accountants
Firm Registration No. 106625W

C.S. Shah

CA. Chandresh S. Shah
Partner
Membership No.042132
UDIN: 21042132AAAAUW9137



Ahmedabad
June 03, 2021

Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Balance Sheet as at March 31, 2021

Amount in Rs.

Particulars	Notes	As at	As at
		March 31, 2021	March 31, 2020
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	5	1,12,21,53,998	1,93,36,06,410
(b) Right-of-use asset	34	5,12,73,32,076	5,76,96,14,782
(c) Intangible assets	6	28,88,01,619	39,51,53,026
(d) Financial assets			
(i) Investments	7 (a)	68,07,88,790	2,00,000
(ii) Loans	7 (c)	1,00,66,667	4,24,731
(iii) Other financial assets	7 (f)	98,19,90,210	1,53,01,97,569
(e) Deferred tax assets (net)	26	3,28,47,01,929	3,33,01,32,365
(f) Other non-current assets	8	23,68,52,676	22,29,95,182
Total non-current assets		11,73,26,87,965	13,18,23,24,065
II. Current assets			
(a) Inventories	9	4,31,04,00,794	9,33,30,17,180
(b) Financial assets			
(i) Trade receivables	7 (b)	3,77,95,67,750	5,51,76,26,577
(ii) Cash and cash equivalents	7 (d)	1,53,25,451	78,13,326
(iii) Bank balances other than (ii) above	7 (e)	10,76,77,261	1,30,18,035
(iv) Loans	7 (c)	15,70,34,510	3,62,25,717
(v) Others financial assets	7 (f)	42,52,22,909	40,11,33,385
(c) Current tax assets (net)	10	17,37,65,983	19,07,27,041
(d) Other current assets	8	2,44,57,45,622	1,93,65,26,119
Total current assets		11,41,47,40,280	17,43,60,87,380
Assets held for sale (Discontinued Operation)	41	1,22,71,37,674	-
Total Assets		24,37,45,65,919	30,61,84,11,445
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	1,32,70,00,000	96,27,87,230
(b) Other equity	12	2,98,41,80,807	3,31,86,13,921
Total equity		4,31,11,80,807	4,28,14,01,151
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	1,07,85,02,229	1,41,69,59,434
(ii) Lease Liabilities	34	5,12,12,72,768	6,79,17,19,617
(iii) Other financial liabilities	13 (c)	47,79,58,010	63,75,23,869
(b) Long-term provisions	14	13,48,59,478	14,06,77,325
Total non-current liabilities		6,81,25,92,485	8,98,68,80,245
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	5,35,31,74,766	6,57,39,28,729
(ii) Lease Liabilities	34	1,12,12,31,413	48,60,32,301
(iii) Trade payables	13 (b)		
a) Total outstanding dues of micro enterprises and small enterprises		1,01,71,96,326	1,19,34,44,288
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,06,14,58,119	7,64,58,77,176
(iv) Other financial liabilities	13 (c)	89,70,43,496	1,09,88,88,705
(b) Other current liabilities	15	34,87,48,790	32,35,64,366
(c) Short-term provisions	14	3,40,51,419	2,83,94,484
Total current liabilities		12,83,29,04,329	17,35,01,30,049
Liabilities directly associated with assets held for sale	41	41,78,88,298	-
Total Equity and Liabilities		24,37,45,65,919	30,61,84,11,445
Significant Accounting Policies	3		

The accompanying notes are an integral part of these Financial Statements.

In terms of our report attached
For **Mukesh M. Shah & Co.**
Chartered Accountants
Firm Registration No. 106625W

CSShad
CA. Chandresh S. Shah
Partner
Membership No. 042132



Place : Ahmedabad
Date : June 03, 2021

For and on behalf of the board of directors of
Arvind Lifestyle Brands Limited

Shailesh Chaturvedi

Shailesh Chaturvedi
Director
(DIN: 03023079)

Manikandan Balasubramanian
Manikandan Balasubramanian
Chief Financial Officer

Place : Bengaluru
Date : June 03, 2021

Pramod Kumar Gupta
Pramod Kumar Gupta
Director
(DIN: 00064044)

Vijay Kumar B
Vijay Kumar B
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2021

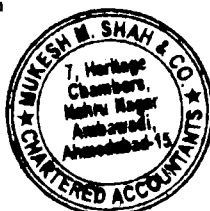
Amount in Rs.

Particulars	Notes	Year ended	
		March 31, 2021	March 31, 2020
I. Income			
Revenue from operations			
Sale of Products	16	11,48,07,77,284	22,77,96,26,616
Sale of Services	16	12,58,47,394	2,80,19,396
Operating Income	16	5,67,46,291	25,05,83,871
Revenue from operations		11,66,33,70,969	23,05,82,29,883
Other income	17	96,38,69,986	54,27,09,016
Total income (I)		12,62,72,40,955	23,60,09,38,899
II. Expenses			
Cost of trims and accessories consumed	18	35,13,20,521	63,75,045
Purchases of stock-in-trade	19	3,62,08,22,338	14,23,78,99,023
Changes in inventories of stock-in-trade	20	3,52,54,42,606	(89,38,86,343)
Employee benefits expense	21	1,29,40,16,080	1,92,83,64,891
Finance costs	22	1,52,43,07,096	1,98,75,30,865
Depreciation and amortisation expense	23	2,05,18,79,524	3,32,85,87,488
Other expenses	24	3,67,36,05,241	6,23,93,34,942
Total expenses (II)		16,04,13,93,406	26,83,42,05,911
III. Profit/(Loss) before exceptional items and tax (I-II)		(3,41,41,52,451)	(3,23,32,67,012)
IV. Exceptional items	25	(68,18,05,189)	37,94,04,975
V. Profit/(Loss) for the period before tax from Continuing Operations (III-IV)		(2,73,23,47,262)	(3,61,26,71,987)
VI. Tax expense	26		
Deferred Tax charge / (credit)		(17,80,985)	(75,33,12,972)
Total tax expense		(17,80,985)	(75,33,12,972)
VII. Profit/(Loss) for the year (V-VI)		(2,73,05,66,277)	(2,85,93,59,015)
VIII. Profit/(Loss) for the period after tax from Discontinuing Operations	41	(1,02,67,05,790)	(59,09,31,605)
IX. Profit/(Loss) for the period after tax from Continuing and Discontinuing Operations (VII+VIII)		(3,75,72,72,067)	(3,45,02,90,620)
X. Other comprehensive income			
Items that will not to be reclassified to profit or loss:			
Re-measurement gains / (losses) on defined benefit plans	31	1,91,24,341	92,68,449
Income tax effect on above	26	(66,82,810)	(32,38,767)
Other comprehensive income/(loss) not to be reclassified to profit or loss		1,24,41,531	60,29,682
Total other comprehensive income/(loss) for the year, net of tax		1,24,41,531	60,29,682
XI. Total comprehensive income for the year, net of tax (IX+X)		(3,74,48,30,536)	(3,44,42,60,938)
XII. Earnings per equity share			
Nominal Value per share - Rs. 10/- (Previous year - Rs. 10/-)	33		
For continuing operations			
Basic - Rs.		(24.03)	(31.29)
Diluted - Rs.		(24.03)	(31.29)
For discontinuing operations			
Basic - Rs.		(9.04)	(6.47)
Diluted - Rs.		(9.04)	(6.47)
For continuing and discontinuing operations			
Basic - Rs.		(33.07)	(37.75)
Diluted - Rs.		(33.07)	(37.75)
Significant Accounting Policies	3		

The accompanying notes are an integral part of these Financial Statements.

In terms of our report attached
For **Mukesh M. Shah & Co.**
Chartered Accountants
Firm Registration No. 106625W

C.S. Shah
CA. Chandresh S. Shah
Partner
Membership No. 042132



Place : Ahmedabad
Date : June 03, 2021

For and on behalf of the board of directors of
Arvind Lifestyle Brands Limited

Shailesh Chaturvedi

Shailesh Chaturvedi
Director
(DIN: 03023079)

Manikandan Balasubramanian
Manikandan Balasubramanian
Chief Financial Officer

Place : Bengaluru
Date : June 03, 2021

Pramod Kumar Gupta
Pramod Kumar Gupta
Director
(DIN: 00064041)

Vijay Kumar
Vijay Kumar
Company Secretary

Arvind Lifestyle Brands Limited
 CIN - U64201G1995PLC024598
 Statement of Changes in Equity for the year ended March 31, 2021

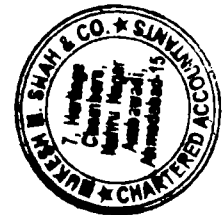
	Amount in Rs. Note 11
A. Equity share capital	
Balance	91,27,87,230
As at April 1, 2019	5,00,00,000
Add : Issue of Equity Share capital	96,27,87,230
As at March 31, 2020	36,42,12,770
Add : Issue of Equity Share capital	1,32,70,00,000
As at March 31, 2021	

Particulars	Attributable to the equity holders					Total Other Equity
	Reserves and Surplus					
	Contribution from Parent for ESOP	Securities premium	Retained Earnings	Capital Reserve	Items of Other Comprehensive Income	
	Note 12	Note 12	Note 12	Note 12	Note 12	Amount in Rs.
B. Other equity						
Balance as at April 1, 2019	1,20,13,709	10,48,05,63,530	(3,57,74,01,471)	59,05,31,059	(1,61,237)	7,50,55,45,590
Loss for the year	-	-	(3,45,02,90,620)	-	-	(3,45,02,90,620)
Other comprehensive income / (loss) for the year	-	-	60,29,682	-	-	60,29,682
Total Comprehensive income / (loss) for the year	-	-	(3,44,42,60,938)	-	-	(3,44,42,60,938)
Addition during the year	-	45,00,00,000	(1,84,68,55,541)	-	-	45,00,00,000
Impact on adoption of Ind AS 116	-	-	64,53,65,200	-	-	(1,84,68,55,541)
Tax impact on adoption of Ind AS 116	-	-	-	-	1,61,237	64,53,65,200
Reclassified to profit and loss	-	-	-	-	-	1,61,237
Contribution received during the year (Refer Note 42)	86,58,373	-	-	-	-	86,58,373
Balance as at March 31, 2020	2,06,72,082	10,93,05,63,530	(8,22,31,52,750)	59,05,31,059	-	3,31,86,13,921
Balance as at April 1, 2020	2,06,72,082	10,93,05,63,530	(8,22,31,52,750)	59,05,31,059	-	3,31,86,13,921
Loss for the year	-	-	(3,75,72,72,067)	-	-	(3,75,72,72,067)
Other comprehensive income / (loss) for the year	-	-	1,24,41,531	-	-	1,24,41,531
Total Comprehensive income / (loss) for the year	-	-	(3,74,48,30,536)	-	-	(42,62,16,615)
Addition during the year	-	3,39,65,21,315	-	-	-	3,39,65,21,315
Contribution received during the year (Refer Note 42)	1,38,76,107	-	-	-	-	1,38,76,107
Balance as at March 31, 2021	3,45,48,189	14,32,70,84,845	(11,96,79,83,286)	59,05,31,059	-	2,98,41,80,807

The accompanying notes are an integral part of these Financial Statements.

In terms of our report attached
 For Mukesh M. Shah & Co.
 Chartered Accountants
 Firm Registration No. 106625W

C.S.Sha
 CA. Chandresh S. Shah
 Partner
 Membership No. 042132



Place : Ahmedabad
 Date : June 03, 2021

For and on behalf of the board of directors of
 Arvind Lifestyle Brands Limited

Shailesh Chaturvedi
 Shailesh Chaturvedi
 Director
 (DIN: 03023079)

Manikandan Balasubramanian
 Manikandan Balasubramanian
 Chief Financial Officer

Place : Bengaluru
 Date : June 03, 2021

Pramod Kumar Gupta
 Pramod Kumar Gupta
 Director
 (DIN: 00064041)

Vijay Kumar BS
 Vijay Kumar BS
 Company Secretary

Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Statement of Cash Flows for the year ended March 31, 2021

Particulars	Amount in Rs.	
	Year ended March 31, 2021	Year ended March 31, 2020
A Operating activities		
Profit/(Loss) Before taxation from		
Continuing Operations	(2,73,23,47,262)	(3,61,26,71,987)
Discontinuing Operations	(1,02,67,05,790)	(59,09,31,605)
Profit/(Loss) for the year from Continuing and Discontinuing Operations	(3,75,90,53,052)	(4,20,36,03,592)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation /Amortization	2,36,54,93,856	3,49,71,14,705
Interest Income	(4,16,43,030)	(64,95,082)
Gain on Reassessment of Lease	(91,03,01,802)	(51,52,91,472)
Interest and Other Borrowing Cost	1,63,20,94,420	2,14,31,67,252
Exchange Difference (Net)	(69,91,524)	55,59,296
Bad debts written off	-	16,56,208
Provision for doubtful debts	19,53,75,143	8,16,25,045
Sundry debits written off	48,87,882	2,00,55,749
Investment written off	-	1,50,000
Profit on sale of Property, Plant & Equipment/Intangible assets	(20,86,828)	(1,42,73,108)
Profit on sale of undertaking	(1,95,90,20,241)	-
Property, plant and equipment written off	-	1,73,199
Share based payment expense	1,38,76,107	86,58,373
Operating Profit before Working Capital Changes	(2,46,73,69,069)	1,01,84,96,573
Working Capital Changes:		
(Increase) / Decrease in Inventories	2,87,31,64,374	(1,23,31,58,222)
(Increase) / Decrease in trade receivables	83,02,99,735	1,79,92,52,642
(Increase) / Decrease in other assets	(98,88,98,282)	(53,76,51,746)
(Increase) / Decrease in other financial assets	42,01,77,242	22,09,13,906
(Increase) / Decrease in Other Bank Balances	(9,46,59,226)	2,89,86,821
Increase / (Decrease) in trade payables	(3,08,85,41,005)	(7,58,29,565)
Increase / (Decrease) in other liabilities	56,77,49,845	2,08,36,174
Increase / (Decrease) in other financial liabilities	(29,49,44,116)	27,52,96,863
Increase / (Decrease) in provisions	2,40,31,704	35,65,533
Net Changes in Working Capital	24,83,60,271	50,22,12,406
Cash Generated from Operations	(2,21,89,88,798)	1,52,07,08,979
Direct Taxes paid (Net of Income Tax refund)	1,69,61,056	(3,42,48,230)
Net Cash flow received / (used in) Operating Activities	(2,20,20,27,742)	1,48,64,60,749
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment / Intangible assets	(32,53,26,640)	(76,60,53,766)
Proceeds from disposal of Property, Plant & Equipment / Intangible assets	1,68,59,924	5,90,91,499
Purchase of investments	-	(2,00,000)
Proceeds from sale of preference shares	2,54,86,05,451	-
Changes in Loans and advances	16,92,56,539	(36,17,911)
Interest received	17,09,672	67,33,745
Net Cash flow received / (used in) Investing Activities	2,41,11,04,946	(70,40,46,433)
C Cash Flow from Financing Activities		
Proceeds from Issue of share capital	3,76,07,34,085	50,00,00,000
Changes in long term borrowings	(28,23,61,183)	73,85,28,399
Changes in short term borrowings	(1,22,07,53,963)	1,89,33,17,126
Repayment of Lease Liabilities	(70,45,26,624)	(1,98,02,41,259)
Interest and Other Borrowing Cost Paid	(1,75,34,85,801)	(1,96,04,31,027)
Net Cash flow received / (used in) Financing Activities	(20,03,93,486)	(80,88,26,761)
Net Increase/(Decrease) in cash & cash equivalents	86,83,718	(2,64,12,445)
Cash & Cash equivalent at the beginning of the year	66,41,733	3,30,54,178
Cash & Cash equivalent at the end of the year	1,53,25,451	66,41,733

Figures in brackets indicate outflows.

Particulars	Amount in Rs.	
	Year ended March 31, 2021	Year ended March 31, 2020
Cash and cash equivalents comprise of:		
Cash on Hand	-	-
Balances with Banks	1,53,25,451	78,13,326
Cash and cash equivalents as per Balance Sheet (Note 7d)	1,53,25,451	78,13,326
Less: Book Overdraft (Note 13c)	-	11,71,593
Cash and cash equivalents	1,53,25,451	66,41,733

The accompanying notes are an integral part of these Financial Statements.

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2020	Net cash flows	Non Cash Changes			As at March 31, 2021
				Adjustment on account of Business Combination	Effect of change in Foreign Currency Rates	Other Changes*	
Borrowings:							
Long term borrowings	13 (a)	1,72,15,37,084	(28,23,61,183)	-	-	-	1,43,91,75,901
Short term borrowings	13 (a)	6,57,39,28,729	(1,22,07,53,963)	-	-	-	5,35,31,74,766
Interest accrued on borrowings	13 (c)	9,26,49,564	(9,26,49,564)	-	-	6,44,96,998	6,44,96,998
Total		8,38,81,15,377	(1,59,57,64,710)			6,44,96,998	6,85,68,47,665

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2019	Net cash flows	Non Cash Changes			As at March 31, 2020
				Adjustment on account of Business Combination	Effect of change in Foreign Currency Rates	Other Changes*	
Borrowings:							
Long term borrowings	13 (a)	98,30,08,685	73,85,28,399	-	-	-	1,72,15,37,084
Short term borrowings	13 (a)	4,67,52,13,544	1,89,33,17,126	-	55,59,296	(1,61,237)	6,57,39,28,729
Interest accrued on borrowings	13 (c)	3,70,54,504	(3,70,54,504)	-	-	9,26,49,564	9,26,49,564
Total		5,69,52,76,733	2,59,47,91,021		55,59,296	9,24,88,327	8,38,81,15,377

* The same relates to amount charged in statement of profit and loss.

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows"
- Purchase of property, plant and equipment / intangible assets include movement of capital advances, capital work-in-progress and intangible assets under development.

In terms of our report attached for Mukesh M. Shah & Co. Chartered Accountants Firm Registration No. 106625W

CS Shah
CA. Chandresh S. Shah
Partner
Membership No. 042132
Place : Ahmedabad
Date : June 03, 2021



For and on behalf of the board of directors of Arvind Lifestyle Brands Limited

Shailesh Chaturvedi
Director
(DIN: 03023079)

Manikandan Balasubramanian
Chief Financial Officer

Place : Bengaluru
Date : June 03, 2021

Pramod Kumar Gupta
Director
(DIN: 00064041)

Vijay Kumar BS
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

Arvind Lifestyle Brands Limited ('the Company') is engaged in the business of distribution and retailing of Readymade Garment Apparels and Accessories. The brands portfolio of the Company includes Domestic and International brands.

The Company is a Subsidiary of Arvind Fashions Limited and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Naroda Road, Ahmedabad - 380025.

The financial statements were authorised for issue in accordance with a resolution of the directors on June 03, 2021.

2. Statement of Compliance and Basis of Preparation

2.1 Basis of Preparation and Presentation and Statement of Compliance

The Financial Statements have been prepared on a historical cost convention on the accrual basis except for the certain financial assets and liabilities measured at fair value, the provisions of the Companies Act, 2013 to the extent notified ("the Act").

Accounting policies were consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.

The Financial Statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2020 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III of the Companies Act, 2013 (Ind AS compliant schedule III) as applicable to financial statement.

2.2 Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Derivative financial instruments measured at fair value;
- Share based payments;
- Defined benefit plans – plan assets measured at fair value;
- Value in Use



3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods presented:

3.1. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the 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.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the 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.

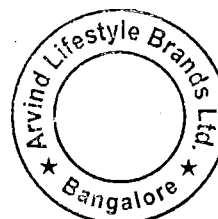
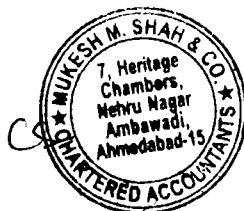
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.



3.3. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Business combinations between entities under common control are accounted for at carrying value.

Acquisition-related costs are expensed as incurred.

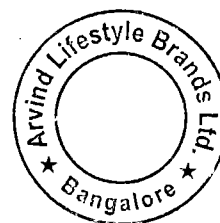
At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 "Income Taxes", Ind AS 19 "Employee Benefits" and Ind AS 116 "Leases" respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 "Share-based Payments" at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 "Financial Instruments", is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.



Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

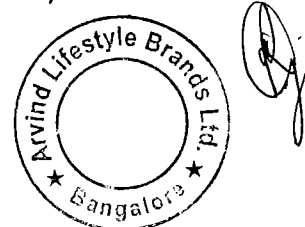
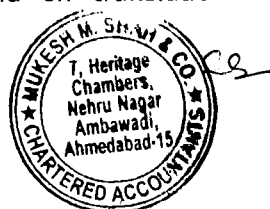
3.4.Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities



denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.5.Fair value measurement

The Company measures financial instruments such as derivatives at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

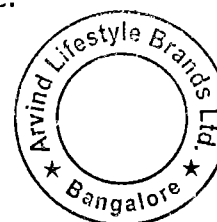
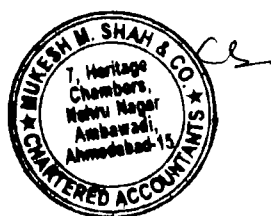
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 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 financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.



- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

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 the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Financial instruments (including those carried at amortised cost)

3.6. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a



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replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation

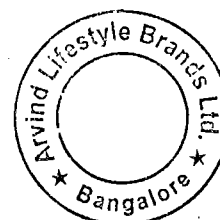
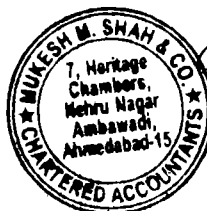
Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for following assets category as shown in Table below.

Asset	Useful Life as prescribed by Schedule II of the Companies Act, 2013	Estimated Useful Life
Buildings	30 Years	20 Years
Plant & Machinery	15 Years	6 to 15 Years
Office Equipment	5 Years	6 to 8 Years
Furniture & Fixture	10 Years	6 to 9 Years
Computer Software	-	5 Years
Motor Cars	6 Years	4 Years

However, Leasehold Improvements have been depreciated considering the lease term or useful life whichever is lower.

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

Any change in useful file are being applied prospectively in accordance with Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors".



When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7. Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

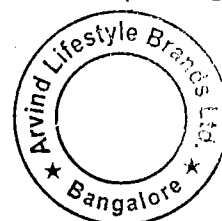
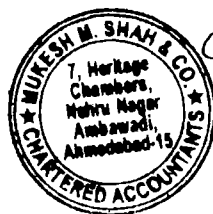
At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to



the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

3.8. Borrowing cost

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset.

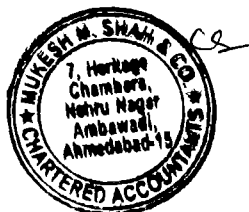
Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Company during the year. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

All other borrowing costs are expensed in the period in which they occur.

3.9. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as finite.



Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

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 the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Job Workers' Network Value, Vendors' Network Value and Distribution Network Value have been amortized on Straight Line basis over the period of five years.

Value of License Brands acquired under demerger scheme has been amortized on Straight Line basis over the period of ten years.

Technical Process Development has been amortized on Straight Line basis over the period of five years and Product Development has been amortized on Straight Line basis over the period of three to five years.

Software is depreciated over management estimate of its useful life of five years.

3.10. Inventories

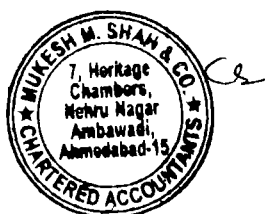
Inventories of Raw material, Stock-in-trade and Packing Material are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Stock in Trade: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories are valued at cost.

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



3.11. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

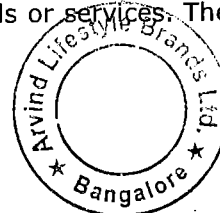
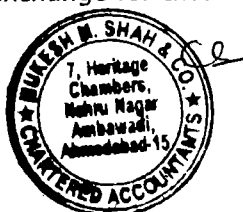
The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.12. Revenue Recognition

The Company derives revenues primarily from sale of traded goods and related services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has



generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer, i.e., generally on delivery of the goods.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and discounts. The rights of return and discounts give rise to variable consideration.

i. Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

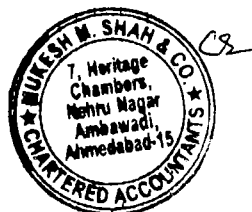
ii. Discounts

Discounts are offset against amounts payable by the customer. To estimate the variable consideration for the expected future discounts, the Company applies the expected value method. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

b) Contract balances

i. Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.



ii. Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (xiv) Financial instruments – initial recognition and subsequent measurement.

iii. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

c) Assets and liabilities arising from rights of return

i. Right of return assets

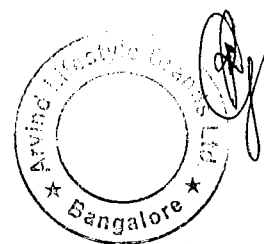
Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

ii. Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

d) Sale of goods – customer loyalty programme (deferred revenue)

The Company operates a loyalty point programme which allows customers to accumulate points when they purchase the products. The points can be redeemed for free products, subject to a minimum number of points being obtained. Consideration received is allocated between the product sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.



e) Rendering of services

Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted/ displayed. Facility management fees are recognised pro-rata over the period of the contract.

Revenue from other services is recognised based on the services rendered in accordance with the terms of contacts on the basis of work performed.

f) Gift Vouchers

The amount collected on sale of a gift voucher is recognized as a liability and transferred to revenue (sales) when redeemed or to revenue (sale of services) on expiry

g) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

h) Insurance claims

Claims receivable on account of Insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

i) Export Incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

3.13. Financial instruments – initial recognition and subsequent measurement

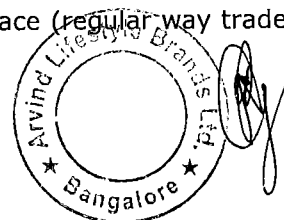
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

(i) Initial recognition and measurement of 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, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are



recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

• **Financial assets at amortised cost:**

A financial asset is measured at amortised cost if:

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

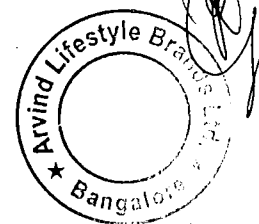
This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

• **Financial assets at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income if:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.



- **Financial assets at fair value through profit or loss**

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

(iii) Derecognition of financial assets

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire, or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

(iv) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business



model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

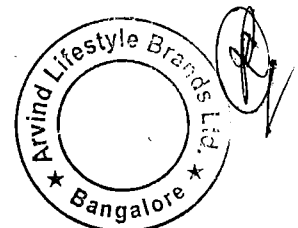
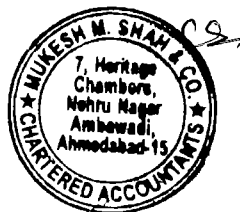
The following table shows various reclassifications and how they are accounted for.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

(v) 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:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18



The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18, if they do not contain a significant financing component
 - Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and
 - All lease receivables resulting from transactions within the scope of Ind AS 17
- 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 reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

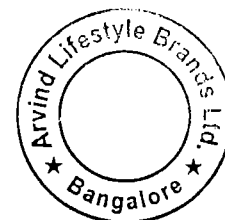
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head "Other expenses" in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.



For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

• Financial liabilities at fair value through profit or loss

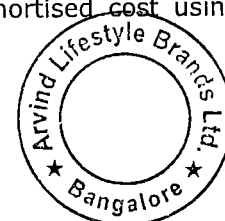
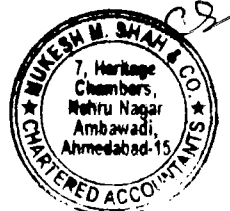
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

• Loans and Borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR



method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 borrowings.

(iii) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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 or loss.

c) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

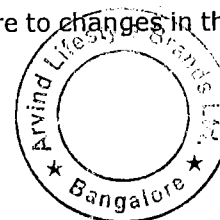
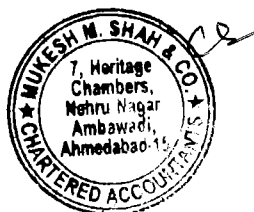
The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged



item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

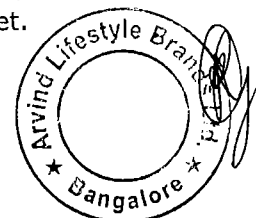
(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.



d) 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.

3.14. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.15. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

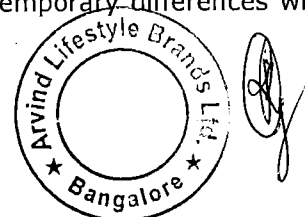
Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

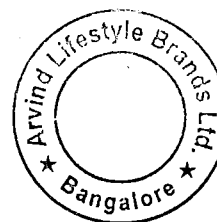
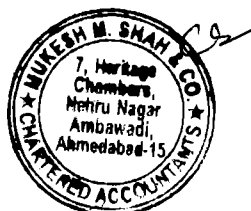
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.



3.16. Employee Benefits

a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

b) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

c) Other long term employment benefits:

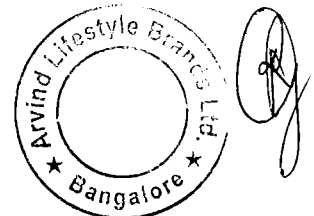
The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

d) Termination Benefits :

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

3.17. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).



Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.18. Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.



3.19. Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements.

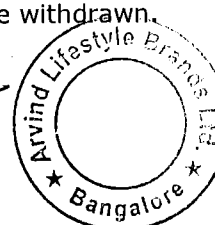
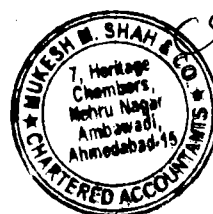
Contingent assets are not recognised but disclosed in the Financial Statements when an inflow of economic benefits is probable.

3.20. Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.



Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an asset but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A discontinued operation qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in Statement of Profit and Loss.

3.21. Segment Reporting

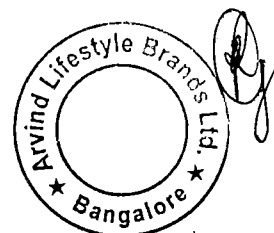
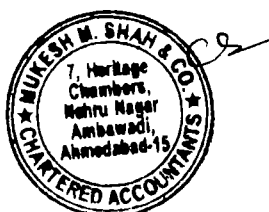
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3.22. Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

3.23. Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts



4. Critical accounting Judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and income and expenses that are not readily apparent from other sources. Such judgements, 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. The Management has considered the possible effects, if any, that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements and / or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

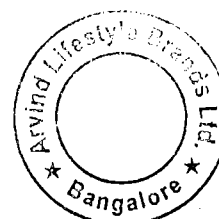
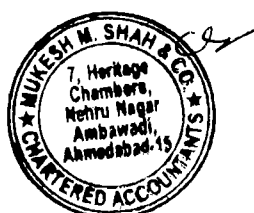
The Company assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing whether the Company has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Company has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

Customer loyalty program reward points

Customer loyalty program reward points having a predetermined life are granted to customers when they make purchases. The fair value of the consideration on sale of goods resulting in such award credits is allocated between the goods supplied and the reward point credits granted. The consideration allocated to the reward point credits is measured by reference to fair value from the standpoint of the holder and revenue is deferred. The Company at the end of each reporting period estimates the number of points redeemed and that it expects will be further redeemed, based on empirical data of redemption / lapses, and revenue is accordingly recognised.

Provision for discount and sales return

The Company provides for discount and sales return based on season wise, brand wise and channel wise trend of previous years. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario. Provision is created based on the management's assessment of market conditions.



Defined benefit plans

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 31.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 37 for further disclosures.

Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-



settled share-based payment transactions, the liability needs to be measured at the time of grant. The expenses recognised for share-based payment transactions are disclosed in Note 42.

Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax credits carried forward and unused losses carried forward.

Further details on taxes are disclosed in Note 26.

Inventories

An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item, the seasonality of the item's sales profile and losses associated with obsolete / slow-moving inventory items.

Useful lives of Property, Plant and Equipment and Intangible assets

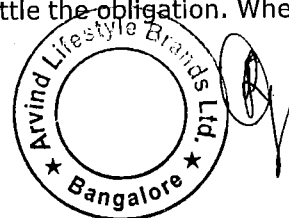
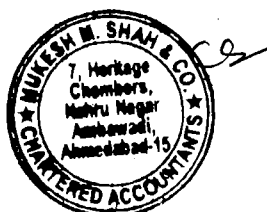
The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During the financial year ended March 31, 2021, there were no changes in useful lives of property plant and equipment and intangible assets other than (a) useful lives of leasehold improvements which have been considered lower of the lease term or useful life and (b) those resulting from store closures / shifting of premises.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where



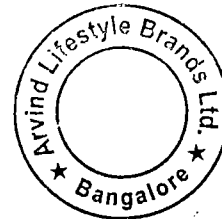
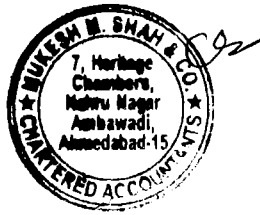
the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company.

There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the Financial Statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 14 and 27).

Lease Term

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

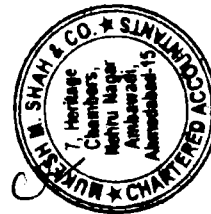


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Note 5 : Property, plant and equipment

Particulars	Amount in Rs.					Total	Amount in Rs. CWIP
	Plant & machinery	Furniture & fixture	Vehicles	Leasehold improvements	Office equipment		
Gross Carrying Amount							
As at April 1, 2019	85,89,97,599	1,71,62,51,703	5,05,98,714	2,27,43,49,320	26,36,01,514	36,14,07,501	5,52,52,06,351
Additions	5,34,35,956	20,60,56,338	81,74,952	17,95,20,924	1,84,75,909	3,41,13,341	49,37,77,420
Deductions	(12,55,23,443)	(27,26,36,349)	(3,51,56,451)	(36,15,89,959)	(3,22,72,092)	(1,97,79,931)	(84,69,60,225)
As at March 31, 2020	78,69,08,112	1,64,96,71,692	2,36,17,215	2,09,22,80,285	24,98,05,331	37,57,40,911	5,17,80,23,546
Additions	1,86,27,719	13,02,30,815	1,17,59,674	6,60,55,766	93,31,148	4,26,54,210	27,86,19,332
Deductions due to Business transfer	(4,24,12,217)	(22,78,85,684)	(90,92,706)	(7,88,44,185)	(62,50,773)	(2,16,54,737)	(38,61,40,302)
Deductions due to Discontinued Operation	(3,25,96,059)	(6,51,20,016)	(39,00,000)	(7,44,09,649)	(75,62,296)	(35,06,773)	(18,70,94,793)
(Refer Note 40)							
Deductions due to Discontinued Operation	(10,01,64,964)	(37,60,24,567)	-	(35,54,10,849)	(5,48,34,820)	(4,34,67,932)	(92,99,03,132)
(Refer Note 41)							
As at March 31, 2021	63,03,62,591	1,11,08,72,240	2,23,84,183	1,64,96,71,368	19,04,88,590	34,97,25,679	3,95,35,04,651
Depreciation and Impairment							
As at April 1, 2019	48,14,29,871	78,90,83,120	2,32,83,634	1,13,21,26,903	14,68,00,493	22,30,77,443	2,79,58,01,464
Depreciation for the year	17,30,10,786	36,08,20,585	96,00,378	58,32,96,633	5,28,86,888	7,14,94,330	1,25,11,09,600
Deductions	(12,31,54,809)	(25,65,18,805)	(2,99,78,730)	(34,28,11,545)	(3,04,80,834)	(1,95,49,205)	(80,24,93,928)
As at March 31, 2020	53,12,85,848	89,33,84,900	29,05,282	1,37,26,11,991	16,92,06,547	27,50,22,568	3,24,44,17,136
Depreciation & Impairment for the year	10,10,94,656	36,29,81,273	69,02,949	35,53,95,175	3,36,19,307	6,66,82,251	92,66,75,611
Deductions	(4,24,12,217)	(22,21,53,981)	(45,28,881)	(7,88,44,185)	(62,50,773)	(4,72,77,732)	(37,14,67,769)
Deductions due to Business transfer	(2,27,30,835)	(4,47,98,570)	(35,83,473)	(5,06,61,975)	(47,21,248)	(28,19,083)	(12,93,15,184)
(Refer Note 40)							
Deductions due to Discontinued Operation	(9,31,64,311)	(34,48,16,433)	-	(30,55,66,036)	(5,24,76,572)	(4,29,35,789)	(83,89,59,141)
(Refer Note 41)							
As at March 31, 2021	47,40,73,141	64,45,97,189	16,95,877	1,29,29,34,970	13,93,77,261	27,86,72,215	2,83,13,50,653
Net Carrying Value							
As at March 31, 2021	15,62,89,450	46,62,75,051	2,06,88,306	35,67,36,398	5,11,11,329	7,10,53,464	1,12,21,53,998
As at March 31, 2020	25,56,22,264	75,62,86,792	2,07,11,933	71,96,68,294	8,05,98,784	10,07,18,343	1,93,36,06,410

Notes:
 1) For properties pledged as security, refer Note 13 (a)
 2) Refer Note 28 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

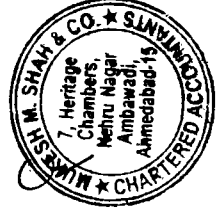


Note 6 : Intangible assets

Particulars	Amount in Rs.						
	Computer Software	Brand Value & License Brands	Distribution Network	Technical Process development	Product Development	Total Intangible Assets	Intangible Assets under development
Gross Carrying Amount							
As at April 1, 2019	20,86,48,533	17,51,84,085	2,08,54,119	24,73,36,286	-	65,20,23,023	3,77,43,501
Additions	18,99,92,357	-	-	7,48,10,204	6,00,63,782	32,48,66,343	-
Deductions	(12,50,003)	-	-	-	-	(12,50,003)	(3,77,43,501)
As at March 31, 2020	39,73,90,887	17,51,84,085	2,08,54,119	32,21,46,490	6,00,63,782	97,56,39,363	-
Additions	4,95,29,965	-	-	-	-	4,95,29,965	-
Deductions	(14,67,855)	-	-	-	-	(14,67,855)	-
Deductions due to Business transfer (Refer Note 40)	(21,66,843)	-	-	-	-	(21,66,843)	-
Deductions due to Discontinued Brand (Refer Note 41)	(20,71,514)	-	-	-	-	(20,71,514)	-
As at March 31, 2021	44,12,14,640	17,51,84,085	2,08,54,119	32,21,46,490	6,00,63,782	1,01,94,63,116	-
Amortisation and Impairment							
As at April 1, 2019	14,75,83,608	17,51,84,085	2,08,54,119	14,83,98,456	-	49,20,20,268	-
Amortisation for the Year	3,96,86,690	-	-	4,94,48,474	55,615	8,91,90,779	-
Deductions	(7,24,710)	-	-	-	-	(7,24,710)	-
As at March 31, 2020	18,65,45,588	17,51,84,085	2,08,54,119	19,78,46,930	55,615	58,04,86,337	-
Amortisation & Impairment for the Year	8,60,65,990	-	-	4,94,67,134	2,00,48,185	15,55,81,309	-
Deductions	(13,67,293)	-	-	-	-	(13,67,293)	-
Deductions due to Business transfer (Refer Note 40)	(19,67,342)	-	-	-	-	(19,67,342)	-
Deductions due to Discontinued Brand (Refer Note 41)	(20,71,514)	-	-	-	-	(20,71,514)	-
As at March 31, 2021	26,72,05,429	17,51,84,085	2,08,54,119	24,73,14,064	2,01,03,800	73,06,61,497	-
Net Carrying Value							
As at March 31, 2021	17,40,09,211	-	-	7,48,32,426	3,99,59,982	28,88,01,619	-
As at March 31, 2020	21,08,45,299	-	-	12,42,99,560	6,00,08,167	39,51,53,026	-

Note:

- Product Development and Computer Software include development cost capitalized being an internally generated intangible asset.
- First charge on Ruggers and Excalibur trademarks registered in the name of the Company for loan facility availed by Arvind Fashions Limited (Holding Company).



Note 7 : Financial assets

7 (a) Investments

Particulars	Face Value per share in Rs.	Amount in Rs.	
		As at March 31, 2021	As at March 31, 2020
Non-current investment			
Investment in equity shares (fully paid up)			
Subsidiaries - measured at cost (Unquoted)			
Arvind Youth Brands Private Limited* (March 31, 2021: 6,80,68,879; March 31, 2020: 10,000)	10	68,06,88,790	1,00,000
Value Fashion Retail Limited (March 31, 2021: 10,000; March 31, 2020: 10,000)	10	1,00,000	1,00,000
Total Investments		68,07,88,790	2,00,000
Aggregate amount of quoted investments		-	-
Aggregate amount of unquoted investments		68,07,88,790	2,00,000
Aggregate impairment in value of investment		-	-

*Includes 5,40,39,844 shares (March 31, 2020: Nil) which are pledged against borrowings of the Company.

7 (b) Trade receivables - Current

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	4,80,17,77,761	6,11,62,11,843
Credit Impaired	27,65,73,811	12,46,61,263
Less : Allowance for doubtful debts	(27,65,73,811)	(12,46,61,263)
Less : Provision for Refundable liability (Refer Note No. 3 below)	(1,02,22,10,011)	(59,85,85,266)
Total Trade and other receivables	3,77,95,67,750	5,51,76,26,577

Notes:

- 1) No trade receivables are due from directors or other officers of the Company either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.
- 2) Trade receivables are given as security for borrowings as disclosed under Note 13(a).
- 3) Refundable Liability recognized pursuant to Ind AS 115.

Allowance for doubtful debts

The Company has provided allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix.

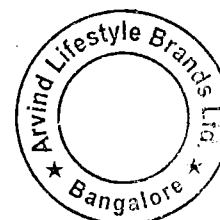
Movement in allowance for doubtful debt :

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	12,46,61,263	8,10,94,243
Add : Allowance for the year (Refer Note 25)	19,53,75,143	8,16,25,045
Less : Deduction due to Business transfer (Refer Note 40)	(4,34,62,595)	-
Less : Write off of bad debts (Net of recovery)	-	(3,80,58,025)
Balance at the end of the year	27,65,73,811	12,46,61,263

7 (c) Loans

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good unless otherwise stated)		
Non-current		
Loans to employees	1,00,66,667	4,24,731
	1,00,66,667	4,24,731
Current		
Loans to employees	3,32,63,347	3,62,25,717
Loans to related parties	12,37,71,163	-
	15,70,34,510	3,62,25,717
Total Loans	16,71,01,177	3,66,50,448

No loans are due from directors or promoters of the Company either severally or jointly with any person.



7 (d) Cash and cash equivalents

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Cash on hand	-	-
Balance with Bank		
In Current accounts and debit balance in cash credit accounts	1,53,25,451	77,93,326
In Deposit Account	-	20,000
Total cash and cash equivalents	1,53,25,451	78,13,326

7 (e) Other bank balance

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Held as Margin Money*	10,74,39,701	1,27,93,894
Lodged with Sales Tax Department	2,37,560	2,24,141
Total other bank balances	10,76,77,261	1,30,18,035

* Under lien with bank as Security for Guarantee Facility

7 (f) Other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Non-current		
Security deposits	97,99,25,344	1,51,49,89,859
Bank deposits with maturity of more than 12 months	20,64,866	1,52,07,710
	98,19,90,210	1,53,01,97,569
Current		
Security deposits		
Considered Good	22,47,19,676	20,37,87,835
Doubtful	55,01,473	66,01,973
Less : Allowance for Doubtful Deposits	(55,01,473)	(66,01,973)
	22,47,19,676	20,37,87,835
Income receivable	3,93,67,604	30,05,751
Accrued Interest	46,03,891	10,32,386
Insurance claim receivable	15,16,506	42,81,805
Other Receivables	15,50,15,232	18,90,25,608
	42,52,22,909	40,11,33,385
Total other financial assets	1,40,72,13,119	1,93,13,30,954

Other Current Financial assets are given as security for borrowings as disclosed under Note 13(a).

Movement in allowance for doubtful deposits

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	66,01,973	93,05,048
Add : Allowance for the year	-	-
Less : Write off (Net of recovery)	(11,00,500)	(27,03,075)
Balance at the end of the year	55,01,473	66,01,973



7 (g) : Financial Assets by category

Particulars	Amount in Rs.			
	FVTPL	FVOCI	COST	Amortised Cost
March 31, 2021				
Investments	-	-	68,07,88,790	-
- Equity Shares	-	-	-	3,77,95,67,750
Trade Receivables	-	-	-	16,71,01,177
Loans	-	-	-	12,30,02,712
Cash & Bank balance	-	-	-	1,40,72,13,119
Other financial assets	-	-	-	-
Total Financial Assets	-	-	68,07,88,790	5,47,68,84,758
March 31, 2020				
Investments	-	-	2,00,000	-
- Equity Shares	-	-	-	5,51,76,26,577
Trade Receivables	-	-	-	3,66,50,448
Loans	-	-	-	2,08,31,361
Cash & Bank balance	-	-	-	1,93,13,30,954
Other financial assets	-	-	-	-
Total Financial Assets	-	-	2,00,000	7,50,64,39,340

For Financial Instruments risk management objectives and policies, refer Note 38
Fair value disclosure for financial assets and liabilities are in Note 36 and fair value hierarchy disclosures are in Note 37

Note 8 : Other assets
(Unsecured, considered good unless otherwise stated)

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Non-current		
Capital advances	1,01,67,539	1,29,90,196
Sales tax paid under protest	22,66,85,137	21,00,04,986
	23,68,52,676	22,29,95,182
Current		
Advance to suppliers - Considered Good	41,65,10,136	49,38,26,415
Doubtful	1,56,33,417	1,56,33,417
Less : Provision for doubtful advances	(1,56,33,417)	(1,56,33,417)
	41,65,10,136	49,38,26,415
Export incentive receivable	-	92,765
Returnable Asset (Refer Note No. 3 below)	44,50,69,119	31,89,72,744
Prepaid expenses	9,22,27,955	6,72,15,371
Balance with Government Authorities (Refer Note No. 1 below)	70,39,12,207	49,17,90,900
Other Current Assets	78,80,26,205	56,46,27,924
	2,44,57,45,622	1,93,65,26,119
Total	2,68,25,98,298	2,15,95,21,301

Advance to directors or to firm/private company where director is interested

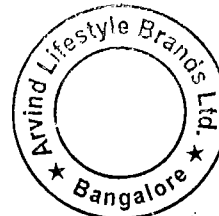
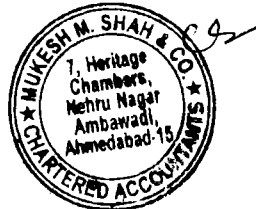
Notes:

- Balance with Government Authorities mainly consist of input credit.
- Other current assets are given as security for borrowings as disclosed under Note 13(a).
- Returnable Asset recognized pursuant to Ind AS 115.

Provision for Doubtful Advances

Movement in provision for doubtful advances:

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	1,56,33,417	3,17,58,008
Add : Provision made during the year	-	-
Less : Write off of doubtful advances	-	(1,61,24,591)
Balance at the end of the year	1,56,33,417	1,56,33,417



Arvind Lifestyle Brands Limited
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Notes to the Financial Statements
Note 9 : Inventories (At lower of cost and net realisable value)

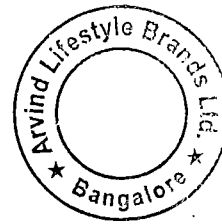
Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Trims and accessories	30,58,33,485	31,96,76,735
Stock-in-trade	3,90,54,12,984	8,88,46,84,089
Stock-in-trade in transit	-	1,47,10,223
Packing materials	9,91,54,325	11,39,46,133
Total	4,31,04,00,794	9,33,30,17,180

1) Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value, for Rs. 92,34,27,423/- (Previous year - Rs. 28,94,09,259/-). The changes in write downs are recognised as an expense in the Statement of profit and loss.

2) Inventories are given as security for borrowings as disclosed under Note 13(a)

Note 10 : Current Tax Assets (Net)

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Tax Paid in Advance (Net of Provision)	17,37,65,983	19,07,27,041
Total	17,37,65,983	19,07,27,041



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Note 11 : Equity share capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Authorised share capital Equity shares of Rs. 10 each (March 31, 2020: Rs. 10 each)	15,00,00,000	1,50,00,00,000	10,00,00,000	1,00,00,00,000
Issued and subscribed share capital Equity shares of Rs. 10 each (March 31, 2020: Rs. 10 each)	13,27,00,000	1,32,70,00,000	9,62,78,723	96,27,87,230
Subscribed and fully paid up Equity shares of Rs. 10 each (March 31, 2020: Rs. 10 each)	13,27,00,000	1,32,70,00,000	9,62,78,723	96,27,87,230
Total	13,27,00,000	1,32,70,00,000	9,62,78,723	96,27,87,230

11.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
At the beginning of the period	9,62,78,723	96,27,87,230	9,12,78,723	91,27,87,230
Add: Issue of Share Capital	3,64,21,277	36,42,12,770	50,00,000	5,00,00,000
Outstanding at the end of the period	13,27,00,000	1,32,70,00,000	9,62,78,723	96,27,87,230

11.2. Rights, preferences and restrictions attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs. 10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

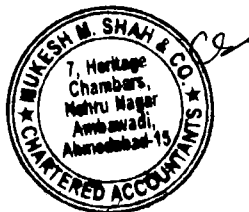
11.3. Shares Held by Holding Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Arvind Fashions Limited (along with nominees)	13,27,00,000	1,32,70,00,000	9,62,78,723	96,27,87,230

11.4. Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Arvind Fashions Limited (along with nominees)	13,27,00,000	100%	9,62,78,723	100%

11.5. Objective, policy and procedure of capital management, refer Note 39



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Arvind Lifestyle Brands Limited
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Notes to the Financial Statements

Note 12 : Other Equity

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Note 12.1 Reserves & Surplus		
Capital reserve		
Balance as per last financial statements	59,05,31,059	59,05,31,059
Balance at the end of the year	<u>59,05,31,059</u>	<u>59,05,31,059</u>
Securities premium		
Balance as per last financial statements	10,93,05,63,530	10,48,05,63,530
Add: Addition during the year	3,39,65,21,315	45,00,00,000
Balance at the end of the year	<u>14,32,70,84,845</u>	<u>10,93,05,63,530</u>
Contribution from Parent for ESOP (Refer Note 42)		
Balance as per last financial statements	2,06,72,082	1,20,13,709
Add: Contribution received during the year	1,38,76,107	86,58,373
Balance at the end of the year	<u>3,45,48,189</u>	<u>2,06,72,082</u>
Retained Earnings		
Balance as per last financial statements	(8,22,31,52,750)	(3,57,74,01,471)
Add: Profit/(Loss) for the year	(3,75,72,72,067)	(3,45,02,90,620)
(Less): Impact on adoption of Ind AS 116	-	(1,84,68,55,541)
Add: Tax Impact on adoption of Ind AS 116	-	64,53,65,200
Add / (Less): OCI for the year	1,24,41,531	60,29,682
Balance at the end of the year	<u>(11,96,79,83,286)</u>	<u>(8,22,31,52,750)</u>
Total reserves & surplus	<u>2,98,41,80,807</u>	<u>3,31,86,13,921</u>
Note 12.2 Other comprehensive income/(Loss)		
Cash Flow Hedge reserve		
Balance as per last financial statements	-	(1,61,237)
Add/(Less): Reclassified to profit and loss	-	1,61,237
Balance at the end of the year	-	-
Total Other comprehensive income	-	-
Total Other equity	<u>2,98,41,80,807</u>	<u>3,31,86,13,921</u>

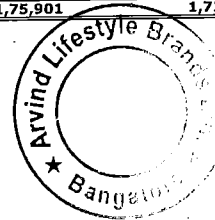
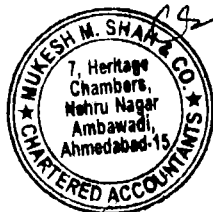
The description of the nature and purpose of each reserve within equity is as follows :

- Capital reserve**
Capital reserve represents capital reserve on amalgamation/business combination. This reserve arose pursuant to scheme of arrangement and shall not be considered to be reserve created by the Company.
- Securities premium**
Securities premium is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies, Act.
- Contribution from Parent for ESOP**
This reserve relates to share options granted by Arvind Fashions Limited (Holding Company) under its employee share option plan. Further information about share-based payments to employees is set out in Note 42.
- Cash Flow Hedge Reserve**
The cash flow hedging reserve represents the cumulative effect portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Note 13 : Financial liabilities

13 (a) Borrowings

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Long-term Borrowings (Refer Note 1(a) below) (At amortised cost)		
Non-current portion		
Secured		
Term loan from Banks	1,07,85,02,229	1,40,61,55,078
Unsecured		
Deferred Payment liabilities from others	-	1,08,04,356
	<u>1,07,85,02,229</u>	<u>1,41,69,59,434</u>
Current maturities (Refer Note 13c)		
Secured (at amortised cost)		
Term loan from Banks	36,06,73,672	30,45,77,650
	<u>36,06,73,672</u>	<u>30,45,77,650</u>
Total long-term borrowings	<u>1,43,91,75,901</u>	<u>1,72,15,37,084</u>

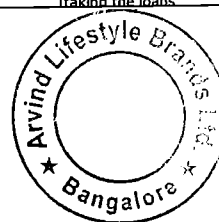


Arvind Lifestyle Brands Limited
 CIN - U64201GJ1995PLC024598
 Notes to the Financial Statements
 13 (a) Borrowings (continued)

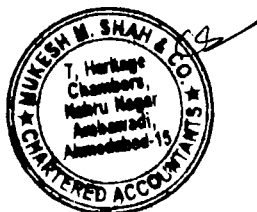
Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Short-term Borrowings (Refer Note 1(b) and 2(a) below)		
(At amortised cost)		
Secured		
Working Capital Loans repayable on demand from Banks (including channel financing)	4,94,95,63,103	5,67,49,26,368
Under Buyer's Credit Arrangement	-	1,09,43,442
Unsecured		
Under Buyer's Credit Arrangement	-	15,31,75,288
Working Capital Loans repayable on demand from Banks	-	20,00,00,000
Intercorporate Deposits		
From Related Parties	40,36,11,663	53,34,29,452
From Others	-	14,54,179
Total short-term borrowings	5,35,31,74,766	6,57,39,28,729
Total borrowings	6,79,23,50,667	8,29,54,65,813

1. Secured Borrowings
(a) Long term

Particulars	Amount in Rs.	Rate of Interest	Security	Terms of repayment
Rupee Loans	57,65,10,148	10.90%	1. First charge over the entire fixed assets of the Company both present and future and second charge is created over the entire stock, receivables and other current assets of the Company.	Repayable in 22 instalments in 5 years
Rupee Loans	84,10,87,557	9.35%	2. First charge on Ruggers and Excalibur trademarks registered in the name of the Company. 3. Corporate Guarantee given by Arvind Fashions Limited	Repayable in 17 instalments in 5 years
Hire Purchase loans	2,15,78,196	7.75% - 10.15%	Hypothecation of related vehicles.	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans



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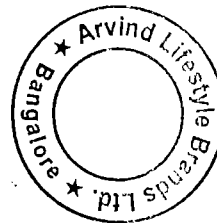
Arvind Lifestyle Brands Limited
 CIN - U64201GJ1995PLC024598
Notes to the Financial Statements
(b) Short term

Particulars	Amount in Rs.	Rate of Interest	Security	Pledge of shares
Working capital loans	1,20,62,17,916	8.25%		1,09,60,183 equity shares of Arvind Youth Brands Private Limited ('AYBPL') owned by the Company.
Working capital loans	1,77,42,43,628	8.35% - 8.75%	1. First charge over entire stocks, receivables and other current assets excluding stocks of Nautica Brand and second charge over entire fixed assets of the Company both present and future	1. 3,25,57,884 equity shares of AYBPL owned by the Company. 2. 4,91,64,090 equity shares of the Company held by Arvind Fashions Limited ('AFL')
Working capital loans	51,90,03,204	7.80% - 8.40%	2. Corporate Guarantee given by Arvind Fashions Limited	43,84,074 equity shares of AYBPL owned by the Company.
Working capital loans	31,00,00,000	9.25%		61,37,703 equity shares of AYBPL owned by the Company.
Working capital loans	1,14,00,98,355	9.20%		No equity shares pledged

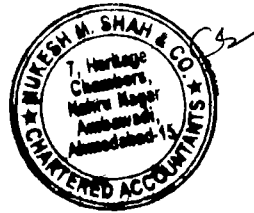
2. Unsecured Borrowings

(a) Short Term

Particulars	Amount in Rs.	Rate of Interest
Intercompany Deposits	40,36,11,663	8.50%



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13 (b) Trade payables

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Current		
Acceptances	86,07,79,351	1,49,46,22,386
Other Trade Payables		
-Total outstanding dues of micro enterprises and small enterprises (refer note a below)	1,01,71,96,326	1,19,34,44,288
-Total outstanding dues other than micro enterprises and small enterprises	3,20,06,78,768	6,15,12,54,790
Total	5,07,86,54,445	8,83,93,21,464

Note:

a Based on the information available, the disclosures as required under section 22 of the Micro, Small and Medium Enterprise Small Enterprise Development (MSMED) Act, 2006 are presented as follows :

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year:		
i)	1,01,71,96,326	1,19,34,44,288
ii)	13,63,09,048	22,41,45,864
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	18,35,66,912	1,80,38,188
(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 Micro, Small and Medium Enterprises Development Act, 2006;	13,63,09,048	22,41,45,864
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	13,63,09,048	22,41,45,864
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	13,63,09,048	22,41,45,864

13 (c) Other financial liabilities

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Non-current		
Security Deposits	47,79,58,010	63,75,23,869
	47,79,58,010	63,75,23,869
Current		
Security Deposits	8,96,55,292	5,50,000
Current maturity of long term borrowings (Refer Note 13(a))	36,06,73,672	30,45,77,650
Interest accrued and due	17,07,36,156	26,39,74,971
Interest accrued but not due on borrowings	6,44,96,998	9,26,49,564
Payable to employees	14,74,57,947	20,96,69,310
Book overdraft	-	11,71,593
Payable for capital goods	6,40,23,431	22,62,95,617
	89,70,43,496	1,09,88,88,705
Total	1,37,50,01,506	1,73,64,12,574

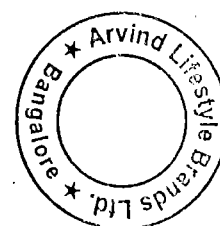
Note: As at March 31, 2021 there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund.

13(d) : Financial Liabilities by category

Particulars	Amount in Rs.	
	FVOCI	Amortised Cost
March 31, 2021		
Borrowings	-	6,43,16,76,995
Current maturity of long term borrowings	-	36,06,73,672
Trade payables	-	5,07,86,54,445
Security Deposits	-	56,76,13,302
Payable to employees	-	14,74,57,947
Interest accrued but not due	-	6,44,96,998
Interest accrued and due	-	17,07,36,156
Lease Liabilities	-	6,24,25,04,181
Payable in respect of Capital goods	-	6,40,23,431
Total Financial liabilities	-	19,12,78,37,127
March 31, 2020		
Borrowings	-	7,99,08,88,163
Current maturity of long term borrowings	-	30,45,77,650
Trade payables	-	8,83,93,21,464
Security Deposits	-	63,80,73,869
Payable to employees	-	20,96,69,310
Interest accrued but not due	-	9,26,49,564
Interest accrued and due	-	26,39,74,971
Lease Liabilities	-	7,27,77,51,918
Payable in respect of Capital goods	-	22,62,95,617
Book overdraft	-	11,71,593
Total Financial liabilities	-	25,84,43,74,119

For Financial Instruments risk management objectives and policies, refer Note 38

Fair value disclosure for financial assets and liabilities are in Note 36 and fair value hierarchy disclosures are in Note 37



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Note 14: Provisions

Particulars	Amount In Rs.	
	As at March 31, 2021	As at March 31, 2020
Long-term		
Provision for employee benefits (Refer Note 31)		
Provision for leave encashment	4,40,85,142	5,93,12,801
Provision for Gratuity	9,07,74,336	8,13,64,524
	13,48,59,478	14,06,77,325
Short-term		
Provision for employee benefits (Refer Note 31)		
Provision for leave encashment	2,81,09,110	2,82,48,414
Provision for Gratuity	57,96,239	-
Others		
Provision for Wealth tax	1,46,070	1,46,070
	3,40,51,419	2,83,94,484
Total	16,89,10,897	16,90,71,809

Note 15 : Other current liabilities

Particulars	Amount In Rs.	
	As at March 31, 2021	As at March 31, 2020
Current		
Advance from customers	18,53,24,680	17,86,30,708
Statutory dues including provident fund and tax deducted at source etc.	8,94,59,006	11,65,70,955
Unaccrued Sale	6,36,26,172	1,00,21,353
Deferred income of loyalty program reward points (Refer note (a) below)	1,03,38,932	1,83,41,350
Total	34,87,48,790	32,35,64,366

(a) Deferred income of Loyalty Program Reward Points

The Company has deferred the revenue related to the customer loyalty program reward points. The movement in deferred revenue for those reward points are given below :

Particulars	Amount In Rs.	
	As at March 31, 2021	As at March 31, 2020
Balance as per last financial statements	1,83,41,350	2,01,84,025
Add: Provision made during the year (Net) (Refer Note 16)	2,51,94,829	8,47,96,043
(Less): Redemption made during the year	3,31,97,247	8,66,38,718
Balance at the end of the year	1,03,38,932	1,83,41,350



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Note 16 : Revenue from operations

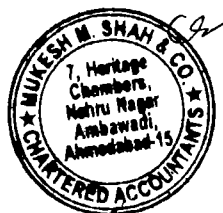
Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Sale of products	11,48,07,77,284	22,77,96,26,616
Sale of services	12,58,47,394	2,80,19,396
Operating income		
Export incentives	6,33,144	11,09,952
Gift Voucher Income	-	91,99,918
Foreign exchange fluctuation on vendors and customers (Net)	1,97,34,454	19,37,242
Royalty	3,31,93,034	22,66,67,177
Miscellaneous receipts	31,85,659	1,16,69,582
	5,67,46,291	25,05,83,871
Total	11,66,33,70,969	23,05,82,29,883

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
I. Disaggregation of revenue from Contracts with Customers		
A. Revenue based on Geography		
i. Domestic	11,61,63,85,429	22,99,26,63,989
ii. Export	4,69,85,540	6,55,65,894
	11,66,33,70,969	23,05,82,29,883
B. Revenue based on Business Segment		
Branded Apparels	11,66,33,70,969	23,05,82,29,883

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
II. Reconciliation of Revenue from Operation with Contract Price		
Contract Price	13,25,33,74,663	26,52,38,20,963
Less:		
Schemes and Discounts	1,56,48,08,865	3,38,07,95,037
Customer Loyalty Program	2,51,94,829	8,47,96,043
Total Revenue from Operations	11,66,33,70,969	23,05,82,29,883

Note 17 : Other income

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest income on financial assets measured at amortised cost	4,16,43,030	64,95,082
Profit on sale of Property, Plant & Equipment (Net)	20,86,828	1,42,73,108
Exchange difference	11,26,983	-
Gain on Reassessment of Lease (Refer Note 34)	18,82,00,619	51,52,91,472
Income due to Rent Waivers (Refer Note 34)	72,21,01,183	-
Miscellaneous income	87,11,343	66,49,354
Total	96,38,69,986	54,27,09,016



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Arvind Lifestyle Brands Limited
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Notes to the Financial Statements
Note 18 : Cost of Trims and accessories consumed

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Stock at the beginning of the year	31,96,76,735	2,14,32,880
Add : Purchases	33,74,77,271	30,46,18,900
	65,71,54,006	32,60,51,780
Less : Inventory at the end of the year	30,58,33,485	31,96,76,735
Total	35,13,20,521	63,75,045

Note 19 : Purchases of stock-in-trade

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Garments & Accessories	3,62,08,22,338	14,23,78,99,023
Total	3,62,08,22,338	14,23,78,99,023

Note 20 : Changes in inventories of stock-in-trade

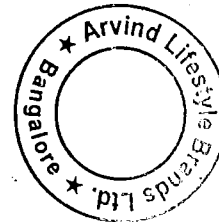
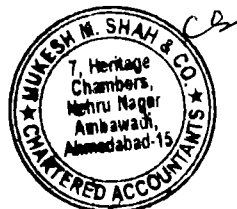
Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Stock at the end of the year		
Stock-in-trade	3,90,54,12,984	8,88,46,84,089
Transfer on account of Business combination		
Stock-in-trade	1,45,38,28,499	-
Stock at the beginning of the year		
Stock-in-trade	8,88,46,84,089	7,99,07,97,746
Total	3,52,54,42,606	(89,38,86,343)

Note 21 : Employee benefits expense

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 31)	1,09,46,20,695	1,60,28,19,568
Contribution to provident and other funds (Refer Note 31)	11,08,19,057	16,53,34,318
Welfare and training expenses	7,47,00,221	15,15,52,632
Share based payment to employees (Refer Note 42)	1,38,76,107	86,58,373
Total	1,29,40,16,080	1,92,83,64,891

Note 22 : Finance costs

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Interest Expenses on financial liabilities measured at amortised cost		
Term Loans	18,43,43,997	13,10,85,977
Cash Credit Facilities	37,23,86,107	13,01,99,256
Others	30,73,53,204	59,85,68,842
Lease Liabilities (Refer Note 34)	53,97,28,949	91,10,11,791
Other borrowing cost	12,04,94,839	21,66,64,999
Total	1,52,43,07,096	1,98,75,30,865



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Note 23 : Depreciation and amortization expense

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Depreciation on Property, Plant and Equipment (Refer Note 5)	61,31,98,203	1,25,11,09,600
Depreciation on Right-of-Use assets (Refer Note 34)	1,28,32,36,936	2,15,68,14,326
Amortization on Intangible assets (Refer Note 6)	15,54,44,385	8,91,90,779
Total	2,05,18,79,524	3,49,71,14,705

Note 24 : Other expenses

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Power and fuel	7,20,00,394	29,96,14,372
Insurance	1,34,50,161	2,26,39,747
Processing charges	2,37,49,727	2,17,30,277
Printing, stationery & communication	2,03,28,553	7,60,61,294
Rent		
- Short Term leases and leases of low-value assets (Refer Note 34)	6,48,76,112	3,32,59,733
Commission & Brokerage	1,17,32,14,260	1,91,25,68,520
Rates and taxes	2,10,25,895	5,13,71,163
Repairs :		
To Building	84,86,448	67,63,470
To Others	28,81,11,882	42,66,59,928
Royalty on Sales	34,17,85,525	55,75,26,372
Freight, insurance & clearing charge	48,04,85,290	33,34,82,951
Legal & Professional charges	2,20,11,805	6,97,32,473
Housekeeping Charges	99,77,356	9,75,82,233
Security Charges	1,70,72,812	11,28,93,979
Computer Expenses	99,07,849	6,45,47,427
Conveyance & Travelling expense	1,56,06,979	10,92,08,480
Advertisement and Publicity	28,66,37,948	79,13,21,196
Charges for Credit Card Transactions	3,55,26,577	8,90,87,940
Packing Materials Expenses	7,50,01,755	3,63,91,222
Contract Labour Charges	53,53,85,144	80,64,21,564
Sampling and Testing Expenses	57,71,857	6,31,69,423
Director's sitting fees	80,000	2,40,000
Bad debt written off	-	16,56,208
Sundry debits written off	48,87,882	2,00,55,749
Auditor's remuneration (Refer Note a below)	40,05,000	40,00,000
Business Conducting Fees	-	9,99,991
Bank charges	2,33,78,996	3,95,08,058
Warehouse Charges	6,41,40,060	5,11,36,025
Spend on CSR activities (Refer Note 35)	-	6,20,000
Exchange Difference (Net)	-	1,10,40,104
Property, plant and equipment written off	-	1,73,199
Termination Fees	-	3,82,45,594
HVAC Charges	1,73,42,140	6,41,74,155
Miscellaneous expenses	3,93,56,834	2,54,52,095
Total	3,67,36,05,241	6,23,93,34,942

a. Break up of Auditor's Remuneration

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Payment to Auditors as :		
Auditors	40,00,000	40,00,000
For tax audit	-	-
For other certification work	5,000	-
For reimbursement of expenses	-	-
Total	40,05,000	40,00,000



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Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Notes to the Financial Statements

Note 25 : Exceptional Items

Amount in Rs.

Particulars	Year Ended	Year Ended
	March 31, 2021	March 31, 2020
Margin on Sales Return Provision	27,45,06,928	22,62,76,112
Inventory Dormancy Provision	80,73,32,981	7,15,03,818
Allowance for Doubtful Debtors	19,53,75,143	8,16,25,045
Gain on sale of preference shares (Refer Note 40)	(1,95,90,20,241)	-
Total	(68,18,05,189)	37,94,04,975



Note 26 : Income Tax

The major component of income tax expense for the year ended March 31, 2021 and March 31, 2020 are:

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Statement of Profit & Loss (Continuing and discontinuing)		
Current Tax		
Current income tax	-	-
Deferred Tax		
Deferred tax Charge/(Credit)	(17,80,985)	(75,33,12,972)
Income tax expense reported in the statement of standalone profit & loss	(17,80,985)	(75,33,12,972)

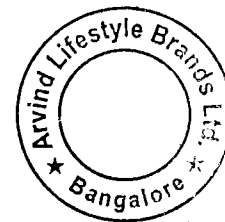
OCI Section

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Statement to Other comprehensive income (OCI)		
Deferred tax Charge/(Credit)	66,82,810	32,38,767
Deferred tax charged to OCI	66,82,810	32,38,767

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2021 and March 31, 2020:

A) Current tax

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Accounting profit/(loss) before tax	(3,75,90,53,052)	(4,20,36,03,592)
Tax Rate	34.944%	34.944%
Current Tax Expenses on Profit before tax at the enacted income tax rate in India	(1,31,35,63,498)	(1,46,89,07,239)
Adjustments		
Expenditure not deductible for Tax	3,43,98,479	3,89,92,129
Difference due to business transfer	4,05,28,613	-
Deferred tax assets not recognised as realization is not probable	1,23,14,45,388	72,02,01,894
Others	54,10,034	(4,35,99,756)
At the effective income tax	(17,80,984)	(75,33,12,972)
Effective Income Tax Rate %	0.00%	0.00%



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Arvind Lifestyle Brands Limited
 CIN - U64201GJ1995PLC024598
 Notes to the Financial Statements

Particulars	Balance Sheet		Statement of Profit & Loss and Other Comprehensive Income		Impact on adoption of Ind AS 116 recognized in Retained Earnings		Balance Sheet		Statement of Profit & Loss and Other Comprehensive Income	
	As at		Year Ended		As on		As at		Year Ended	
	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	April 1, 2019	April 1, 2019	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
Accelerated depreciation for tax purposes	1,14,18,37,491	(7,19,38,315)	-	-	-	-	1,06,98,99,175	(22,48,23,982)		
Effective Interest Method on Term Loans	(80,741)	(2,96,117)	-	-	-	-	(3,76,858)	(5,64,765)		
ECL on Trade receivables, Security deposits and Vendor	5,09,47,008	(5,09,47,008)	-	-	-	-	-	-		
Debit Balances	9,62,17,795	51,08,650	-	-	-	-	10,13,26,445	54,60,945		
Expenditure allowable on payment basis	1,47,51,69,894	-	-	-	-	-	1,47,51,69,894	(63,24,82,972)		
Unused losses available for offsetting against future taxable income	9,43,84,544	-	-	-	-	-	9,43,84,544	-		
Unused tax credit available for offsetting against future taxable income (MAT credit entitlement)	41,57,35,661	11,56,98,557	-	-	64,53,65,200	-	53,14,34,218	11,39,30,982		
Impact of Ind AS 116	1,04,90,277	4,78,04,670	-	-	-	-	5,82,94,947	(1,15,94,413)		
Others										
Net deferred tax assets/(liabilities)	3,28,47,01,929	4,54,30,437			64,53,65,200		3,33,01,32,365	(75,00,74,205)		

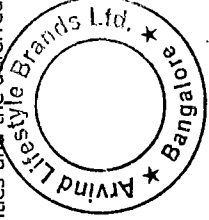
The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has unused carried forward losses of Rs. 9,84,38,72,130/- as at March 31, 2021 (March 31, 2020: Rs. 6,28,25,42,891/-). Out of the same, tax credits on losses of Rs. 3,56,13,29,238/- (March 31, 2020: Rs. 2,06,10,17,325/-) have not been recognized on the basis that recovery is not probable in the foreseeable future.

Reconciliation of Deferred Tax Assets/(Liabilities)

Particulars	Amount in Rs.	
	Year Ended	Year Ended
	March 31, 2021	March 31, 2020
Opening balance as at April 1	3,33,01,32,365	1,93,46,92,960
Impact on adoption of Ind AS 116 recognized in Retained Earnings	-	64,53,65,200
Deferred Tax income/(expense) during the period recognised in profit or loss	17,80,985	75,33,12,972
Deferred Tax income/(expense) during the period recognised in OCI	(66,82,810)	(32,38,767)
Due to business transfer (Refer Note 40)	(4,05,28,611)	-
Closing balance as at March 31	3,28,47,01,929	3,33,01,32,365

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



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Note 27 : Contingent liabilities

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Contingent liabilities not provided for		
a. Bills discounted	-	4,78,95,988
b. Claims against Company not acknowledged as debts	10,65,12,433	9,87,26,872
c. Disputed demands in respect of		
Excise/Customs duty	11,04,60,721	11,04,61,000
Goods and Service Tax	2,22,008	2,22,008
Sales tax and VAT (Refer note (d) below)	50,70,29,502	45,19,24,140
Income tax	4,96,12,140	3,91,33,860
Textile Committee Cess	10,94,000	10,94,000
Provident Fund	75,60,000	75,60,000
d. Guarantee given by bank on behalf of the company	89,01,029	3,00,000
e. Guarantee given by the Company to bank on behalf of Subsidiary	25,00,00,000	-

Notes :

- (a) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- (b) The Company does not expect any reimbursements in respect of the above Contingent liabilities.
- (c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.
- (d) Disputed demand for Sales Tax and VAT includes demand raised mainly due to non-submission of various statutory forms to appropriate authority. Subsequent to the demand, the Company has collected forms covering substantial amount of demand. The Company is in the process of collecting balance forms and hence no provision is considered necessary for the same.
- (e) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. The Company will make provision, on receiving further clarity on the subject.

Note 28 : Capital commitment and other commitments

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	1,85,31,764	32,19,22,320
Other commitments	-	-

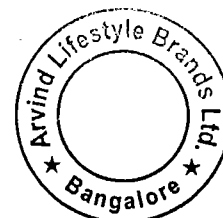
Note 29 : Foreign Exchange Derivatives and Exposures not hedged

A. Foreign Exchange Derivatives

Nature of Instrument	Average Exchange Rate (in Rs.)	In FC	
		USD	Amount in Rs.
Nil			

B. Exposure Not Hedged

Nature of exposure	In FC		In FC		In FC	
	USD	Amount in Rs.	EURO	Amount in Rs.	SEK	Amount in Rs.
Receivables						
As at March 31, 2021	2,57,898	1,88,54,930	-	-	-	-
As at March 31, 2020	94,233	71,30,177	-	-	-	-
Payable towards borrowings						
As at March 31, 2021	-	-	-	-	-	-
As at March 31, 2020	21,69,018	16,41,18,729	-	-	-	-
Payable to creditors						
As at March 31, 2021	56,12,803	41,03,52,014	1,19,601	1,02,55,819	5,37,303	45,03,944
As at March 31, 2020	56,82,574	42,99,71,998	255	21,100	5,37,303	40,14,998



Note 30 : Segment Reporting

Operating segment has been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company.

The Company's business activity falls within a single operating business segment of Branded Apparels (Garments and Accessories) through Retail and Departmental Store facilities.

Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Segment Revenue from continuing operation*		
a) In India	11,61,63,85,429	22,99,26,63,989
b) Rest of the world	4,69,85,540	6,55,65,894
Total Sales	11,66,33,70,969	23,05,82,29,883
Segment Revenue from discontinuing operation*		
a) In India	1,34,64,53,673	2,52,73,49,242
b) Rest of the world	-	-
Total Sales	1,34,64,53,673	2,52,73,49,242
Carrying Cost of Segment Assets from continuing operation**		
a) In India	23,12,85,73,315	30,61,12,81,268
b) Rest of the world	1,88,54,930	71,30,177
Total	23,14,74,28,245	30,61,84,11,445
Carrying Cost of Segment Assets from discontinuing operation**		
a) In India	1,22,71,37,674	-
b) Rest of the world	-	-
Total	1,22,71,37,674	-
Carrying Cost of Segment Non Current Assets from continuing operation**@		
a) In India	6,77,51,40,369	8,32,13,69,400
b) Rest of the world	-	-
Total	6,77,51,40,369	8,32,13,69,400
Carrying Cost of Segment Non Current Assets from discontinuing operation**@		
a) In India	9,09,43,991	-
b) Rest of the world	-	-
Total	9,09,43,991	-

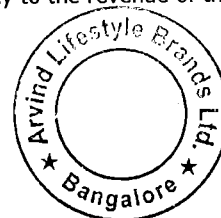
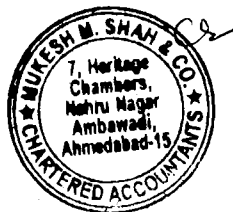
* Based on location of Customers

** Based on location of Assets

@ Excluding Financial Assets and Deferred Tax Assets

Note:

Considering the nature of business of the Company in which it operates, the Company deals with various customers including multiple geographics. Consequently, none of the customer contribute materially to the revenue of the Company.



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Note 31 : Disclosure pursuant to Employees benefits

A Defined Contribution Plans

The following amounts are recognised as expense and included in Note 21 "Employee benefit expenses"

Particulars	Amount in Rs.	
	Year Ended March 31, 2020	Year Ended March 31, 2021
Provident Fund	5,19,30,228	7,22,75,582
Contributory Pension Scheme	4,21,85,142	6,02,69,576
	<u>9,41,15,370</u>	<u>13,25,45,158</u>

Note:

Employees of the Company, other than covered in Provident Fund Trust, receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Company, other than covered in Provident Fund Trust, receive benefits from a government administered provident fund, which is a defined contribution plan. The company has no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefit expenses when they are due in the Statement of Profit and Loss.

B Defined Benefit Plans

The company has following post employment benefits which are in the nature of defined benefit plans:

Gratuity

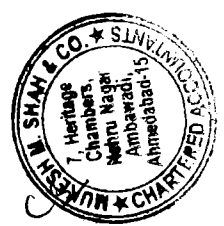
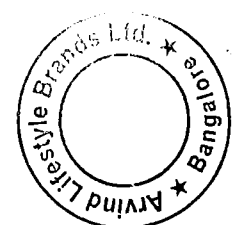
The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan is a Funded plan administered by the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Life Insurance Corporation - Insurance product.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in other comprehensive income.

2020-21	Gratuity cost charged to statement of profit and loss		Remeasurement gains/(losses) in other comprehensive income				Sub-total included in statement of profit and loss (Note 21)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)		Actuarial changes arising from changes in demographic assumptions		Actuarial changes arising from changes in financial assumptions		Experience adjustments	Sub-total included in OCI	Contributions by employer	Amount in Rs.
	April 1, 2020	March 31, 2021	Service cost	Net interest expense	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions			Actuarial changes arising from changes in financial assumptions	Increase (decrease) due to effect of business combination/transfer	Sub-total included in OCI	Actuarial gains/(losses) due to effect of business combination/transfer	Actuarial gains/(losses) due to effect of business combination/transfer	Sub-total included in OCI				
Defined benefit obligation	(13,16,17,820)	(12,64,18,044)	(2,26,72,322)	(72,44,711)	(2,99,17,032)	2,17,46,930	(2,17,46,930)	2,17,46,930	41,59,669	76,91,348	70,69,981	1,89,20,998	68,61,243	6,144	(12,77,28,168)	5,02,53,296	5,11,37,599	
Fair value of plan assets	5,02,53,296	4,95,07,555	-	24,41,740	24,41,740	(2,17,46,930)	(2,17,46,930)	2,03,343	-	-	-	2,03,343	-	-	2,03,343	2,03,343	2,00,08,286	
Total benefit liability	(8,13,64,524)	(7,69,10,489)	(2,26,72,322)	(48,02,971)	(2,74,75,293)	-	(2,74,75,293)	2,03,343	41,59,669	76,91,348	70,69,981	1,89,20,998	(68,61,243)	6,144	(12,77,28,168)	5,02,53,296	5,11,37,599	

2019-20	Gratuity cost charged to statement of profit and loss		Remeasurement gains/(losses) in other comprehensive income				Sub-total included in statement of profit and loss (Note 21)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)		Actuarial changes arising from changes in demographic assumptions		Actuarial changes arising from changes in financial assumptions		Experience adjustments	Sub-total included in OCI	Contributions by employer	Amount in Rs.
	April 1, 2019	March 31, 2020	Service cost	Net interest expense	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions			Actuarial changes arising from changes in financial assumptions	Increase (decrease) due to effect of business combination/transfer	Sub-total included in OCI	Actuarial gains/(losses) due to effect of business combination/transfer	Actuarial gains/(losses) due to effect of business combination/transfer	Sub-total included in OCI				
Defined benefit obligation	(12,64,18,044)	(13,16,17,820)	(2,64,00,401)	(80,45,898)	(3,44,46,299)	2,28,78,387	(2,28,78,387)	2,28,78,387	17,74,512	3,77,632	66,65,538	90,17,692	(26,49,546)	2,00,08,286	(13,16,17,820)	4,95,07,555	5,02,53,296	
Fair value of plan assets	4,95,07,555	5,11,37,599	-	33,65,075	33,65,075	(2,28,78,387)	(2,28,78,387)	2,50,767	-	-	-	2,50,767	-	-	2,50,767	2,50,767	2,00,08,286	
Total benefit liability	(7,69,10,489)	(8,13,64,524)	(2,64,00,401)	(46,80,823)	(3,10,81,224)	-	(3,10,81,224)	2,50,767	17,74,512	3,77,632	66,65,538	90,17,692	(26,49,546)	2,00,08,286	(13,16,17,820)	4,95,07,555	5,02,53,296	



The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Others (Insurance company Products)	100%	100%
(%) of total plan assets	100%	100%

The principal assumptions used in determining above defined benefit obligations for the company's plans are shown below:

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Discount rate	5.20%	6.20%
Future salary increase	3.97% for Front End Employee. 8.8% for others	7.8% for Front End Employee. 8.8% for others
Expected rate of return on plan assets	5.20%	6.20%
Attrition rate	42.6% on Front End Employee. 26.1% for others	38.3% on Front End Employee. 21.4% for others
Mortality rate during employment	Indian assured lives Mortality(2006-08)	Indian assured lives Mortality(2006-08)

A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	Sensitivity level	Amount in Rs.	
		Increase / (Decrease) in defined benefit	
		Year Ended March 31, 2021	Year Ended March 31, 2020
Gratuity			
Discount rate	50 basis points increase	(16,35,343)	(22,73,374)
	50 basis points decrease	16,84,680	23,61,554
Salary increase	50 basis points increase	13,77,618	19,95,180
	50 basis points decrease	(13,49,409)	(19,40,047)
Attrition rate	50 basis points increase	(2,13,761)	(5,97,730)
	50 basis points decrease	2,14,973	6,10,846

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Gratuity		
Within the next 12 months (next annual reporting period)	3,69,53,831	2,95,35,276
Between 2 and 5 years	11,24,42,152	11,77,38,545
Beyond 5 years	5,09,22,466	10,56,50,347
Total expected payments	20,03,18,449	25,29,24,168

Weighted average duration of defined plan obligation (based on discounted cash flows)

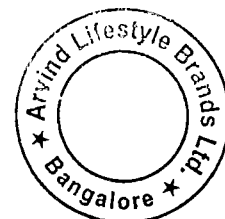
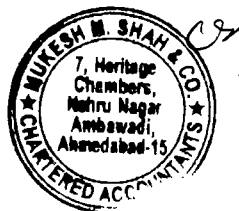
Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Gratuity	3 years	4 years

C Leave encashment

The Company has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Company has recognised following as expenses and included in Note No. 21 "Employee benefit expense".

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Leave encashment	2,51,26,669	3,11,49,450
	2,51,26,669	3,11,49,450



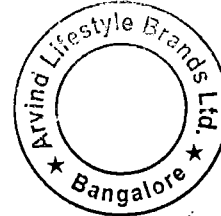
Arvind Lifestyle Brands Limited
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Note 32 : Related Party Transactions

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the company are as follows :

Name of Related Parties	Period
Holding Company Arvind Fashions Limited	
Subsidiary Company Arvind Youth Brands Private Limited Value Fashion Retail Limited	w.e.f. February 27, 2020 w.e.f. March 6, 2020
Fellow Subsidiary Company and Controlled Joint Ventures Arvind Beauty Brands Retail Private Limited Tommy Hilfiger Arvind Fashion Private Limited PVH Arvind Fashion Private Limited (previously known as Calvin Klein Arvind Fashion Private Limited)	up to September 8, 2020
Enterprise having significant influence by Key Managerial Personnel Arvind Limited Arvind Ruf & Tuf Private Limited Arvind True Blue Limited Arvind Premium Retail Limited Arvind Smart Textile Limited White Ocean Business Venture LLP	
Enterprise having significant influence by Non Executive Director Arvind Goodhill Sult Manufacturing Private Limited Arvind Envisol Limited	
Key Management Personnel Kannan S., Chief Financial Officer Manikandan Balasubramanian, Chief Financial Officer Vijay Kumar BS, Company Secretary Sanjay Lalbhai, Non Executive Director of Holding Company Jayesh Shah, Non Executive Director of Holding Company Nagesh Dinkar Pinge, Non Executive Director Priya Gopalakrishnan, Director Suresh Jayaraman, Director Pramod Kumar Gupta, Director	up to April 1, 2019 w.e.f. August 9, 2019 w.e.f. February 12, 2019 w.e.f. July 18, 2019 w.e.f. August 9, 2019

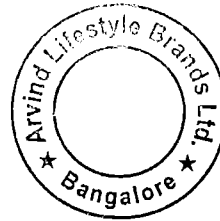
Note: Related party relationship is as identified by the company and relied upon by the Auditors.



b Transactions with related parties for the year ended March 31, 2021 and March 31, 2020

Amount in Rs.

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiaries	Key Managerial Personnel and Non-Executive Directors	Enterprise having significant influence by Key Management Personnel and Non-Executive Director
Purchase of Goods and Materials					
March 31, 2021	76,61,41,578	-	64,72,465	-	8,62,82,947
March 31, 2020	4,16,74,70,159	-	52,12,798	-	29,69,52,606
Purchase Return of Goods and Materials					
March 31, 2021	-	11,89,81,808	-	-	-
March 31, 2020	-	-	-	-	-
Purchase of Property, Plant & Equipment/Intangible assets					
March 31, 2021	-	-	-	-	-
March 31, 2020	-	-	-	-	7,20,00,000
Sales of Goods and Materials					
March 31, 2021	-	25,46,58,340	-	-	23,33,219
March 31, 2020	-	-	-	-	11,02,776
Sales Return of Goods and Materials					
March 31, 2021	-	-	-	-	37,21,763
March 31, 2020	-	-	-	-	-
Receiving of Services-Shared services					
March 31, 2021	3,98,48,744	-	-	-	6,58,96,526
March 31, 2020	-	-	-	-	12,22,74,576
Receiving of Services-Commission					
March 31, 2021	-	-	-	-	1,66,13,173
March 31, 2020	5,17,481	-	-	-	5,53,77,433
Receiving of Services-Others					
March 31, 2021	-	-	48,09,811	-	2,80,32,011
March 31, 2020	-	-	-	-	-
Rendering of Services-Royalty					
March 31, 2021	5,14,44,731	-	-	-	-
March 31, 2020	21,93,80,450	-	-	-	-
Rendering of Services-Commission & Incentive					
March 31, 2021	-	11,77,87,796	-	-	-
March 31, 2020	-	-	20,43,356	-	-
Rendering of Services-Shared service					
March 31, 2021	2,16,10,146	16,15,53,000	7,37,18,453	-	1,15,09,942
March 31, 2020	2,17,29,764	-	9,55,59,942	-	9,42,11,384
Rendering of Services-Rent					
March 31, 2021	-	-	-	-	-
March 31, 2020	-	-	-	-	-
Rendering of Services-Others					
March 31, 2021	-	3,17,23,893	-	-	-
March 31, 2020	2,99,42,262	-	-	-	-
Interest Expense					
March 31, 2021	7,40,37,886	-	-	-	-
March 31, 2020	3,71,43,836	-	-	-	76,822

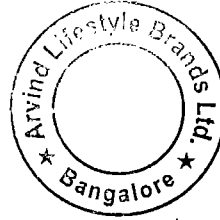
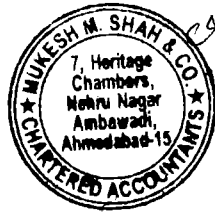


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b Transactions with related parties for the years ended March 31, 2021 and years ended March 31, 2020

Amount in Rs.

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise having significant Influence by Key Management Personnel and Non-Executive Director
Sitting Fees					
March 31, 2021	-	-	-	80,000	-
March 31, 2020	-	-	-	2,40,000	-
Interest Income					
March 31, 2021	-	1,30,42,180	1,74,70,411	-	-
March 31, 2020	-	-	-	-	-
Loan Given/(Repaid)					
March 31, 2021	-	2,55,47,016	7,00,00,000	-	-
March 31, 2020	-	-	-	-	-
Loan Taken/(Repayment of Loan)					
March 31, 2021	(19,97,57,013)	-	-	-	-
March 31, 2020	50,00,00,000	-	-	-	-
Issue of Equity shares					
March 31, 2021	3,26,07,34,085	-	-	-	-
March 31, 2020	50,00,00,000	-	-	-	-
Investments in equity shares					
March 31, 2021	-	68,06,88,790	-	-	-
March 31, 2020	-	2,00,000	-	-	-
Investments in preference shares					
March 31, 2021	-	58,95,85,200	-	-	-
March 31, 2020	-	-	-	-	-
Transfer of assets under scheme of arrangement					
March 31, 2021	-	1,56,98,81,268	-	-	-
March 31, 2020	-	-	-	-	-



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Arvind Lifestyle Brands Limited
Notes to the Financial Statements

c Balances

Amount in Rs.

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiaries	Key Managerial Personnel and Non-Executive Directors	Enterprise having significant Influence by Key Management Personnel and Non-Executive Director
Guarantee Given					
March 31, 2021	-	25,00,00,000	-	-	-
March 31, 2020	-	-	-	-	-
Guarantee Availed					
March 31, 2021	9,84,25,97,705	-	-	-	-
March 31, 2020	-	-	-	-	-
Trade and Other Receivable					
March 31, 2021	-	40,41,00,000	-	-	1,34,03,910
March 31, 2020	-	-	4,00,357	-	1,40,68,177
Trade and Other Payable					
March 31, 2021	13,68,88,103	37,46,04,576	16,67,37,161	-	31,20,45,302
March 31, 2020	1,15,90,95,343	-	13,29,19,520	-	35,34,10,629
Receivable in respect of Loans and Deposits					
March 31, 2021	-	3,76,11,032	8,61,60,130	-	-
March 31, 2020	-	-	-	-	-
Payable in respect of Loans and Deposits					
March 31, 2021	40,21,57,484	-	11,66,906	-	-
March 31, 2020	53,34,29,452	-	39,41,240	-	-

d Terms and conditions of transactions with related parties

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken at the year-end are unsecured and interest free and settlement occurs in cash.

2) Loans in INR taken from the related party carries interest rate of 8.50% (March 31, 2020 : 8.50%)

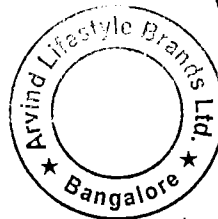
e Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2021 (March 31, 2020: Rs. Nil)

f Transactions with key management personnel

Particulars	Amount in Rs.	
	Year ended March 31, 2021	Year ended March 31, 2020
Compensation of key management personnel of the company		
Short-term employee benefits	65,21,418	-
Termination benefits	3,26,114	-
Share based payments	-	-
Total compensation paid to key management personnel	68,47,532	-

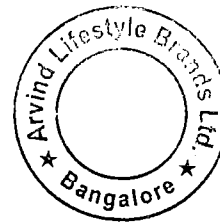
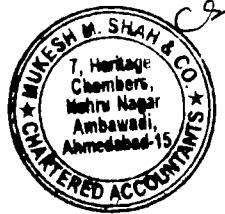
The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The amount recognised as an expense during the year for share based payment in respect of Directors is Rs. 1,38,76,107/- (March 31, 2020: Rs. 86,58,373/-)



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Note 33 : Earnings per share (Basic and Diluted)

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Profit/(Loss) attributable to ordinary equity holders		
Continuing Operations	(2,73,05,66,277)	(2,85,93,59,015)
Discontinuing Operations	(1,02,67,05,790)	(59,09,31,605)
Total no. of equity shares at the end of the year	13,27,00,000	9,62,78,723
Weighted average number of equity shares		
For basic EPS	11,36,26,272	9,13,88,013
For diluted EPS	11,36,26,272	9,13,88,013
Nominal value of equity shares	10	10
Continuing Operations		
Basic earning per share	(24.03)	(31.29)
Diluted earning per share	(24.03)	(31.29)
Discontinuing Operations		
Basic earning per share	(9.04)	(6.47)
Diluted earning per share	(9.04)	(6.47)
Continuing and Discontinuing Operations		
Basic earning per share	(33.07)	(37.75)
Diluted earning per share	(33.07)	(37.75)
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	11,36,26,272	9,13,88,013
Effect of dilution: Share options	-	-
Weighted average number of equity shares adjusted for the effect of dilution	11,36,26,272	9,13,88,013



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Note 34 : Leases

- A.** The Company has adopted modified retrospective approach as per para C8 (C) (i) of Ind-AS 116 "Leases" to its leases. Consequently, the Company has recorded lease liability of Rs. 11,15,47,93,763/- calculated as the present value of the remaining lease payments discounted at the incremental borrowing rate. Right of use asset has been recognised at Rs. 9,30,79,38,222/- determined at net of the amount calculated by applying the standard since the date of the commencement of lease and the resulting depreciation up to the date of adoption. The net effect of Rs. 1,20,14,90,341/- (net of deferred tax asset of Rs. 64,53,65,200/-) on initial application of Ind AS 116 has been adjusted to retained earnings as on April 1, 2019.
- B.** The Company has taken Showrooms and other facilities on lease period of 1 to 9 years with option of renewal.
Disclosures as per Ind AS 116 - Leases are as follows:

C. Changes in the carrying value of right of use assets (Showrooms)

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Balance at the beginning of the year	5,76,96,14,782	-
Recognition of ROU Asset on adoption of Ind AS 116	-	9,30,79,38,222
Additions	1,76,71,90,204	1,64,45,26,366
Deletions	(76,75,63,515)	(3,02,60,35,480)
Business transfer (Refer Note 40)	(35,86,72,459)	-
Depreciation (charged to statement of profit and loss)	(1,28,32,36,936)	(2,15,68,14,326)
Balance at the end of the year	5,12,73,32,076	5,76,96,14,782

D. Movement in lease liabilities

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Balance at the beginning of the year	7,27,77,51,918	-
Recognition of Lease Liability on adoption of Ind AS 116	-	11,15,47,93,763
Additions	1,76,71,90,204	1,64,45,26,366
Deletions	(95,57,64,134)	(3,54,13,26,952)
Business transfer (Refer Note 40)	(42,00,46,000)	-
Finance cost accrued during the year (charged to statement of profit and loss)	53,97,28,949	91,10,11,791
Adjustment due to Rent Waivers (Refer Note a below)	(72,21,01,183)	-
Payment of lease liabilities	(1,24,42,55,573)	(2,89,12,53,050)
Balance at the end of the year	6,24,25,04,181	7,27,77,51,918

Note a: The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116-Leases, by inserting a practical expedient w.r.t "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 01, 2020. Pursuant to the above amendment, the Group has applied the practical expedient by accounting the unconditional rent concessions of Rs. 72,21,01,183/- for year ended March 31, 2021 in Other Income.

E. Contractual maturities of lease liabilities

Particulars	Amount in Rs.	
	Year Ended March 31, 2021	Year Ended March 31, 2020
Less than one year	1,12,12,31,413	48,60,32,301
One to five years	3,22,50,25,457	3,93,91,97,378
More than five years	1,89,62,47,311	2,85,25,22,239
Total	6,24,25,04,181	7,27,77,51,918

- F.** The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.
- G.** The Company incurred Rs. 6,48,76,112/- (March 31, 2020: Rs. 3,32,59,733/-) towards expenses related to rent expense - short-term lease and leases of low value assets pertaining to continuing operations.

Note 35 : Corporate Social Responsibility (CSR) Activities

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
a) Gross amount required to be spent by the Company during the year	-	6,20,000
b) Amount spend during the year (in cash)	-	-
i) Construction/ acquisition of any asset	-	-
ii) on purposes other than (i) above	-	-
c) Amount unspent during the year	-	6,20,000



Note 36 : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Financial liabilities		
Borrowings		
Carrying Amount	6,79,23,50,667	8,29,54,65,813
Fair Value	6,79,23,50,667	8,29,54,65,813

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values

The fair value of borrowings and other financial liabilities is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

Note 37 : Fair value hierarchy

The Company provides the fair value measurement hierarchy of the company's assets and liabilities as below, if any:

Fair value hierarchy

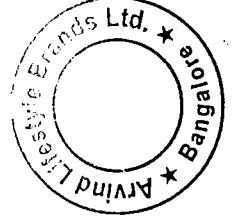
Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.



Note 38 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the company's operations and to support its operations. The company's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Company's risk management is carried out by a Treasury department under policies approved by the Board of directors. Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at respective period/year end including the effect of hedge accounting.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2021, approximately 6% of the Company's Borrowings are at fixed rate of interest (March 31, 2020: 33%)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Amount in Rs.	
	Effect on profit before tax	
March 31, 2021		
Increase in 50 basis points	(3,18,35,804)	
Decrease in 50 basis points	3,18,35,804	
March 31, 2020		
Increase in 50 basis points	(3,28,12,788)	
Decrease in 50 basis points	3,28,12,788	

Exclusion from this analysis are as follows:

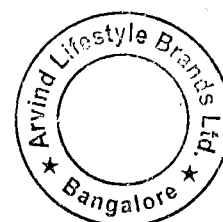
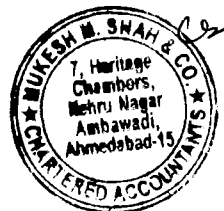
- Fixed rate financial instruments measured at cost : Since a change in interest rate would not change the carrying amount of this category of instruments, there is no net income impact and they are excluded from this analysis

- The effect of interest rate changes on future cash flows is excluded from this analysis.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. The Company may use forward contracts or foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate.

The company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk



management policy. Details of the hedge & unhedged position of the company given in Note 29.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR and SEK rates to the functional currency of respective entity, with all other variables held constant. The company's exposure to foreign currency changes for all other currencies is not material. The impact on the company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the company's pre-tax equity is due to changes in the fair value of foreign currency monetary items designated as cash flow hedge.

Particulars	Amount in Rs.					
	Change in USD rate	Effect on profit before tax	Change in EUR rate	Effect on profit before tax	Change in SEK rate	Effect on profit before tax
March 31, 2021	+2%	(78,29,942)	+2%	(2,05,116)	+2%	(90,079)
	-2%	78,29,942	-2%	2,05,116	-2%	90,079
March 31, 2020	+2%	(1,17,39,211)	+2%	(422)	+2%	(80,300)
	-2%	1,17,39,211	-2%	422	-2%	80,300

The movement in the pre-tax effect is a result of a change in the fair value of financial instruments not designated in a hedge relationship. Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

(b) Credit risk

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. To manage this, the Group periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 60 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An Impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are companyed into homogenous companies and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7b. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as is the carrying amount as disclosed in Note 36.

(c) Liquidity risk

Liquidity risk is the risk that the company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments:

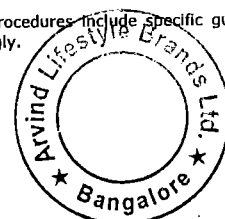
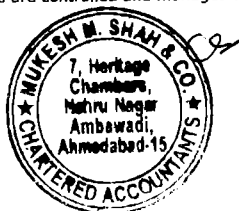
Particulars	Amount in Rs.	
	Less than 1 year	1 year or more
As at March 31, 2021		
Interest bearing borrowings	5,71,38,48,438	1,07,85,02,229
Lease Liabilities	1,12,12,31,413	5,12,12,72,768
Trade payables	5,07,86,54,445	-
Other financial liabilities#	53,63,69,824	47,79,58,010
	12,45,01,04,120	6,67,77,33,007
As at March 31, 2020		
Interest bearing borrowings	6,87,85,06,379	1,41,69,59,434
Lease Liabilities	48,60,32,301	6,79,17,19,617
Trade payables	8,83,93,21,464	-
Other financial liabilities#	79,43,11,055	63,75,23,869
	16,99,81,71,199	8,84,62,02,920

Other financial liabilities includes interest accrued but not due of Rs. 6,44,96,998/- (March 31, 2020: 9,26,49,564/-)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company has a diversified portfolio and policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.



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Note 39 : Capital

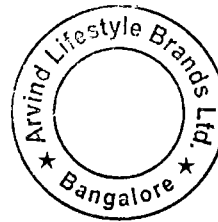
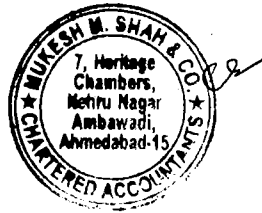
For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Particulars	Amount in Rs.	
	As at March 31, 2021	As at March 31, 2020
Interest-bearing loans and borrowings (Note 13)	6,79,23,50,667	8,29,54,65,813
Less: Cash and Cash equivalent (including other bank balance and Book Overdraft) (Note 7(d), 7(e) and 13(c))	(12,50,67,578)	(3,48,67,478)
Net debt	6,66,72,83,089	8,26,05,98,335
Equity share capital (Note 11)	1,32,70,00,000	96,27,87,230
Other equity (Note 12)	2,98,41,80,807	3,31,86,13,921
Total capital	4,31,11,80,807	4,28,14,01,151
Capital and net debt	10,97,84,63,896	12,54,19,99,486
Gearing ratio	60.73%	65.86%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements and other ratios. Breaches in meeting the financial covenants would permit the bank to charge penal interest or immediately call borrowings. There have been breaches in the financial covenants of borrowing as at March 31, 2021 but they don't require accelerated payments. Accordingly, the management has considered the classification of loan based upon the original repayment schedule.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021, March 31, 2020.



Arvind Lifestyle Brands Limited
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Notes to the Financial Statements

Note 40 : Business Combination

Summary of business combinations during the year

- (A) The Company has transferred by way of sale, the retail trading business of "Flying Machine" ("FM") brand respectively as a going concern to Arvind Youth Brands Private Limited (AYBPL), a subsidiary company on a slump sale basis for a lump sum consideration of Rs. 1,56,98,81,268/- respectively during the Year ended March 31, 2021.

Details of Net Assets transferred

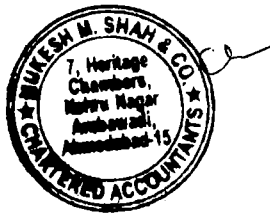
Particulars	Amount in Rs.
Assets	
Property, plant and equipment & Intangible assets	5,79,79,109
Right of Use Assets	37,92,71,975
Inventories	1,45,38,28,499
Trade receivables	42,26,79,254
Other Current assets	43,75,11,945
Deferred Tax Assets	4,05,28,613
Total Assets	2,79,17,99,395
Liabilities	
Trade payables	25,42,37,716
Other Liabilities	54,76,33,696
Lease Liabilities	42,00,46,715
Total Liabilities	1,22,19,18,127
Net Assets Transferred	1,56,98,81,268

Due to business combination previous year figures are not comparative with that of current year.

(B) Note on sale of Compulsorily Convertible Preference Shares:

During the year ended March 31, 2021:

1. Arvind Youth Brands Private Limited ("AYBPL") (subsidiary of the Company) issued 58,95,852 Compulsorily Convertible Preference Shares ("CCPS") of Rs. 100 each fully paid-up to the Company;
2. Subsequently, the said CCPS were sold to Flipkart India Private Limited for Rs. 260,00,00,000 resulting into profit of Rs. 1,95,90,20,241/- (net of related expenses) which has been recognised in Exceptional Items.



Note 41 : Discontinued operation

The Company has decided to discontinue Brands like GAP, Hanes, New Port, The Children's Place and Ruf & Tuf. Accordingly, the activities of these brands business that are considered as disposal group are presented as a discontinued operation in accordance with the provisions of Indian Accounting Standard 105 - 'Non-current Assets Held for Sale and Discontinued Operations'. Consequently, Loss before tax and tax expenses relating to these brands business have been disclosed separately as discontinued operations as part of the financial statements. The previous years have been re-classified to give effect to the presentation requirements of Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations.

Assets and liabilities classified as Held for Sale:

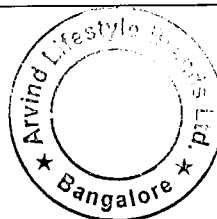
Particulars	Amount in Rs.	
	As at March 31, 2021	
Assets		
Property, plant and equipment & Intangible assets	9,09,43,991	
Non Current Financial assets		
Other financial assets	14,38,73,951	
Inventories	69,56,23,513	
Trade receivables	29,66,96,219	
Total assets	1,22,71,37,674	
Liabilities		
Trade payables	41,78,88,298	
Total liabilities	41,78,88,298	

Results of discontinued operations for the year are presented below:

Particulars	Amount in Rs.	
	2020-21	2019-20
Revenue from operations		
Sale of products	1,34,14,75,833	2,51,90,17,732
Other operating income	49,77,840	83,31,510
Total revenue from operations	1,34,64,53,673	2,52,73,49,242
Expenses		
Purchases of stock-in-trade	90,09,11,747	1,39,22,06,813
Employee benefits expense	19,97,33,876	36,17,27,916
Depreciation, Amortization & Impairment expense	31,36,14,332	16,85,27,217
Finance costs	10,77,87,324	15,56,36,387
Other expenses	85,11,12,184	1,04,01,82,514
Total expenses	2,37,31,59,463	3,11,82,80,847
Profit before tax	(1,02,67,05,790)	(59,09,31,605)
Tax expense		
Deferred tax	-	-
Profit after tax	(1,02,67,05,790)	(59,09,31,605)

Net cashflows of discontinued operations are presented below:

Particulars	Amount in Rs.	
	2020-21	
Net cashflows from operating activities	(48,83,97,533)	
Net cashflows from investing activities	-	
Net cashflows from financing activities	(10,77,87,324)	
Net cash inflow / (outflow) from discontinued operations	(59,61,84,857)	



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Notes to the Financial Statements

Note 42 : Share based payments

Arvind Fashions Limited, the holding company (AFL) has instituted Employee Stock Option Scheme 2016 ("ESOP 2016") and Employee Stock Option Scheme 2018 ("ESOP 2018"), pursuant to the approval of the shareholders of the Company at their General Meeting held on October 15, 2016 and on May 12, 2018 respectively. Up to March 31, 2021, the Company has 19,85,522 options outstanding under ESOP 2016 and 3,15,200 options outstanding under ESOP 2018 in lieu of demerger under the Scheme and convertible into equal number of Equity Shares of face value of Rs. 4 each.

Expense arising from share- based payment transactions

Total expenses arising from share- based payment transactions recognised in profit or loss as part of employee benefit expense were as follows :

Particulars	Amount in Rs.	
	2020-21	2019-20
Employee option plan	1,38,76,107	86,58,373
Total employee share based payment expense	1,38,76,107	86,58,373

Note 43 : COVID-19

Due to Covid19, the fashion business has been severely impacted. This initially led to lower sales, resulting into inventory build-up and slower collection of receivables. With easing of lockdown restrictions, the Company's performance for the subsequent quarters has been progressively better, until the same was once again impacted somewhat in the current quarter due to second wave of Covid 19.

With objectives of faster releasing cash and have fresh inventory offered to customers, the Company decided to offer higher discounts to liquidate old inventory rapidly and take back goods sold from customers where collection of funds was getting delayed to sell it through other channels for faster liquidation. In order to achieve these objectives, the Company has made special provisions which are disclosed under Exceptional Item.

The Company believes that this pandemic is not likely to impact the recoverability of the carrying value of its assets further. The Company is closely monitoring the developments and possible effects that may result from the present pandemic on its financial condition, liquidity and operations and working to minimize the impact of this unprecedented situation. As the situation is continuously evolving, the eventual impact may be different from the estimates made as of the date of approval of these Financials.

Note 44 : Social Code

The Parliament of India has approved the Code of Social Security, 2020 (the Code) which may impact the contribution by the Company towards Provident Fund, Gratuity and ESIC. The Code have been published in the Gazette of India. However effective date has yet not been notified. The Company will assess the impact of the Code and will record related impact in the period it becomes effective.

Note 45 : New Accounting Pronouncements to be adopted after March 31, 2021

There are no standards or interpretations which are notified but not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods.

Note 46 : Regrouped, Recast, Reclassified

Figures of the earlier year have been regrouped or reclassified to conform to Ind AS presentation requirements.

Note 47 : Events occurring after the reporting period

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of June 03, 2021, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

