

INDEPENDENT AUDITOR'S REPORT

To the Members of Arvind Youth Brands Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Arvind Youth Brands Private Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity 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 (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the Information Other than the Financial Statements and Auditor's Report thereon. The Information Other than the Financial Statements and Auditor's Report thereon comprises the Directors Report and information included in the Annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the Information Other than the Financial Statements and Auditor's Report thereon and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the Information Other than the Financial Statements and Auditor's Report thereon and, in doing so, consider whether such Information Other than the Financial Statements and Auditor's Report thereon is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Information Other than the Financial Statements and Auditor's Report thereon, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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



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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.



SRBC & COLLP

Chartered Accountants

Arvind Youth Brands Private Limited

Auditors Report on Financial Statement for the year ended March 31, 2022

Page 4 of 14

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2022;
- (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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;



SRBC & COLLP

Chartered Accountants

Arvind Youth Brands Private Limited

Auditors Report on Financial Statement for the year ended March 31, 2022


Page 5 of 14

- iv. a) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 39 (d) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 13 (a) (v) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company

For SRBC & COLLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Santosh Agarwal

Partner

Membership Number: 93669

UDIN: 22093669AORGEN7509

Place of Signature: Ahmedabad

Date: August 09, 2022



SRBC & COLLP

Chartered Accountants

Arvind Youth Brands Private Limited

Auditors Report on Financial Statement for the year ended March 31, 2022

Page 6 of 14

Annexure 1 referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our report of even date of Arvind Youth Brands Private Limited for the year ended March 31, 2022

Re: Arvind Youth Brands Private Limited (the "Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The Company has maintained proper records showing full particulars of intangibles assets;
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment verified by the management in the phased manner over the period of three years. In accordance with this programme, certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of such physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use of Assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory in the nature of Traded Goods and Accessories has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable



and the coverage and procedure for such verification is appropriate and discrepancies of 10% or more in aggregate for inventory of traded goods and accessories were not noticed in respect of such verification. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies were not noticed in respect of such confirmations.

- (b) As disclosed in Note 13(a) (iii) to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.



S R B C & C O L L P

Chartered Accountants

Arvind Youth Brands Private Limited

Auditors Report on Financial Statement for the year ended March 31, 2022

Page 8 of 14

- (iv) There are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and accordingly, the requirement to report on clause 3 (iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, cess, and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.



SRBC & COLLP

Chartered Accountants

Arvind Youth Brands Private Limited

Auditors Report on Financial Statement for the year ended March 31, 2022

Page 9 of 14

- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.



SRBC & COLLP

Chartered Accountants

Arvind Youth Brands Private Limited

Auditors Report on Financial Statement for the year ended March 31, 2022

Page 10 of 14

- (xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.
- (d) There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.



SRBC & CO LLP

Chartered Accountants

Arvind Youth Brands Private Limited

Auditors Report on Financial Statement for the year ended March 31, 2022


Page 11 of 14

- (xix) On the basis of the financial ratios disclosed in note 41 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) As disclosed in Note 40 to the Financial Statements, in view of Company having no obligations to spent money in terms of provisions of Section 135 of the Companies Act, 2013, and accordingly the requirement to report under clause 3 (xx) (a) and 3 (xx) (b) of the Order is not applicable.
- (xxi) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(xx) of the Order is not applicable to the Company.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Santosh Agarwal**

Partner

Membership Number: 93669

UDIN: 22093669AORGEN7509

Place of Signature: Ahmedabad

Date: August 09, 2022



Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of Arvind Youth Brands Private Limited

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

We have audited the internal financial controls with reference to financial statements of Arvind Youth Brands Private Limited ("the Company") as of March 31, 2022 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 Company's Management 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Company's internal financial controls with reference to these financial statements 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") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these



SRBC & COLLP

Chartered Accountants

Arvind Youth Brands Private Limited

Auditors Report on Financial Statement for the year ended March 31, 2022

Page 13 of 14

financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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



SRBC & COLLP

Chartered Accountants

Arvind Youth Brands Private Limited

Auditors Report on Financial Statement for the year ended March 31, 2022

Page 14 of 14

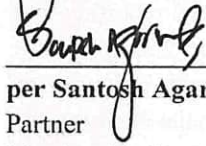
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

For SRBC & COLLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Santosh Agarwal

Partner

Membership Number: 93669

UDIN: 22093669AORG7509

Place of Signature: Ahmedabad

Date: August 09, 2022



Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Balance Sheet as at March 31, 2022

		Amount in Rs. Lakhs	
Particulars	Notes	As at	As at
		March 31, 2022	March 31, 2021
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	5	697.81	836.57
(b) Right-of-use assets	32	3,286.42	3,828.71
(c) Intangible assets	6	1.22	1.68
(d) Financial assets			
(i) Other financial assets	7 (e)	309.50	533.19
(e) Deferred tax assets (net)	25	445.23	373.64
(f) Income Tax assets (net)	10	17.89	3.33
Total non-current assets		4,758.07	5,577.12
II. Current assets			
(a) Inventories	9	15,950.47	9,807.22
(b) Financial assets			
(i) Trade receivables	7 (a)	13,341.23	11,584.47
(ii) Cash and cash equivalent	7 (b)	336.85	794.95
(iii) Loans	7 (d)	5.79	7.82
(iv) Others financial assets	7 (e)	10,248.71	2,434.70
(d) Other current assets	8	4,678.16	4,548.73
Total current assets		44,561.21	29,177.89
Total Assets		49,319.28	34,755.01
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11A	11,270.15	11,270.15
(b) Other equity	12	(15,057.18)	(16,085.57)
Total equity		(3,787.03)	(4,815.42)
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	32	2,893.02	3,257.45
(ii) Other financial liabilities	13 (d)	1,318.71	809.82
(iii) Compulsory Convertible Preference Shares	11B	14,522.82	14,295.00
(b) Long-term provisions	14	131.53	45.22
Total non-current liabilities		18,866.08	18,407.49
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	1,006.12	1,000.00
(ii) Lease Liabilities	32	908.73	1,048.09
(iii) Trade payables	13 (b)		
a) Total outstanding dues of micro enterprises and small enterprises		1,828.21	2,495.64
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		15,375.17	5,435.17
(iv) Trade credits	13 (c)	2,583.56	3,531.24
(v) Other financial liabilities	13 (d)	6,753.47	1,787.00
(b) Other current liabilities	15	5,709.21	5,824.07
(c) Short-term provisions	14	75.76	41.73
Total current liabilities		34,240.23	21,162.94
Total Equity and Liabilities		49,319.28	34,755.01

Significant Accounting Policies

3

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

In terms of our report attached
For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No. 324982E/E300003

per **Santosh Agarwal**
Partner
Membership No. 93669



Place : Ahmedabad
Date :

09 AUG 2022

For and on behalf of the board of directors of
Arvind Youth Brands Private Limited

Piyush Gupta
Director
(DIN: 09612583)

Sachin Hegde
Company Secretary

Sandeep Karwa
Director
(DIN: 08789695)



Place : Bengaluru
Date : 09th August 2022

Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Statement of Profit and Loss for the year ended March 31, 2022

		Amount in Rs. Lakhs	
Particulars	Notes	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021
I. Income			
Revenue from operations			
Sale of Products	16	41,410.14	26,396.70
Operating Income	16	-	-
Revenue from operations		41,410.14	26,396.70
Other income	17	942.67	893.21
Total income (I)		42,352.81	27,289.91
II. Expenses			
Cost of trims and accessories consumed	18	606.27	25.84
Purchases of stock-in-trade	19	30,204.96	15,553.85
Changes in inventories of stock-in-trade	20	(6,305.11)	2,451.69
Employee benefits expense	21	1,469.16	1,543.34
Finance costs	22	1,302.49	1,706.39
Depreciation and amortisation expense	23	1,565.74	1,763.37
Other expenses	24	11,936.19	8,535.39
Total expenses (II)		40,779.70	31,579.87
III. Profit/(Loss) before exceptional items and tax (I-II)		1,573.11	(4,289.96)
IV. Exceptional items		-	-
III. Profit / (Loss) before tax (I-II)		1,573.11	(4,289.96)
IV. Tax expense	25		
Current Tax - Current Year		553.49	-
- Previous Year		37.14	-
Deferred Tax (Credit) / Charge		(62.71)	102.38
Total tax expense		527.92	102.38
V. Profit / (Loss) for the year / period (III-IV)		1,045.19	(4,392.34)
VI. Other comprehensive income			
A. Items that will not to be reclassified to profit or loss:	29		
Re-measurement gains on defined benefit plans		(35.28)	10.23
Income tax effect on above		8.88	(2.58)
		(26.40)	7.65
Net other comprehensive income not to be reclassified to profit or loss (A)		(26.40)	7.65
Total other comprehensive income for the year / period, net of tax (A)		(26.40)	7.65
VII. Total comprehensive income for the year / period, net of tax (V+VI)		1,018.79	(4,384.69)
VIII. Earnings per equity share			
Nominal Value per share - Rs. 10/-	31		
Basic - Rs.		0.61	(2.56)
Diluted - Rs.		0.61	(2.56)
Significant Accounting Policies	3		

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

In terms of our report attached
For **S R B C & CO LLP**
Chartered Accountants
Firm Registration No. 324982E/E300003

per **Santosh Agarwal**
Partner
Membership No. 93669



For and on behalf of the board of directors of
Arvind Youth Brands Private Limited

Piyush Gupta
Director
(DIN: 09612583)

Sachin Hegde
Company Secretary

Sandeep Karwa
Director
(DIN:08789695)



Place : Ahmedabad
Date :

09 AUG 2022

Place : Bengaluru
Date : 09th August 2022

Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Statement of Cash Flows for the year ended March 31, 2022

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021
A Operating activities		
Profit / (Loss) Before taxation	1,573.12	(4,289.96)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation / Amortization	1,565.74	1,763.37
Interest Income	(53.64)	(44.85)
Gain on reassessment of lease and Lease Concessions	(357.96)	(277.76)
Interest and Other Borrowing Cost	1,302.49	1,706.39
Provision for doubtful debts written back	(100.00)	-
Provision / unclaimed liability written back	(408.30)	-
Allowances for cash losses	26.83	-
Foreign exchange fluctuation (Net)	0.94	(0.50)
Loss on property, plant and equipment written off	18.58	-
Share based payment expense	9.60	0.21
Operating Profit / (Loss) before Working Capital Changes	3,577.41	(1,143.10)
Working Capital Changes:		
(Increase) Decrease in Inventories	(6,143.25)	2,047.54
(Increase) Decrease in trade receivables	(1,656.76)	1,060.68
(Increase) Decrease in other assets	(129.43)	2,391.15
(Increase) Decrease in other financial assets	(7,580.27)	(2,212.37)
(Decrease) / Increase in trade payables	9,679.92	1,623.52
(Decrease) / Increase in trade credit	(947.68)	3,531.24
(Decrease) / Increase in other liabilities	(114.86)	(2,070.27)
(Decrease) / Increase in other financial liabilities	5,523.97	677.04
(Decrease) / Increase in provisions	85.06	46.50
Net Changes in Working Capital	(1,283.29)	7,095.03
Cash Generated from Operations	2,294.12	5,951.93
Direct Taxes paid (Net of Income Tax refund)	(626.41)	(3.33)
Net Cash flow generated from Operating Activities	1,667.71	5,948.60
B Cash Flow from Investing Activities		
Payment for purchase of Property, Plant & Equipment	(293.10)	(288.10)
Proceeds from disposal of Property, Plant & Equipment	0.90	1.50
Consideration paid for purchase of business	-	(3,733.62)
Payment for Deposits with Bank	(10.00)	-
Net Cash flow (used in) Investing Activities	(302.20)	(4,020.22)
C Cash Flow from Financing Activities		
Proceeds from Issue of share capital	-	1.00
Changes in short term borrowings	6.12	1,000.00
Repayment of principal amount of Lease Liabilities	(801.87)	(717.30)
Repayment of Interest amount of Lease Liabilities	(365.21)	(396.10)
Interest and Other Borrowing Cost/Discounting	(662.65)	(1,021.03)
Net Cash flow (used in) Financing Activities	(1,823.61)	(1,133.43)
Net (Decrease) / Increase in cash & cash equivalents	(458.10)	794.95
Cash & Cash equivalent at the beginning of the year / period	794.95	-
Cash & Cash equivalent at the end of the year / period	336.85	794.95

Figures in brackets indicate outflows.

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021
Cash and cash equivalents comprise of:		
Cash on Hand	33.77	347.72
Balances with Banks	303.08	447.23
Cash and cash equivalents as per Balance Sheet (Note 7b)	336.85	794.95

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



Handwritten signature.

Handwritten signature.

Handwritten signature.



Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Statement of Cash Flows for the year ended March 31, 2022

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

Ind AS 7 requires entities to provide disclosure of changes in liabilities arising from financing activities, including both changes arising from cash and non-cash changes. The information for current year and previous period as follow:

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2021	Net cash flows	Adjustment on account of Business Combination	Non Cash Changes			Amount in Rs. Lakhs
					Effect of lease concession	Other Changes*	As at March 31, 2022	
Borrowings:								
Short term borrowings	13 (a)	1,000.00	6.12	-	-	-	1,006.12	
Interest accrued on borrowings and Trade payables*	13 (d)	289.27	(662.65)	-	-	709.45	336.08	
Lease Liabilities#	32	4,305.54	(1,167.08)	-	(324.44)	987.73	3,801.75	
Total		5,594.81	(1,823.61)	-	(324.44)	1,697.18	5,143.95	

Particulars of liabilities arising from financing activity	Note No.	As at February 27, 2020	Net cash flows	Adjustment on account of Business Combination	Non Cash Changes			Amount in Rs. Lakhs
					Effect of lease concession	Other Changes*	As at March 31, 2021	
Borrowings:								
Short term borrowings	13 (a)	-	1,000.00	-	-	-	1,000.00	
Interest accrued on borrowings and Trade payables*	13 (d)	-	(1,021.03)	-	-	1,310.30	289.27	
Lease Liabilities#	32	-	(1,113.40)	4,433.96	(192.52)	1,177.50	4,305.54	
Total		-	(1,134.43)	4,433.96	(192.52)	2,487.80	5,594.81	

* Other Changes in Interest payables relates to amount charged in statement of profit or loss for the year / period.

Other Changes in Lease Liabilities relates to movement in the assets taken on lease and interest charged for the year / period on outstanding lease liabilities.

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"
- Non Cash Transactions**
During the previous period, the Company had acquired the business undertakings from Arvind Fashions Limited (AFL) and Arvind Lifestyle Brands Limited (ALBL) and the part of the consideration was discharged by adjustments against the funds receivables against issue of equity shares and Compulsory Convertible Preference Shares for Rs.11,269.15 Lakhs and Rs. 5,895.85 Lakhs respectively. Both the acquisition of business and issue of share capital had been considered as non-cash transactions and not disclosed above.

In terms of our report attached

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003



Santosh Agarwal
per Santosh Agarwal,
Partner
Membership No. 93669

For and on behalf of the board of directors of
Arvind Youth Brands Private Limited

Piyush Gupta
Piyush Gupta
Director
(DIN: 09612583)
Sandeep Karwa
Sandeep Karwa
Director
(DIN: 08789695)

Sachin Hegde
Sachin Hegde
Company Secretary



Place : Ahmedabad

Date :

09 AUG 2022

Place : Bengaluru
Date : 09th August 2022

Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Statement of Changes in Equity for the year ended March 31, 2022

A. Equity share capital

Balance	Amount in Rs. Lakhs Note 11
As at February 27, 2020	-
Add : Issue of Equity Share capital	11,270.15
As at March 31, 2021	11,270.15
Add : Issue of Equity Share capital	-
As at March 31, 2022	11,270.15

B. Other equity

Particulars	Attributable to the equity holders			Amount in Rs. Lakhs
	Reserves and Surplus			
	Contribution from Parent for ESOP	Retained Earnings	Capital Reserve	
	Note 12	Note 12	Note 12	
As at February 27, 2020				
Loss for the period	-	-	-	-
Other comprehensive income for the period	-	(4,392.34)	-	(4,392.34)
Total Comprehensive (loss) for the period	-	7.65	-	7.65
On account of Business Combination (Refer Note 37)	-	(4,384.69)	-	(4,384.69)
On account of fair valuation of Compulsory Convertible Preference Shares (Refer Note 11 B)	-	-	(3,301.94)	(3,301.94)
Contribution received during the period (Refer Note 38)	0.21	-	(8,399.15)	(8,399.15)
			-	0.21
Balance as at March 31, 2021	0.21	(4,384.69)	(11,701.09)	(16,085.57)
Profit for the year	-	1,045.19	-	1,045.19
Other comprehensive income for the year	-	(26.40)	-	(26.40)
Total Comprehensive Income for the year	-	1,018.79	-	1,018.79
Contribution received during the year (Refer Note 38)	9.60	-	-	9.60
Balance as at March 31, 2022	9.81	(3,365.90)	(11,701.09)	(15,057.18)

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

In terms of our report attached

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E3000003

Santosh Agarwal

per Santosh Agarwal

Partner

Membership No. 93669



Place : Ahmedabad

Date :

09 AUG 2022

For and on behalf of the board of directors of
Arvind Youth Brands Private Limited

Piyush Gupta
Piyush Gupta
Director
(DIN: 09612583)

Sandeep Karwa
Sandeep Karwa
Director
(DIN: 08789695)



Sachin Hegde
Sachin Hegde
Company Secretary

Place : Bengaluru

Date : 09th August 2022

Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

1. Corporate Information

Arvind Youth Brands Private Limited ("the Company") is a private limited company incorporated on February 27, 2021 in India under the provisions of the Companies Act, 2013 and has its registered office at Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380 025, having CIN U52100GJ2020PTC11299. The Company own and market 'Flying Machine' branded apparel and other product including accessories business in India and runs a chain of apparels and accessories retail stores in India.

The financial statements were approved by Board of Directors in the meeting held on August 9th, 2022.

2. Statement of Compliance and Basis of Preparation

Basis of Preparation and Presentation and Statement of Compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 ("the Act"), (Ind AS compliant Schedule III), as applicable to the Financial Statements.

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 as specified below in accordance with the relevant Ind AS -

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans – plan assets measured at fair value;

In addition, the Financial Statements are presented in Indian Rupees (Rs) which is the functional currency of the Company. All amounts are rounded to the nearest lacs (₹ 00,000) except when otherwise indicated.

3. Summary of Significant Accounting Policies

The following are the significant accounting policies of the Company in preparing its Financial Statements consistently to the 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 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.



Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle, for the purpose of current / non-current classification of assets and liabilities.

3.2. Business combinations under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103.

Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts of the acquiree entity's Financial Statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonize accounting policies. The components of equity of the acquired companies are added to the same components within the Company's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the aggregate historical carrying amount of the assets and liabilities of the acquired entity shall be transfer to capital reserve and is presented separately from other capital reserves. The Company's shares issued in consideration for the acquired business are recognized from the moment the acquired business are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented.

Transaction costs that the Company incurs in connection with a business combination such as legal fees, due diligence fees and other professional consulting fees are expensed as incurred.

3.3. Foreign currencies

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

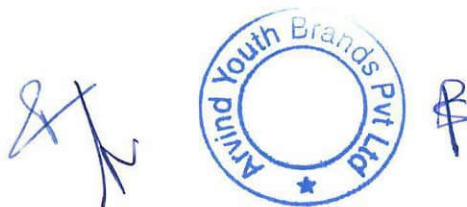
Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its 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 transactions and on translation of monetary assets and liabilities denominated in foreign currency at year end exchange rate are recognised in profit or loss.

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.

In determining the spot exchange rate to use on initial recognition of the related assets, expense or income (or part of it) on the derecognition of a non-monetary assets or non-monetary liability relating to advance consideration, the date of transaction is the date on which the Company initially recognize the non-monetary assets or non-monetary liabilities arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.



Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

3.4. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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.

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.

External valuers are involved for valuation of significant assets, such as unquoted financial liabilities. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Board of Directors. 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.



Handwritten signature in blue ink.



Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

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 (Refer Note 3.18)
- Quantitative disclosures of fair value measurement hierarchy (Refer Note 34)
- Financial instruments (including those carried at amortised cost) (Refer Note 35)

3.5. 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 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.

Subsequent cost are included in the assets carrying amount or recognised as a separate assets as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. The carrying amount of any components accounted for as a separate asset is de-recognised when replaced. All other repair and maintenance costs are recognised in statement of profit and loss, during the reporting period in which they are incurred.

Derecognition

An item of property, plant and equipment is derecognized 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 on a straight-line basis using useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for following assets category mentioned below for which useful lives estimated by the management based on technical assessment made by technical expert. The management believes that estimated useful life reflect fair approximation of the period over which the assets are likely to be used.

Asset	Estimated Useful Life
Buildings	20 Years
Plant & Machinery	6 to 15 Years
Office Equipment	6 to 8 Years
Furniture & Fixture	6 to 9 Years
Motor Cars	4 Years
Lease Improvement	2 to 6 years or period of lease, whichever is shorter

Based on management's assessment, items of property, plant and equipment individually costing less than five thousand rupees, are depreciated within one year from the date of the assets ready for use or procured.



Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

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.

Gain or losses on disposal / discard of property, plant and equipment are determined by comparing proceeds with carrying amount. These are included in statement of profit and loss.

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.

3.6. Leases

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

Company as Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

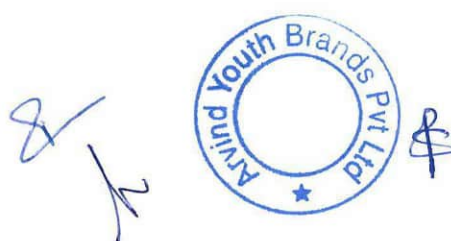
The Company recognizes right-of-use assets which primarily consist of leases for Stores/Showrooms at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, whichever is shorter.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

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.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.



Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Stores or Showrooms (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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.

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

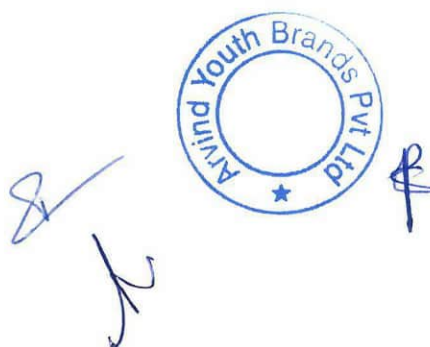
iv) Covid-19-Related Rent Concessions

The amendments to Ind AS 116 provides a practical expedient to lessees in accounting for rent concessions that are a direct consequence of the COVID-19 pandemic.

Many lessors have provided rent concessions to lessees as a result of the Covid-19 pandemic. Rent concessions can include rent holidays or rent reductions for a period of time. Applying the requirements in Ind AS 116 for changes to lease payments, particularly assessing whether the rent concessions are lease modifications and applying the required accounting, could be practically difficult in the current environment. The objective of the amendment is to provide lessees that have been granted Covid-19 related rent concessions with practical relief, while still providing useful information about leases to users of the financial statements.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the conditions are met.

Pursuant to the above amendment, the Company has applied the practical expedient with effect from April 01, 2020. The Company has accounted the unconditional rent concessions in "Lease Rental Concessions – Other Income (Refer Note 32)" in the Statement of Profit and Loss.



Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

3.7. Borrowing cost

Borrowing cost includes interest expense and other cost that an company incurs in connection with borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs as per Effective Interest Rate (EIR).

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.

All other borrowing costs are expensed in the period in which they occur in the statement of profit and loss.

3.8. 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.

Intangible assets comprise of computer software which is amortised over a period of 5 years.

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. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or losses when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

3.9. Inventories

Trims and Accessories, Stock-in-trade and Packing Materials 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:

- Trims and Accessories: 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 cost 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.

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. Obsolete and defective inventory are duly provided for, basis the management estimates (Refer Note 3.18 (viii)).

3.10. 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



Notes to the Financial Statements for the year ended March 31, 2022

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 rates, that reflects current market assessment of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

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.

3.11. Revenue Recognition

The Company derives revenues primarily from sale of traded goods. 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.

a) Revenue from 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 and when the property in goods and control are transferred for a price and no effective ownership control is retained. Revenue is measured at the fair value of the consideration received or receivable net of returns and allowances trade discounts and volume rebates, taking into accounts. Contractually defined terms of payment excluding taxes and duties collected on behalf of the government. Goods and Services (GST) is not received by the Company in its own accounts. Rather, it is collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

b) 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 Assets and refund Liabilities

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 Company then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price) and measured at the amount the Company ultimately expects it will have to return to the customers. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from a customer and is measured at the carrying amount of the inventory



Handwritten signature in blue ink.



Handwritten signature in blue ink.

Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

less any expected cost to recover the goods, including any potential decrease in the value of the returned goods. The Company updates its estimates of refund liabilities and returned assets at the end of each reporting period.

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.

iii. 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. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed. Outstanding liabilities pertaining to unredeemed points as at year/period end are disclosed under Other Current Liabilities.

c) Contract balances

i. Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs by transferring goods 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 3.12 Financial instruments – initial recognition and subsequent measurement.

iii. Contract liabilities

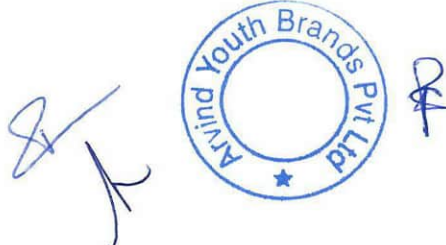
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability 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.

iv. 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. Liabilities pertain to unredeemed gift vouchers as at year/period end are disclosed under Other Current Liabilities

d) Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets, 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.



3.12. 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. Financial assets and Financial Liabilities are recognized when a company becomes a party to the contractual provisions of the instruments.

a) Financial assets

i. Initial recognition and measurement of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through profit or loss and fair value through other comprehensive income (OCI).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 3.11 Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

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 Group commits to purchase or sell the asset.

ii. Subsequent measurement of financial assets

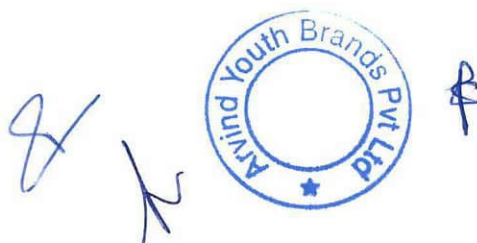
For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortised cost (Debt Instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

• Financial assets at amortised cost

A financial asset is measured at amortised cost using Effective Interest Rate (EIR), if both the conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and



Notes to the Financial Statements for the year ended March 31, 2022

- 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 (FVTOCI)**

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- 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)**

A 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.

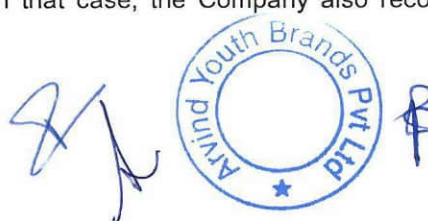
After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

iii. **Derecognition of financial assets**

A financial asset (or, where applicable, a part of a financial assets or part of a group of similar financial assets) 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.

On de-recognition of a financial asset in its entirety, the difference between the carrying amounts measured at the date of de-recognition and consideration received is recognised in the statement of profit and loss.

iv. Impairment of financial assets

The Company applies simplified approach of expected credit loss model for recognising impairment loss on lease receivables, trade receivables, other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets).

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

- **ECL for Trade Receivables and Contract Assets**

For trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 115, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

- **ECL for Other Financial Assets**

The Company measures the loss allowance for a financial instrument other than trade receivables and assets within the scope of Ind AS 115, at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial



Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

The Company considers a financial asset in default when contractual payments are overdue. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in OCI and is not reduced from the carrying amount in the Balance Sheet.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions – See note 3.18
- Trade receivables and contract assets – See note 7(a)

b) Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

ii. Compound Financial Instruments:

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

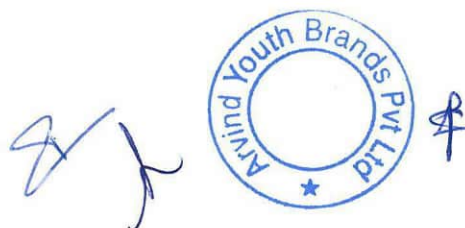
At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

c) Financial liabilities

• 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.



Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

- **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/ losses 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 designated Compulsory Convertible Preference Shares (CCPS) as at fair value through profit and loss.

- **Financial Liabilities subsequently measured at amortised cost:**

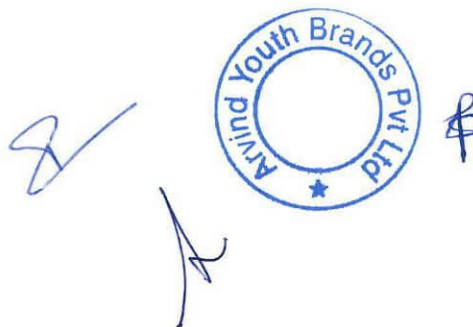
- Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.
- The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

- **Loans and Borrowings**

Borrowing are initially recognized at fair value, net of transaction cost incurred.

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.



Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

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.

iv. Offsetting financial instruments:

Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.

3.12. Cash and cash equivalent

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.

3.13. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

The Income tax expenses or credit for the period is the tax payable on current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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 recognised 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 and 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 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 utilized, 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 affects neither the accounting profit nor taxable profit or loss.

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.



Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

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.

3.14. 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 and employees' state insurance fund 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 is Company's defined benefit plans. The Company contributes to a gratuity fund maintained by an independent insurance company. 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. Obligation is measured at the present value of estimated future cash flow using a discounted rate that is determined by reference to market yields as at Balance Sheet date on Government bonds, where the terms of the Government bonds are consistent with the estimated terms of the defined benefit obligation. 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.

Net interest is calculated by applying the discount rate to the net defined liabilities or assets. The company recognized following changes in the net defined benefits obligation as on expenses in the statement of Profit and Loss: a) Services cost comprising current service cost, gains and losses on curtailments and non-routine settlements and b) Net interest expenses and income.

c) Compensated Absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognises accumulated compensated absences based on actuarial valuation in the Statement of Profit and Loss. The Company presents the entire leave as a current liability in the Balance Sheet, since it does not have any unconditional right to defer its settlement for twelve months after the reporting date.



Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

3.15. Earnings per share

Basic EPS is calculated by dividing the net 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. Earning, considered in ascertaining the Company's earnings per share, is the net profit for the period after deducting preference dividend any attributed tax there to for the period.

Diluted EPS is calculated by dividing the net 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.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3.16. 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.

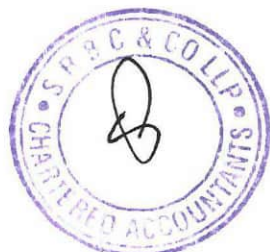
A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an 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.

Claim against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

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.

3.17. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Since there are no other business segment in which company operates, there are no other primary reportable segments.



3.18. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses the accompanying disclosures and disclosure of contingent liabilities 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. The Company's assumptions and estimates are based on parameters available at the time of preparation of financial statements. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company.

i. 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.

ii. Customer loyalty program reward points

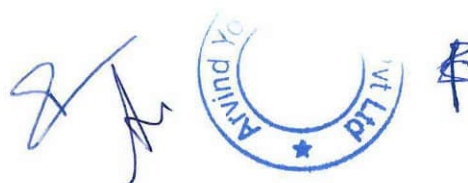
Customer loyalty program reward points having a predetermined life are granted to customers when they make purchases. The fair value of the consideration on sale of goods resulting in such award credits is allocated between the goods supplied and the reward point credits granted. The consideration allocated 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.

iii. 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.

iv. 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 29.

v. 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. The carrying amount of allowance for doubtful debts under ECL method is Rs.334.63 lakhs (March 31, 2021 – Rs.434.63 lakhs). Refer Note 7 (a) for further details.

vi. Fair Value measurement of financial instruments:

The fair valuation of CCPS includes significant judgements like future sales and growth therein, EBIDTA margins and working capital estimates. Changes in the assumptions can impact the reported fair value of the above financial instruments. Refer Note 34 for details of valuation method including the sensitivity analysis of the above valuation of CCPS. The Company has recognised charge of Rs. 227.82 lakhs on account change in fair valuation of CCPS as at March 31, 2022.

vii. Taxes:

Deferred tax assets are recognised for unused tax losses 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.

During the previous period ended March 31, 2021, after a detailed evaluation, the Company had elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 w.e.f. April 01, 2020. Accordingly, the Company had re-assessed tax liabilities transferred as a part of business combination as at period ended March 31, 2021 based on the rate prescribed in the aforesaid section. Further details on taxes are disclosed in Note 25.

viii. Provision on inventories:

The Company has defined policy for provision on inventory for its business by differentiating the inventory into core and non-core (fashion) and sub-categorised into finished goods and other materials. The Company provides provision based on policy, past experience, current trend and future expectations of these materials depending on the category of goods. As at March 31, 2022, the Company has recognised provision for inventories of Rs. 1,420.13 lakhs (March 31, 2021 – Rs.1,564.70 lakhs)



Arvind Youth Brands Private Limited

Notes to the Financial Statements for the year ended March 31, 2022

ix. Leases:

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.




The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

x. Going Concern:

The management has performed an assessment of the Company's ability to continue as a going concern. Based on the assessment, the management believes that there is no material uncertainty with respect to any events or conditions that may cast a significant doubt on the entity to continue as a going concern, hence the financial statements have been prepared on a going concern basis.



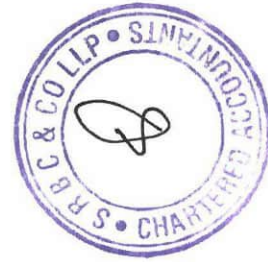
Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Notes to the Financial Statements for the year ended March 31, 2022

Note 5 : Property, plant and equipment

Particulars	Plant & Machinery (refer note ii)	Furniture & Fixture	Vehicles	Leasehold Improvements	Office Equipment	Computers, Servers and Network	Amount in Rs. Lakhs Total
Gross Carrying Amount							
As at February 27, 2020							
Acquired as a part of business combinations (Refer Note 37 and iii below)	101.21	632.08	13.25	459.84	28.74	6.91	1,242.03
Additions	30.30	60.79	-	74.63	4.03	0.22	169.97
Disposals	(10.00)	(3.18)	(1.50)	(11.60)	(3.12)	(0.11)	(29.51)
As at March 31, 2021	121.51	689.69	11.75	522.87	29.65	7.02	1,382.49
Additions	12.03	91.37	(2.39)	143.75	2.61	0.11	249.87
Disposals	(1.91)	(26.06)	(2.39)	(6.72)	(0.99)	(0.20)	(38.27)
As at March 31, 2022	131.63	755.00	9.36	659.90	31.27	6.92	1,594.09
Accumulated Depreciation							
As at February 27, 2020							
Depreciation for the period	36.33	272.98	4.48	247.49	8.17	4.48	573.93
Disposals / Discard of assets	(10.00)	(3.18)	-	(11.60)	(3.12)	(0.11)	(28.01)
As at March 31, 2021	26.33	269.80	4.48	235.89	5.05	4.37	545.92
Depreciation for the year	29.10	164.42	5.15	162.35	6.55	1.58	369.15
Disposals / Discard of assets	(0.65)	(14.13)	(1.49)	(2.01)	(0.33)	(0.18)	(18.79)
As at March 31, 2022	54.77	420.09	8.14	396.23	11.27	5.77	896.28
Net Carrying Value							
As at March 31, 2022	76.86	334.90	1.22	263.67	20.01	1.15	697.81
As at March 31, 2021	95.18	419.89	7.27	286.98	24.60	2.65	836.57

Notes:

- Property, plant and equipment are given as security for borrowings as disclosed under Note 13 (a).
- Plant and Machinery majorly includes Air conditioners and Office equipment at Retail Stores/Showrooms.
- The Company had acquired property, plant and equipment at written down value on the date of transfer from transferor entities. (Refer Note 37)
- Refer Note 26 for disclosure of contractual commitments for the acquisition of property, plant and equipment.



Handwritten signature and initials in blue ink.

Note 6 : Intangible assets

Particulars	Amount in Rs. Lakhs	
	Computer Software	Total
Gross Carrying Amount		
As at February 27, 2020	-	-
Acquired as a part of business combinations (Refer Note 37 and iii below)	2.00	2.00
As at March 31, 2021	2.00	2.00
Additions	-	-
Disposals	(0.02)	(0.02)
As at March 31, 2022	1.97	1.97
Accumulated Amortisation		
As at February 27, 2020	-	-
Amortisation for the period	0.32	0.32
As at March 31, 2021	0.32	0.32
Amortisation for the year	0.45	0.45
Disposals	(0.02)	(0.02)
As at March 31, 2022	0.75	0.75
Net Carrying Value		
As at March 31, 2022	1.22	1.22
As at March 31, 2021	1.68	1.68

Notes:

- i) Intangible assets are given as security for borrowings as disclosed under Note 13(a).
- ii) The Company had acquired intangible assets at written down value on the date of transfer from transferor entities.
(Refer Note 37)




Note 7 : Financial assets

7 (a) Trade receivables - Current

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Secured, considered good	-	-
Unsecured, considered good	13,341.23	11,584.46
Significant increase in credit risk	-	-
Credit impaired	334.63	434.63
	13,675.86	12,019.09
Less : Allowance for doubtful debts - Trade receivables credit impaired	(334.63)	(434.63)
Total Trade receivables	13,341.23	11,584.47

Notes:

i) For disclosure related to ageing of Trade receivables - refer note 7(a.1).

ii) 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.

iii) Trade receivables are given as security for borrowings as disclosed under Note 13(a).

iv) The Company has outstanding discounted bill receivables Rs. Nil as at March 31, 2022 (Previous year - Rs. 411.07 Lakhs) on non-recourse basis. The management had assessed that in respect of bill discounting, the Company did not have any continuing involvement with the said bills discounted, except in an unlikely scenario of dispute arising with regard to the existence of the receivable discounted. Accordingly, it was concluded that the discounting meets derecognition criteria and the money received was adjusted against trade receivables.

v) Trade receivables are generally non-interest bearing and on terms of 30-180 days.

vi) During the previous year, as per business transfer agreement (BTA) dated 3rd July 2020 between Arvind Lifestyles Brands Limited (ALBL) and Arvind Fashions Limited (AFL) with the Company, the Company has acquired business undertaking from AFL and ALBL relating to the Flying Machine brand w.e.f. 1st July 2020. As part of these acquisition, the Company has acquired gross receivables of Rs. 24,700.00 lakhs, which were accounted at the net amount of Rs. 13,663.59 lakhs, after adjusting receivables on account of Sale or Return Basis (SOR) of Rs. 9,500.00 lakhs and other credits for schemes and claims of Rs.1,536.41 lakhs.

Further, during the current year, on behalf of the Company, AFL and ALBL received Rs. 7,596.82 lakhs (Previous Period - Rs. 8,500.00 lakhs) from the customers against outstanding receivables, which has been considered as realised and accounted / adjusted by the Company. The Company has accounted goods received back by AFL and ALBL from its customers whereby receivables were adjusted to the extent of Rs. 1,107.33 lakhs (Previous Period - Rs. 5,200.00 lakhs). The Company has knocked off balance receivables against funds collected from the respective customers during the period on First in First Out (FIFO) basis, pending reconciliation and confirmation with the customers as at year ended March 31, 2022.

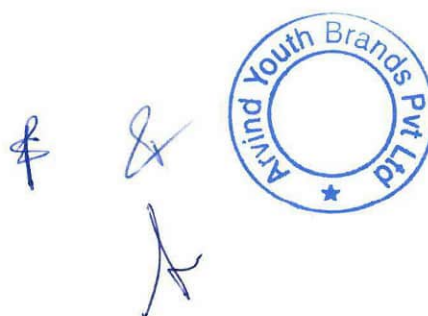
Also, during the year, the Company has performed the reconciliation for the key accounts receivable and in process for the balance parties outstanding as at year end, although management does not expect any material adjustments on account of such reconciliation processed to the reported balances including adjustments in terms of the Business Transfer Agreements.

vii) Trade receivables from related parties included above - Nil (Previous year - Nil).

viii) Movement in 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. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Balance at the beginning of the year	434.63	-
Add : Addition on Business Combination (Refer Note 37)	-	434.63
Less : Provision written back	(100.00)	-
Balance at the end of the year	334.63	434.63



7 (a.1) Ageing of Trade receivables - Current

As at March 31, 2022

Particulars	Unbilled Dues	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	-	6,682.08	6,217.76	441.39	-	-	-	13,341.23
Undisputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	316.82	17.81	-	-	334.63
Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	-	6,682.08	6,217.76	758.21	17.81	-	-	13,675.86

As at March 31, 2021 (Refer Note 37)

Particulars	Unbilled Dues	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	-	5,842.19	3,996.87	1,347.20	398.19	-	-	11,584.46
Undisputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	434.63	-	-	434.63
Disputed Trade receivables - Considered Good	-	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in risk	-	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	-	5,842.19	3,996.87	1,347.20	832.82	-	-	12,019.09



Handwritten signature and initials.

7 (b) Cash and cash equivalent

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Cash on hand*	33.77	347.72
Balance with Bank In Current accounts	303.08	447.23
Cash held with franchisees*	26.83	-
Less : Allowances for losses	(26.83)	-
	-	-
Total cash and cash equivalent	336.85	794.95

***Comprises of cash held at stores and franchisees**

Allowance for Cash losses held with Franchisees
Movement in allowance for cash with franchisees:

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Balance at the beginning of the year	-	-
Add : Allowance for the year	26.83	-
Less : Write off	-	-
Balance at the end of the year	26.83	-

7 (c) Other Bank Balances

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Non-Current		
Margin money deposit with bank	10.00	-
	10.00	-
Amount disclosed under Non-Current Financial Assets in Balance Sheet	(10.00)	-
Total	-	-

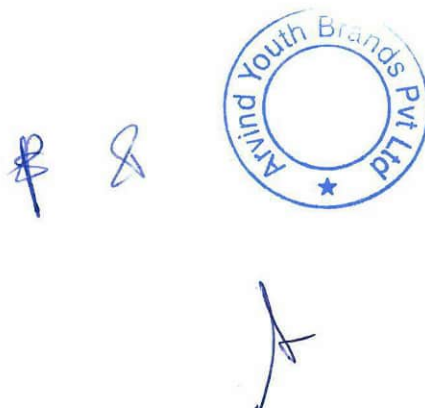
Note: Margin money deposit aggregating to Rs. 10 lakhs (Previous year - Nil) are given as a minimum balance commitment against the current account with bank.

7 (d) Loans

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Current		
Loans to employees	5.79	7.82
Total Loans	5.79	7.82

Notes:

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



7 (e) Other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Non-current		
Security deposits	299.50	533.19
Margin money deposit with bank (refer note 7(c))	10.00	-
	309.50	533.19
Current		
Security deposits	371.49	102.96
Interest accrued but not due on bank deposits	0.05	-
Insurance claim receivable	7.38	2.79
Other receivables (refer note ii below)	9,869.79	2,328.95
	10,248.71	2,434.70
Total other financial assets	10,558.21	2,967.89

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

ii) Other receivables includes amount recoverable from related parties (refer note 30).

7 (f) : Financial Assets by category carried at amortised cost

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Trade receivables (note 7(a))	13,341.23	11,584.47
Cash and cash equivalent (note 7(b))	336.85	794.95
Loans (note 7(d))	5.79	7.82
Other financial assets (note 7(e))	10,558.21	2,967.89
Total Financial Assets	24,242.09	15,355.13

For Financial instruments risk management objectives and policies, refer Note 35.

Fair value disclosure for financial assets and liabilities are in Note 33 and fair value hierarchy disclosures are in Note 34.

Note 8 : Other assets

(Unsecured, considered good unless otherwise stated)

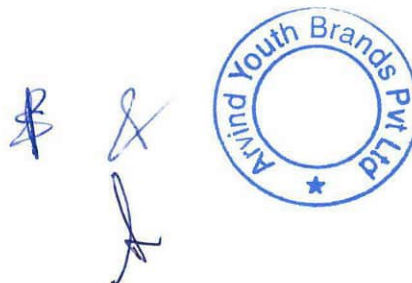
Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Current		
Advance to suppliers		
Considered Good	33.29	33.20
Considered Doubtful	64.00	64.00
Less : Provision for doubtful advances	(64.00)	(64.00)
	33.29	33.20
Returnable asset (refer note ii below)	2,305.29	2,278.53
Prepaid expenses	44.70	60.55
Goods and services tax credit (net)	589.17	152.57
Other current assets (refer note iii below)	1,705.70	2,023.87
	4,644.87	4,515.53
Total	4,678.16	4,548.73

Notes:

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

ii) Returnable Asset recognized pursuant to Ind AS 115. Returnable assets represent value of goods with customers that are estimated to be returnable in future.

iii) Other current assets represents Goods and Service Tax paid on primary sales / stock transfer of traded goods on "Sale or Return basis" and tax on refund liability component. Balance outstanding as at year end will be adjusted against secondary sale of traded goods and actual credit note issued for sales returns.



Note 9 : Inventories (At lower of cost and net realisable value)

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Trims and accessories	200.23	378.78
Stock-in-trade	15,708.77	9,403.66
Packing materials	41.47	24.78
Total	15,950.47	9,807.22

Notes:

- i) Inventories are given as security for borrowings as disclosed under Note 13(a)
- ii) Stock in trade also include goods at stores / showrooms / customers of Rs. 9,883.86 Lakhs (Previous year - Rs. 7,135.24 lakhs) (including sales or returnable basis or consignment basis). The Company has obtained confirmation from the key customers and related parties for inventory lying with them as at March 31, 2022 and reconciled the same with inventory lying in the books of account.
- iii) Stock-in-trade includes Rs. 531.45 lakhs (Previous year - Rs. 69.84 lakhs) pertaining to goods in transit.
- iv) Value of stock-in-trade is netted off by Rs. 1,420.13 lakhs (Previous year - Rs. 1,564.70 lakhs), pertaining to provision for slow moving /non-moving inventories.

Note 10 : Income Tax Assets (Net)

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Tax Paid in Advance (Net of Provision)	17.89	3.33
Total	17.89	3.33

(This space has been left intentionally blank)



Handwritten signatures in blue ink.

Note 11A

Particulars	Amount in Rs. Lakhs			
	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital				
Equity shares of Rs. 10 each	11,27,01,480	11,270.15	11,27,01,480	11,270.15
Issued and subscribed share capital				
Equity shares of Rs. 10 each	11,27,01,480	11,270.15	11,27,01,480	11,270.15
Subscribed and fully paid up				
Equity shares of Rs. 10 each	11,27,01,480	11,270.15	11,27,01,480	11,270.15
Total	11,27,01,480	11,270.15	11,27,01,480	11,270.15

(i) Reconciliation of shares outstanding at the beginning and at the end of the Reporting year / period

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year / period	11,27,01,480	11,270.15	-	-
Add: Issue of Share Capital	-	-	11,27,01,480	11,270.15
Outstanding at the end of the year / period	11,27,01,480	11,270.15	11,27,01,480	11,270.15

(ii) 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. 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.

(iii) Shares Held by Ultimate Holding Company and Holding Company / Promoters

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Arvind Fashions Limited (along with nominees) Ultimate Holding Company	4,46,32,600	4,463.26	4,46,32,600	4,463.26
Arvind Lifestyle Brands Limited (along with nominees) Holding Company	6,80,68,879	6,806.89	6,80,68,879	6,806.89

(iv) Number of Shares held by each shareholder holding more than 5% Shares in the Company

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Arvind Fashions Limited (along with nominees)	4,46,32,600	39.60%	4,46,32,600	39.60%
Arvind Lifestyle Brands Limited (along with nominees)	6,80,68,879	60.40%	6,80,68,879	60.40%



Handwritten signature.

Handwritten signature.

Handwritten signature.

Note 11 B

B. Preference share capital			Amount in Rs. Lakhs	
Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Authorised share capital				
Preference shares of Rs. 100 each	58,95,852	5,895.85	58,95,852	5,895.85
Issued and subscribed share capital				
Preference shares of Rs. 100 each	58,95,852	5,895.85	58,95,852	5,895.85
Subscribed and fully paid up				
Preference shares of Rs. 100 each	58,95,852	5,895.85	58,95,852	5,895.85
Total	58,95,852	5,895.85	58,95,852	5,895.85

(i) Reconciliation of shares outstanding at the beginning and at the end of the Reporting year / period

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year / period	58,95,852	5,895.85	-	-
Add: Issue of Share Capital	-	-	58,95,852	5,895.85
Outstanding at the end of the year / period	58,95,852	5,895.85	58,95,852	5,895.85

(ii) Terms of Conversion / Redemption of CCPS

During the previous period, the Company issued 58,95,852 Compulsorily Convertible Non-Cumulative Preference Shares ("CCPS") of Rs. 100 each fully paid-up. The CCPS shall be entitled to a preferential right to dividend at the rate of 0.001% per annum which shall accrue but shall be payable annually. The CCPS shall carry all voting rights as are permitted under applicable law.

On the date of allotment, July 9, 2020, each CCPS were convertible into 10 equity share of Rs 10 each fully paid up. On July 13, 2020, the Board of Directors approved the change in the conversion terms of CCPS whereby each CCPS shall be convertible to variable number of equity shares ranging from a minimum of 6 equity shares up to maximum of 10 equity shares determinable based on the Conversion ratio which will be based on Adjusted Earnings before Interest, Depreciation, Tax and Amortisation ('Adjusted EBITDA') for the financial year ending 31 March 2022 in terms of Share Purchase Agreement ("SPA") and Shareholders Agreement ("SA") dated July 09, 2020. The equity shares to be allotted on conversion of the CCPS shall rank pari-passu in all respects with the then existing equity shares of the Company and shall be subject to the Memorandum and Articles of Association of the Company.

As at year end and reporting date, no effect has been given of the conversion pending approval of the financial statements by the shareholders and accordingly determination of Adjusted EBITDA. Hence the Company continued to classify CCPS as Financial Liabilities as at 31st March 2022.

(iii) Number of Shares held by convertible preference shareholder holding more than 5% Shares in the Company

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Flipkart India Private Limited	58,95,852	100%	58,95,852	100%

(iv) Movement in Carrying Value of Compulsorily Convertible Preference Shares

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year / period	58,95,852	14,295.00	-	-
Add: Issued during the year / period	-	-	58,95,852	14,295.00
Add: Change in fair valuation of financial liability (refer note 22)	-	227.82	-	-
Outstanding at the end of the year / period	58,95,852	14,522.82	58,95,852	14,295.00

For Fair valuation details refer note 33 and 34



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



Note 12 : Other Equity

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Note 12.1 Reserves & Surplus		
Capital reserve		
As at beginning of the year / period	(11,701.09)	-
Add: On account of acquisition of business (Refer Note 37)	-	3,920.58
Less: On account of adjustment of inventory margin on acquisition (Refer Note 37)	-	(7,222.52)
Less: On account of fair valuation of Compulsory Convertible Preference Shares (Refer Note (iv) below)	-	(8,399.15)
Balance at the end of the year / period	(11,701.09)	(11,701.09)
Contribution from Parent for ESOP (Refer Note 38)		
As at beginning of the period	0.21	-
Add: Contribution received during the year / period	9.60	0.21
Balance at the end of the year / period	9.81	0.21
Retained Earnings		
As at beginning of the year / period	(4,384.69)	-
Add: Profit / (Loss) for the year / period	1,045.19	(4,392.34)
Add: OCI for the year / period (net of tax)	(26.40)	7.65
Balance at the end of the year / period	(3,365.90)	(4,384.69)
Total reserves & surplus	(15,057.18)	(16,085.57)
Total Other equity	(15,057.18)	(16,085.57)

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

- Capital reserve**
Capital reserve can be utilised for issue of bonus shares.
- Retained Earnings**
Net earnings, retained by the Company to be reinvested in its core business.
- 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 38.
- Change in Fair value of Compulsorily Convertible Preference Shares (CCPS)**
In line with Ind AS 109 and Ind AS 32, on the date of allotment, CCPS was classified as equity. With the change in the conversion terms as stated in Note 11 (b)(ii), such CCPS has been classified as financial liability and accounted at its fair value of Rs. 14,295.00 lakhs. The difference between such fair value and the then carrying amount as equity, amounting to Rs. 8,399.15 lakhs, has been recognised as Capital Reserve.

Note 13 : Financial liabilities

13 (a) Borrowings

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Short-term Borrowings (At amortised cost)		
Secured		
Working Capital Loan from Bank	1,006.12	1,000.00
Total short-term borrowings	1,006.12	1,000.00
Total borrowings	1,006.12	1,000.00

i) Secured Borrowings

Particulars	March 31, 2022	March 31, 2021 (Refer Note 37)	Rate of interest	Security
Working Capital loans	1,006.12	1,000.00	Ranging from 7.45% to 8.65% p.a. (Previous year - 8.65% p.a.)	a. First and pari passu charge by way of Hypothecation of current assets of the Company (Present and Future) including inventory and book debts. b. First and pari passu charge over entire property, plant and equipment of the Company (present and future) comprising furniture and fixtures, office equipment, plant and machineries, other leasehold improvements etc. located at retail stores/showrooms and other places etc on pari passu basis. c. Joint Corporate Guarantee given by Arvind Fashions Limited and Arvind Lifestyle Brands Ltd upto the extent of total sanction limits of Rs. 10,500 Lakhs (Previous year Rs. 3,500 Lakhs) (Refer Note 38)

- All necessary charges or satisfaction are registered with ROC within the statutory year / period.
- Quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts;
- The Company has used the borrowings from banks for the specific purpose for which it was taken.
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that The Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



13 (b) Trade payables (Refer Note 37)

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Current		
-Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note a below)	1,828.21	2,495.64
-Total outstanding dues other than micro enterprises and small enterprises	15,375.17	5,435.17
Total	17,203.38	7,930.81

Notes:

- i) 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. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
(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) Principal	1,828.21	2,495.64
ii) Interest (refer note 13(d))	198.38	248.73
(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;	153.92	-
(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;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	198.38	248.73
(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	-	-

ii) Trade Payables ageing schedule:

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	1,783.51	44.82	-	-	-	1,828.33
Undisputed dues - Others	590.44	11,956.73	173.71	104.67	56.81	12,882.36
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Unbilled dues	2,492.69	-	-	-	-	2,492.69
Total	4,866.64	12,001.55	173.71	104.67	56.81	17,203.38

As at March 31, 2021

Particulars	Not due	Outstanding for following periods from due date of Payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	969.98	1,454.83	70.83	-	-	2,495.64
Undisputed dues - Others	1,809.97	961.73	155.18	13.04	20.77	2,960.69
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Unbilled dues	2,474.48	-	-	-	-	2,474.48
Total	5,254.44	2,416.56	226.01	13.04	20.77	7,930.81

- iii) Trade payables (except MSME) are generally non-interest bearing and on terms of 15-120 days.

- iv) Trade payables to related parties included above - Rs. 10,855.42 lakhs (Previous year - Nil). Also refer note 30 for terms and conditions relating to related party payables.

13 (c) Trade Credits

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Current		
Trade Credits	2,583.56	3,531.24
Total	2,583.56	3,531.24

Notes:

- i) Corporate Guarantee given by Arvind Fashions Limited for the trade credits upto the extent of Rs.4,500 Lakhs (Previous year - Rs.4,500 lakhs). Also refer note 30.

- ii) The Company has availed trade credits from bank and financial institution.



Handwritten signatures and initials in blue ink.

13 (d) Other financial liabilities

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Non-current		
Security Deposits	1,318.71	809.82
	1,318.71	809.82
Current		
Security Deposits	-	168.80
Interest accrued and due on trade payables (refer note 13 (b)(i))	198.38	248.73
Interest accrued but not due on trade credits and security deposits	137.69	40.54
Payable to employees	67.76	146.40
Book overdraft	-	361.42
Scheme Discount Payable	849.52	750.00
Payable for capital goods	27.88	71.11
Other payables (Refer Note 30)	5,472.23	-
	6,753.47	1,787.00
Total	8,072.18	2,596.82

Note:

- i) There is no amount due and outstanding to be transferred to the Investor Education and Protection Fund as at March 31, 2022 and March 31, 2021.
ii) Other payables includes amount payable to related parties pertains to payment made to vendors / discharge of Company's obligation by related parties on behalf of the Company (refer note 30).

13 (e) : Financial Liabilities by category

Particulars	As at March 31, 2022		As at March 31, 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Borrowings (refer note 13(a))	-	1,006.12	-	1,000.00
Compulsory Convertible Preference Shares (refer note 11B)	14,522.82	-	14,295.00	-
Trade payables (refer note 13(b))	-	17,203.38	-	7,930.81
Trade credits (refer note 13(c))	-	2,583.56	-	3,531.24
Security Deposits (refer note 13(d))	-	1,318.71	-	978.62
Payable to employees (refer note 13(d))	-	67.76	-	146.40
Interest accrued but not due on trade credits and security deposits (refer note 13(d))	-	137.69	-	40.54
Interest accrued and due on trade payables (refer note 13(d))	-	198.38	-	248.73
Lease Liabilities (refer note 32)	-	3,801.75	-	4,305.54
Payable for capital goods (refer note 13(d))	-	27.88	-	71.11
Scheme Discount Payable (refer note 13(d))	-	849.52	-	750.00
Other payables (refer note 13(d))	-	5,472.23	-	-
Book overdraft (refer note 13(d))	-	-	-	361.42
Total Financial liabilities	14,522.82	32,666.99	14,295.00	19,364.41

For Financial instruments risk management objectives and policies, refer Note 35.

Fair value disclosure for financial assets and liabilities are in Note 33 and fair value hierarchy disclosures are in Note 34.

Note 14: Provisions

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Long-term		
Provision for employee benefits (Refer Note 29)		
Provision for Gratuity	131.53	45.22
	131.53	45.22
Short-term		
Provision for employee benefits		
Provision for leave encashment	75.76	41.73
	75.76	41.73
Total	207.29	86.95



Handwritten signature and initials.

Handwritten signature.

Note 15 : Other current liabilities

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
Current		
Advance from customers	113.72	244.52
Statutory dues	159.79	221.23
Unaccrued Sale	-	65.01
Refundable liability	5,430.12	5,285.33
Deferred income of loyalty program reward points (Refer note (a) below)	5.58	7.98
Total	5,709.21	5,824.07

(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	As at March 31, 2022	As at March 31, 2021 (Refer Note 37)
As at beginning of the year / period	7.98	-
Add: Provision made during the year / period (Refer Note 16)	2.40	14.58
(Less): Redemption made during the year / period	(4.80)	(6.60)
Balance at the end of the year / period	5.58	7.98

(This space has been left intentionally blank)



Handwritten signature and initials.

Handwritten signature.

Note 16 : Revenue from operations

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021 (Refer Note 37)
Revenue from Contract with Customers		
Sale of products	41,410.14	26,396.70
Total	41,410.14	26,396.70

I. Disaggregation of revenue from Contracts with Customers

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021 (Refer Note 37)
A. Revenue based on Geography		
i. Domestic	41,410.14	26,396.70
ii. Export	-	-
	41,410.14	26,396.70
B. Revenue based on Business Segment		
Branded Apparels	41,410.14	26,396.70

II. Reconciliation of Revenue from Operation with Contract Price

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021 (Refer Note 37)
Contract Price	53,313.83	35,564.34
Less:		
Schemes and Discounts	(3,944.92)	(4,310.08)
Refund Liabilities	(7,783.20)	(4,842.98)
Unearned Revenue, net	(265.46)	-
Customer Loyalty Program & Rate Difference Credit Notes	89.89	(14.58)
Total Revenue from Operations	41,410.14	26,396.70

Contract Assets		
Trade Receivables	13,341.23	11,584.47
Contract Liability		
Advance from customers	113.72	244.52
Deferred Income	-	65.01

Note 17 : Other income

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021 (Refer Note 37)
Interest income on financial assets measured at amortised cost	-	6.98
Interest income on financial assets measured at Fair Value	53.64	37.87
Provision for doubtful debts written back	100.00	-
Unclaimed Liability no longer required written back	408.30	570.00
Lease Rental Concessions (Refer Note 32)	324.44	192.52
Gain on Reassessment of Lease (Refer Note 32)	33.52	85.24
Miscellaneous income	22.78	0.10
Foreign exchange fluctuation on vendors and customers (Net)	-	0.50
Total	942.67	893.21

Note 18 : Cost of Trims and accessories consumed

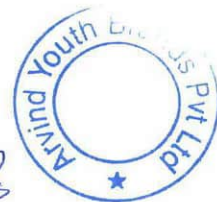
Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021 (Refer Note 37)
Stock at the beginning of the period	378.78	-
Add : Purchases	427.72	404.62
	806.50	404.62
Less : Inventory at the end of the period	200.23	378.78
Total	606.27	25.84



[Handwritten signature]

[Handwritten signature]

[Handwritten signature]



Note 19 : Purchases of stock-in-trade

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021 (Refer Note 37)
Garments & Accessories	30,204.96	15,553.85
Total	30,204.96	15,553.85

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

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021 (Refer Note 37)
Stock at the end of the period		
Stock-in-trade	(15,708.77)	(9,403.66)
Stock acquired on account of Business combination		
Stock-in-trade (Previous year - net of adjusted in reserves of Rs. 7,222.52 Lakhs)	-	11,855.35
Stock at the beginning of the period		
Stock-in-trade	9,403.66	-
Total	(6,305.11)	2,451.69

Note:
i) Value of changes in inventories of stock-in-trade is netted off by (Credit) / Charge of provision for slow moving/non-moving inventories - (Rs.144.57 lakhs) (Previous year, charge - Rs. 716.54 lakhs).
ii) Value of changes in inventories of stock-in-trade includes Rs. 106.81 lakhs (Previous year - Rs. Nil) for shrinkage / write off of inventory.

Note 21 : Employee benefits expense

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021 (Refer Note 37)
Salaries, wages, bonus, commission, etc.	1,339.26	1,468.34
Gratuity expenses (Refer Note 29)	12.94	15.86
Contribution to provident and other funds (Refer Note 29)	75.56	32.02
Welfare and training expenses	31.81	26.91
Share based payment to employees (Refer Note 38)	9.60	0.21
Total	1,469.16	1,543.34

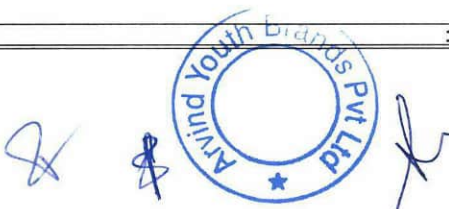
Note 22 : Finance costs

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021 (Refer Note 37)
Interest Expenses on financial liabilities measured at amortised cost		
Working Capital Loan and others (Refer Note 30)	66.08	179.09
MSMED (Refer Note 13b)	103.56	248.73
Customer Deposits	119.29	36.88
Lease Liabilities (Refer Note 32)	365.21	396.10
Interest on Taxes and Duties	124.25	767.01
Trade credits and customers discounting	260.74	65.09
Other Ancillary Charges	35.53	13.50
Change in Fair Valuation of Financial Liability of Compulsory Convertible Preference Shares (Refer Note 11B)	227.82	-
Total	1,302.49	1,706.39

937

Note 23 : Depreciation and amortization expense

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021 (Refer Note 37)
Depreciation on Property, Plant and Equipment (Refer Note 5)	369.15	573.93
Depreciation on Right-of-Use assets (Refer Note 32)	1,196.14	1,189.12
Amortization on Intangible assets (Refer Note 6)	0.45	0.32
Total	1,565.74	1,763.37



Note 24 : Other expenses

Particulars	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021 (Refer Note 37)
Electricity, power and fuel	120.11	54.29
Insurance	42.95	27.61
Processing & packaging charges	85.37	23.61
Printing, stationery & communication	16.83	17.74
Rent		
- Short Term leases and leases of low-value assets (Refer Note 32)	270.83	59.82
Commission (Refer Note 30)	4,608.30	3,518.89
Rates and taxes	420.20	78.74
Repairs & Maintenance - Others	29.91	17.67
Common Area Maintenance Charges of Leased Assets	174.73	106.93
Freight, insurance & clearing charge	774.26	504.65
Legal & Professional charges	113.14	93.23
Security Charges	27.96	37.99
Conveyance & Travelling expense	52.96	75.16
Advertisement, sales promotion and web designing charges	1,071.00	1,206.71
Packing Materials Expenses	97.40	96.55
Contract Manpower Charges	2,245.40	1,038.62
Sampling and Testing Expenses	10.07	34.37
Allowances for cash losses	26.83	-
Auditor's remuneration (Refer Note a below)	35.88	24.50
Bank Collection charges	71.61	6.80
Warehouse operating charges	98.35	482.50
Loss on discard of property, plant and equipment	18.58	-
Foreign exchange fluctuation (Net)	0.94	-
Business Support Service charges	1,486.00	904.50
Miscellaneous expenses	36.07	124.51
Total	11,935.68	8,535.39

a. Break up of Auditor's Remuneration

Particulars	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021
Payment to Auditors as :		
For statutory audit *	34.00	18.00
For certification work	0.50	-
For other services	-	5.50
For reimbursement of expenses	1.38	1.00
Total	35.88	24.50

* Rs. 8.10 lakhs pertains to fees for previous year



(This space has been left intentionally blank)



Handwritten signatures and initials in blue ink.

Note 25 : Income Tax

The major component of income tax expense for the period ended March 31, 2022 are:

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021
<u>Statement of Profit & Loss</u>		
Current Tax		
Current income tax	553.49	-
Provision for previous year	37.14	-
Deferred Tax		
Deferred tax (credit) / charge	(62.71)	102.38
Income tax expense reported in the statement of profit & loss	527.92	102.38

OCI Section

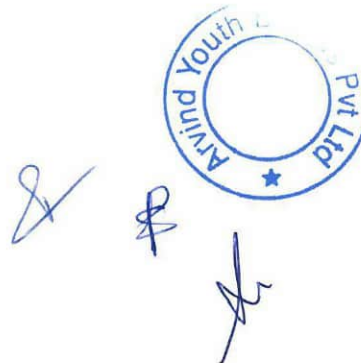
Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021
<u>Statement to Other comprehensive income (OCI)</u>		
Deferred tax (credit) / charge	(8.88)	2.58
Deferred tax charged to OCI	(8.88)	2.58

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the period ended March 31, 2022

A) Current tax

Particulars	Amount in Rs. Lakhs	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021
Accounting profit / (loss) before tax	1,573.11	(4,289.96)
Tax Rate	25.168%	25.168%
Current Tax Expenses	395.92	(1,079.70)
<u>Adjustments</u>		
Difference on account of change in the tax rate from 34.94% to 25.17% (Refer Note i)	-	133.90
Expenditure not deductible for tax	91.90	62.61
Deferred tax assets on losses not claimable under tax law	-	986.73
Provision for earlier year	37.14	-
Others	2.96	(1.16)
At the effective income tax	527.92	102.38
Effective Income Tax Rate %	33.56%	-2.39%

- (i) During the period ended March 31, 2021, the Company decided to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company recognised provision for income taxes based on the rate prescribed in the aforesaid section. Further, management reviewed the components of deferred tax assets/liabilities transferred as a part of business combination based on the change in tax rate resulted in additional charge of Rs 133.90 Lakhs in previous year.



B) Deferred tax

B) Deferred tax		Amount in Rs. Lakhs			
Particulars	Balance Sheet		Statement of Profit & Loss and Other Comprehensive Income		
	As at	As at	For the period	For the period	
	March 31, 2022	March 31, 2021	March 31, 2022	February 27, 2020 to March 31, 2021	
			(credit) / charge		
Assets on accelerated depreciation for book purposes	254.20	206.49	(47.71)	70.85	
Assets on expenditure allowable on payment basis	61.33	21.94	(39.39)	(1.38)	
Asset on recognition of lease liabilities net of Right-of-use assets under leases	129.70	145.21	15.51	35.49	
Deferred tax assets (net)	445.23	373.64	(71.59)	104.96	

Reconciliation of Deferred Tax Assets

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021
Opening balance as at April 1, 2021	373.64	-
Effect of Business combination	-	478.60
Deferred Tax credit / (charge) during the year / period recognised in profit or loss	62.71	(102.38)
Deferred Tax credit / (charge) during the year / period recognised in OCI	8.88	(2.58)
Closing balance as at March 31, 2022	445.23	373.64



Handwritten signature and initials.

Note 26 : Capital commitment, other commitments and Contingent Liabilities

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021
A. Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	-	6.74
Other commitments	-	-
B. Contingent Liabilities		
Customer claims not acknowledged as Debts, pending reconciliation	385.57	-

Note 27 : Unhedged foreign currency exposures**Exposure Not Hedged**

Nature of exposure	Exchange Rate INR/USD	In Foreign Currency - USD	Amount in Rs. Lakhs
Payable to creditors			
As at March 31, 2022	75.7925	2,94,792	223.43
Payable to creditors			
As at March 31, 2021	73.1070	1,75,373	128.21

Note:

The company does not have hedged foreign currency exposure outstanding as at March 31, 2022 and March 31, 2021 respectively.

Note 28 : 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. Lakhs	
	Year Ended March 31, 2022	Period Ended March 31, 2021
Segment Revenue*		
a) In India	41,410.14	26,396.70
b) Rest of the world	-	-
Total Sales	41,410.14	26,396.70
Carrying Cost of Segment Non Current Assets**		
a) In India	3,985.45	4,666.96
b) Rest of the world	-	-
Total	3,985.45	4,666.96

* Based on location of Customers

** Excluding Financial asset and Deferred Tax Assets

Note:

Considering the nature of business of the Company in which it operates, the Company deals with various customers. Consequently none of the customer contribute more than 10% of the revenue of the Company.



Handwritten signatures in blue ink.



Note 29 : Disclosure pursuant to Employee benefits

A Defined Contribution Plans

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

Particulars	Amount in Rs. Lakhs	
	Year Ended March 31, 2022	Period Ended March 31, 2021
Contribution to Provident Fund	71.38	30.47
Contribution to ESIC	4.02	1.52
Contribution to LWF & NPS	0.16	0.03
Total Contribution (Refer Note 21)	75.56	32.02

Note:

Employees of the Company received benefits from 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 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 benefits 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 basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan is a Funded plan admi

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through remeasurement 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.

March 31, 2022: Changes in defined benefit obligation and plan assets

March 31, 2022: Changes in defined benefit obligation and plan assets															Amount in Rs. Lakhs
Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income										
2021-22	April 1, 2021	Service cost	Net interest (expense)/ 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/income)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Change on Account of Inter-company transfer	Contributions by employer	March 31, 2022		
Gratuity															
Defined benefit obligation		(95.04)	(10.74)	(5.29)	(16.03)	30.09	-	0.85	(7.95)	(27.43)	(34.53)	(38.10)	-	(153.60)	
Fair value of plan assets		49.82	-	3.09	3.09	(30.09)	(0.75)	-	-	-	(0.75)	-	-	22.06	
Total benefit liability		(45.22)	(10.74)	(2.20)	(12.94)	-	(0.75)	0.85	(7.95)	(27.43)	(35.28)	(38.10)	-	(131.54)	

March 31, 2021: Changes in defined benefit obligation and plan assets

March 31, 2021: Changes in defined benefit obligation and plan assets															Amount in Rs. Lakhs	
Gratuity cost charged to statement of profit and loss																
2020-21	February 27, 2020	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 21)	Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Change on Account of business combination / Inter-company transfer	Contributions by employer	March 31, 2021			
						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						
Gratuity																
Defined benefit obligation	-	(15.86)	-	(15.86)	-	-	-	-	-	8.38	8.38	(87.56)	-	(95.04)		
Fair value of plan assets	-	-	-	-	-	1.85	-	-	-	-	1.85	-	47.97	49.82		
Total benefit liability	-	(15.86)	-	(15.86)	-	1.85	-	-	-	8.38	10.23	(87.56)	47.97	(45.22)		



Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Notes to the Financial Statements for the year ended March 31, 2022

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, 2022	Period Ended March 31, 2021
Insurer Managed Funds - LIC	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, 2022	Period Ended March 31, 2021
Discount rate	5.70%	6.20%
Future salary increase	5.48% for Retail Employees and 8.24% for Corporate Employees	4.65% for Retail Employees and 4.90% for Corporate Employees
Expected rate of return on plan assets	5.70%	6.20%
Attrition rate	42.7% for Retail Employees and 25.1% for Corporate Employees	34.2% for Retail Employees and 13.7% for Corporate Employees
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:

		Amount in Rs. Lakhs	
Particulars	Sensitivity level	Increase / (Decrease) in defined benefit obligation (Impact)	Increase / (Decrease) in defined benefit obligation (Impact)
		Year Ended March 31, 2022	Period Ended March 31, 2021
Gratuity			
Discount rate	50 basis points increase	(1.86)	(2.08)
	50 basis points decrease	1.92	2.19
Salary increase	50 basis points increase	1.47	1.97
	50 basis points decrease	(1.45)	(1.90)
Attrition rate	50 basis points increase	0.25	0.07
	50 basis points decrease	(0.24)	(0.08)

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

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Gratuity		
Within the next 12 months (next annual reporting period)	52.48	19.54
Between 2 and 5 years	122.45	67.11
Beyond 5 years	64.47	58.45
Total expected payments	239.41	145.10

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

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Gratuity	5 years	5 years

- C The Code on Wages, 2019 and Code of Social Security, 2020 ("the Codes") relating to employee compensation and post-employment benefits that received Presidential assent and the related rules thereof for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.



Handwritten signature and initials.



Handwritten signature.

Note 30 : 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 :

A Name of Related Parties- Relationship	Entity Name
Ultimate Holding Company	Arvind Fashions Limited
Holding Company	Arvind Lifestyle Brands Limited
Fellow Subsidiary Company	Arvind Beauty Brands Retail Private Limited
Entities are part of member group of Ultimate Holding Company	Arvind Limited Arvind Smart Textile Ltd
Trust	Arvind Youth Brands Private Limited Employee Group Gratuity Trust
Key Management Personnel - Relationship	Name
Non-Executive Director	Mr. Suresh Jayaraman (Upto July 12, 2021)
Non-Executive Director	Mr. Jayesh Kantilal Shah(Upto August 31, 2020)
Non-Executive Director	Mr. Pramod Kumar Gupta(From August 31, 2020)
Non-Executive Director	Mr. Jagdish Gajanand Dalal (From August 31, 2020)
Non-Executive Director	Mr. Shailesh Shyam Chaturvedi (From 12/07/2021)
Non-Executive Director	Mr. Piyush Gupta (From 09/08/2022)
Nominee Director	Mr. Sriram Venkatraman (From September 01, 2020 upto June 19, 2021)
Nominee Director	Mr. Nishit Garg (From June 19, 2021 to January 3, 2022)
Nominee Director	Mr. Sandeep Subhash Karwa (From 22/02/2022)
Company Secretary	Ms. Vinda M (Upto December 31, 2021)
Company Secretary	Mr. Sachin Hegde (From May 23, 2022)

(This space has been left intentionally blank)



Handwritten signature and initials.

Handwritten signature.

B Transactions / Balances with related parties

Amount in Rs. Lakhs

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Other Entities*	Trust
Transactions with related parties during the year / period					
1. Purchases of stock-in-trade					
For the year ended March 31, 2022	30.10	6,856.92	-	50.09	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>155.76</i>	<i>-</i>
2. Sale of Products					
For the year ended March 31, 2022	-	5,118.67	-	-	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>1,189.82</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
3. Sales Return of Products					
For the year ended March 31, 2022	1,107.33	-	-	-	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
4. Business Support Service charges					
For the year ended March 31, 2022	-	1,486.00	-	-	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>488.97</i>	<i>415.53</i>	<i>-</i>	<i>-</i>	<i>-</i>
5. Commission on sales					
For the year ended March 31, 2022	-	1,637.98	-	-	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>-</i>	<i>1,177.88</i>	<i>-</i>	<i>-</i>	<i>-</i>
6. Reimbursement of expenses					
For the year ended March 31, 2022	707.27	1,276.71	-	0.68	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>963.34</i>	<i>307.62</i>	<i>-</i>	<i>1.84</i>	<i>-</i>
7. ESOP charges and Other service					
For the year ended March 31, 2022	9.60	-	-	-	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>-</i>	<i>9.62</i>	<i>-</i>	<i>-</i>	<i>-</i>
8. Liabilities assumed on Inter-company transfer of employees (amount realisable)					
For the year ended March 31, 2022	25.61	49.24	-	-	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>47.97</i>
9. Transfer of Assets under scheme of Arrangements (Refer Note 37)					
For the year ended March 31, 2022	-	-	-	-	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>5,199.81</i>	<i>15,698.81</i>	<i>-</i>	<i>-</i>	<i>-</i>
10. Issue of Equity shares, adjusted with consideration for acquisition of business (Refer Note 37)					
For the year ended March 31, 2022	-	-	-	-	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>4,463.26</i>	<i>6,806.89</i>	<i>-</i>	<i>-</i>	<i>-</i>
11. Issue of Compulsory convertible Preference shares, adjusted with consideration for acquisition of business (Refer Note 37)					
For the year ended March 31, 2022	-	-	-	-	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>-</i>	<i>5,895.85</i>	<i>-</i>	<i>-</i>	<i>-</i>
12. Cash Consideration paid for acquisition of business (Refer Note 37)					
For the year ended March 31, 2022	-	-	-	-	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>736.55</i>	<i>2,997.07</i>	<i>-</i>	<i>-</i>	<i>-</i>
13. Interest Expense					
For the year ended March 31, 2022	-	-	-	-	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>20.36</i>	<i>130.42</i>	<i>-</i>	<i>-</i>	<i>-</i>
14. Value of Guarantee issued during the year for borrowings and trade credits availed (refer note 13 (a) and 13 (c))					
For the year ended March 31, 2022	8,000.00	8,000.00	-	-	-
<i>For the period from February 27, 2020 to March 31, 2021</i>	<i>7,000.00</i>	<i>2,500.00</i>	<i>-</i>	<i>-</i>	<i>-</i>

Figures for previous years are in Italics

* Entities are part of member group of Ultimate Holding Company



Handwritten signatures in blue ink.



B Transactions / Balances with related parties

Amount in Rs. Lakhs

Particulars	Ultimate Holding Company	Holding Company	Fellow Subsidiaries	Other Entities*	Trust
Balances outstanding with related parties as at year end					
1. Other Receivables (refer note 7 (e))					
As at March 31, 2022	2,476.82	7,392.97	-	-	-
As at March 31, 2021	-	2,328.95	-	-	-
2. Trade Payables (refer note 13 (b))					
As at March 31, 2022	824.70	10,002.42	-	28.31	-
As at March 31, 2021	-	-	-	-	-
3. Other Payables (refer note 13 (d))					
As at March 31, 2022	10.89	5,461.34	-	-	-
As at March 31, 2021	-	-	-	-	-
4. Value of corporate guarantee outstanding and given for borrowings and Trade credits (refer note 13 (a) and 13 (c))					
As at March 31, 2022	15,000.00	10,500.00	-	-	-
As at March 31, 2021	7,000.00	2,500.00	-	-	-

Figures for previous years are in Italics

* Entities are part of member group of Ultimate Holding Company

C Terms and conditions of transactions with related parties

The sales of goods to, purchase of traded goods and services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Amount owed to and by related parties are unsecured and interest free and settlement occurs in cash. For the year ended March 31, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

D Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2022 (Previous Year - March 31, 2021)

E Company Secretary is in the employment with Holding Company and his remuneration is paid by the Holding Company.



Handwritten signatures and initials in blue ink.

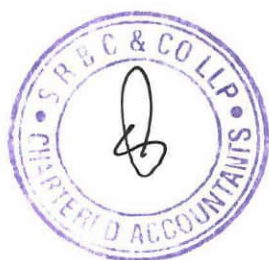
Note 31 : Earnings per share (Basic and Diluted)

Particulars	Amount in Rs. Lakhs #	
	For the Year ended March 31, 2022	For the period February 27, 2020 to March 31, 2021
Profit / (Loss) attributable to Equity holders for Basic Earnings	1,045.19	(4,392.34)
Add: Change in Fair Value of CCPS	-	-
Profit / (Loss) attributable to Equity holders adjusted for effect of dilution	1,045.19	(4,392.34)
Total no. of equity shares at the end of the year	11,27,01,480	11,27,01,480
Weighted average number of equity shares		
For basic EPS	No. 17,16,60,000	17,16,60,000
For diluted EPS	No. 17,16,60,000	17,16,60,000
Nominal value of equity shares	Rs. 10	10
Basic earnings per share	Rs. 0.61	(2.56)
Diluted earnings per share	Rs. 0.61	(2.56)
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	11,27,01,480	11,27,01,480
Effect of dilution*	5,89,58,520	5,89,58,520
Weighted average number of equity shares adjusted for the effect of dilution	17,16,60,000	17,16,60,000

*As per para 23 of Ind AS 33, potential equity shares to be issued on conversion of CCPS shall be considered for computing Basic EPS. Also, as per the terms of Shareholders Agreement ratio of conversion of CCPS will be determined subsequently, as stated in Note 11B, however the Company has considered the maximum number of Equity Shares to be issued on conversion of CCPS under the agreement as per the requirement of para 39 of Ind AS 33 for the purpose of computing Basic EPS.

#All numbers are in Rs. Lakhs except weighted average number of equity shares, nominal value of Shares and Basic and Diluted EPS

(This space has been left intentionally blank)



Handwritten signatures and initials in blue ink.

Note 32 : Leases

- A. The Company has taken Retail 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:

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

Particulars	Amount in Rs. Lakhs	
	Year Ended March 31, 2022	Period Ended March 31, 2021
As at beginning of the year / period	3,828.71	-
Acquired on account of Business Combination	-	4,151.19
Additions	971.84	1,252.40
Deletions	(317.98)	(385.76)
Depreciation	(1,196.14)	(1,189.12)
Balance at the end of the year / period	3,286.42	3,828.71

C. Movement in lease liabilities

Particulars	Amount in Rs. Lakhs	
	Year Ended March 31, 2022	Period Ended March 31, 2021
As at beginning of the year / period	4,305.53	-
Acquired on account of Business Combination	-	4,433.96
Additions	971.84	1,252.40
Deletions	(349.31)	(471.00)
Finance cost accrued during the year / period	365.21	396.10
Lease Rent Concessions	(324.44)	(192.52)
Payment of lease liabilities	(1,167.08)	(1,113.40)
Balance at the end of the year / period	3,801.75	4,305.53

D. Contractual maturities of lease liabilities

Particulars	Amount in Rs. Lakhs	
	Year Ended March 31, 2022	Period Ended March 31, 2021
Less than one year	908.73	1,048.09
One to five years	2,451.52	2,656.82
More than five years	441.50	600.63
Total	3,801.75	4,305.54

- E. 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.
- F. The Company incurred Rs. 270.83 Lakhs (Previous year - Rs. 59.82 Lakhs) for the year ended March 31, 2022 towards expenses relating to leases of low-value assets and short term rent.
- G. During the year, the Company has received lease rental concession amounts to Rs. 324.43 Lakhs (Previous year - Rs.192.52 Lakhs) on retail showrooms and other facilities on account of COVID-19 pandemic. The Company has applied the practical expedient to all such lease rental concessions that meet the conditions in prescribed under para 46B of Ind AS 116.

(This space has been left intentionally blank)



Note 33 : 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. Lakhs	
	As at March 31, 2022	As at March 31, 2021
Financial liabilities		
Borrowings (Refer Note 13 (a))		
Carrying Amount	1,006.12	1,000.00
Fair Value	1,006.12	1,000.00
Compulsory Convertible Preference Shares (CCPS) (Refer Note 11B)		
Carrying Amount	14,522.82	14,295.00
Fair Value	14,522.82	14,295.00

The management assessed that the fair values of cash and cash equivalents, loans, trade receivables, other financial assets, trade payables, trade credits 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.

Note 34 : Fair value hierarchy

Financial Liabilities - CCPS, fair valuation done based on Level 3 input.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2022 are as shown below:

Particulars	Significant unobservable inputs	As at 31st March 2022	Increase / (Decrease) in Rs Lakhs	As at 31st March 2021	Increase / (Decrease) in Rs Lakhs
		Sensitivity Level		Sensitivity Level	
Compulsory Convertible Preference Shares (CCPS) (Refer Note 11B)	WACC Sensitivity	0.50%	(1,238.20)	0.50%	375.00
		-0.50%	1,387.31	-0.50%	(375.00)
	EBIDTA Margin	0.50%	1,248.17	0.50%	410.00
		-0.50%	(1,287.28)	-0.50%	(410.00)

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.

(This space has been left intentionally blank)



Handwritten signatures and initials in blue ink.

Note 35 : Financial instruments risk management objectives and policies

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

In the ordinary course of business, the Company is mainly exposed to market risk, credit risk and liquidity risk. The Company's risk management activities are subject to the management, direction and control of Central Treasury Team and Senior Management of ultimate holding Company i.e., Arvind Fashions Limited (AFL), under the framework of AFL Group's Risk Management Policy approved by the Board of Directors of the ultimate holding company. AFL's Central Treasury Team and Senior Management ensure appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the AFL's policies, risk objectives and support. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(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, trade credits and trade and other payables.

The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2022. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

- The sensitivity of the relevant 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 March 31, 2022 and March 31, 2021;
- 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%;

(i) 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, 2022, the Company's Short-term Borrowings of Rs. 1,006.12 lakhs (Previous year Rs. 1,000.00 lakhs) are at variable rate of interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of short term borrowings affected. 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. Lakhs	
	As at March 31, 2022	As at March 31, 2021
Effect on Profit before tax		
Increase in 50 basis points	(5.03)	(5.00)
Decrease in 50 basis points	5.03	5.00

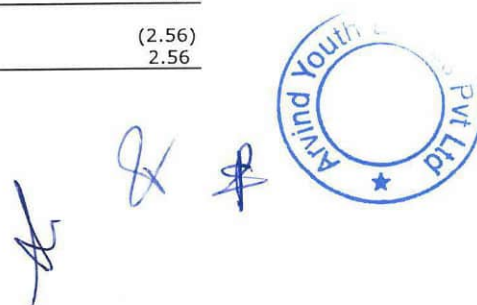
(ii) Foreign currency risk

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 foreign currency trade payables is, therefore, exposed to foreign exchange risk. As disclosed in Note 27, the Company do not hedge its foreign currency exposure outstanding as at March 31, 2022.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD rates to the functional currency of the Company, with all other variables held constant. The impact on the Company's profit before tax and pre-tax equity is due to changes in the fair value of monetary assets and liabilities.

Particulars	Change in USD rate	Amount in Rs. Lakhs	
		Effect on profit before tax for the year / period ended	Effect on pre-tax equity as at
March 31, 2022	+2%	(4.47)	(4.47)
	-2%	4.47	4.47
March 31, 2021	+2%	(2.56)	(2.56)
	-2%	2.56	2.56



(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 Company 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 Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks.

Trade receivables

Customer credit risk is managed by business brand team 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 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for key customers and on the basis of sales channel. In addition, a large number of minor receivables are grouped into homogenous groups 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 7 (a). The Company does not hold collateral as security.

Concentration of Credit Risk

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.

Considering the Company's business operations, as at March 31, 2022, the Company has 10 customers (March 31, 2021: 11 customers) that owed the Company more than Rs. 300 lakhs each and accounts for approximately 79% (March 31, 2021: 69%) of total outstanding trade receivables.

In order to avoid excessive concentrations of risk, the Company's 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.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by AFL's Central Treasury Team in accordance with the Company's policy. Investments of surplus funds from operations that are not required for immediate utilisation 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.

(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 short-term borrowing for working capital requirements, trade credits, from banks at an optimised cost. The Company also have support from Parent and Ultimate Parent Company to manage its financial obligations.

As at March 31, 2022, the Company had available Rs 9,500.00 lakhs (Previous year - Rs 1,500.00 Lakhs) of undrawn committed borrowings facility from Banks.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date.

Particulars	Amount in Rs. Lakhs		
	On Demand or less than 1 year	Over than 1 year within 5 years	Over 5 years
As at March 31, 2022			
Trade credits (Refer Note 13 (c))	2,583.56	-	-
Interest bearing borrowings (Refer Note 13 (a))	1,006.12	-	-
Lease Liabilities (Refer note 32)	908.73	2,451.52	441.50
Trade payables (Refer Note 13 (b))	17,203.38	-	-
Other financial liabilities (Refer Note 13 (d))	6,753.47	1,318.71	-
	28,455.26	3,770.24	441.50

Particulars	Amount in Rs. Lakhs		
	On Demand or less than 1 year	Over than 1 year within 5 years	Over 5 years
As at March 31, 2021			
Trade credits (Refer Note 13 (c))	3,531.24	-	-
Interest bearing borrowings (Refer Note 13 (a))	1,000.00	-	-
Lease Liabilities (Refer note 32)	1,048.09	2,656.82	600.63
Trade payables (Refer Note 13 (b))	7,930.81	-	-
Other financial liabilities (Refer Note 13 (d))	1,787.00	809.82	-
	15,297.14	3,466.64	600.63



Handwritten signature and initials.



Note 36 : Capital management

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 and exclude preferred stocks. 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 common stock holder's equity divided by Total Borrowings. Total borrowings comprises short term borrowings, CCPS, trade credit and lease liabilities reduced by cash and short-term deposits (including other bank balance).

Particulars	Amount in Rs. Lakhs	
	As at March 31, 2022	As at March 31, 2021
Short - term Borrowings (Note 13(a))	1,006.12	1,000.00
Trade credits (Note 13(c))	2,583.56	3,531.24
Compulsory Convertible Preference Shares (Note 11B)	14,522.82	14,295.00
Lease Liabilities (Note 32)	3,801.75	4,305.53
Less: Cash and Cash equivalent (including other bank balance and Book Overdraft)	(336.85)	(433.53)
Fixed Interest bearing funds	21,577.40	22,698.24
Equity share capital (Note 11A)	11,270.15	11,270.15
Other equity*	(6,430.21)	(7,686.42)
Total capital	4,839.94	3,583.73
Gearing ratio	445.82%	633.37%

* Other equity comprises Retained earnings, capital reserves excluding charge for change in fair valuation of CCPS.

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 Short-term 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 no breaches in the financial covenants of borrowing as at March 31, 2022.

(This space has been left intentionally blank)



Handwritten signatures and initials in blue ink.

Arvind Youth Brands Private Limited**CIN - U52100GJ2020PTC112995****Notes to the Financial Statements for the year / period ended March 31, 2022****Note 37 : Business Combination**

- A** The Company entered into Business Transfer Agreement('s') ("the BTA") dated July 8, 2020 with Arvind Lifestyle Brands Limited (ALBL), the holding Company and Arvind Fashions Limited (AFL), the ultimate holding whereby the Company acquired the Retail Business Undertaking and Wholesale Business Undertaking, respectively, of "Flying Machine" brand as a going concern undertakings on slump sale basis, as per the adjusted consideration of Rs 15,698.81 Lakhs and Rs 5,199.81 Lakhs from ALBL and AFL respectively. with effect from July 1, 2020.

In line with Ind AS 103, Appendix C, the Company has accounted the above acquisition with effect from the earliest period presented which is date of incorporation of the Company, being 27th February 2020. Summary of assets / liabilities taken over on such date is given below:

Amount in Rs. Lakhs	
Assets transferred	27th February 2020
PPE and Intangibles	1,244.03
Inventories	19,077.27
Trade Receivables	11,895.14
Other assets	7,658.38
Deferred Tax Assets	478.60
Right of use assets	4,151.19
Total assets	44,504.61
Trade payables	6,307.79
Other Liabilities	8,943.66
Lease liabilities	4,433.96
Total Liabilities	19,685.41
Net assets over liabilities taken over*	24,819.20

The consideration payable of Rs 20,898.62 Lakhs against total value of net asset taken over is Rs 24,819.20 Lakhs hence the excess of net assets taken over the consideration payable has been accounted for as capital reserve of Rs 3,920.58 Lakhs.

Pursuant to BTA, the Company has acquired inventory of the products of FM Brand amounts to Rs.14,538.29 Lakhs held by ALBL which includes unrealised margin of Rs.7,222.52 Lakhs on sale of said inventory by AFL to ALBL. The Company has eliminated aforesaid unrealised margin of Rs.7,222.52 Lakhs by reducing carrying value of inventory acquired under business combination with corresponding effect given to Capital Reserve Account.

- B** The basis of determination of consideration payable to ALBL and AFL is arrived as below:

Amount in Rs. Lakhs			
Assets transferred	ALBL - Retail Business Undertaking	AFL - Wholesale Business Undertaking	Total
PPE and Intangibles	579.79	346.84	926.63
Inventories	14,538.29	3,008.06	17,546.35
Trade Receivables	4,226.79	9,436.80	13,663.59
Other assets	4,375.12	2,088.63	6,463.75
Deferred Tax Assets	405.29	73.32	478.61
Right of use assets	3,792.72	-	3,792.72
Total assets	27,918.00	14,953.65	42,871.65
Trade payables	2,542.38	6,286.52	8,828.90
Other Liabilities	5,476.34	3,467.32	8,943.66
Lease liabilities	4,200.47	-	4,200.47
Total Liabilities	12,219.19	9,753.84	21,973.03
Net assets over liabilities taken over	15,698.81	5,199.81	20,898.62
Less: adjusted against receivables for issue of equity shares and CCPS (refer note 11 A and 11 B)	12,701.74	4,463.26	17,165.00
Net Consideration payable *	2,997.07	736.55	3,733.62

* In accordance with Share Purchase agreement entered with AFL and ALBL, balance consideration of Rs 3,733.62 Lakhs has been converted into inter corporate borrowings, which has been paid in cash consideration during the period.




Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Notes to the Financial Statements for the year / period ended March 31, 2022

- C Financial Statement for the period ended March 31, 2021 includes effect of financial operations of Retail and Wholesale Business Undertaking of the Transferor Companies for the period from February 27, 2020 to June 30, 2020 of the Retail and Wholesale Business Undertaking of the Transferor Companies as compiled by the management. The Financial Information of the Retail and Wholesale Business Undertaking of the Transferor Companies for the period from February 27, 2020 to June 30, 2020 are as follows:

Particulars	Amount in Rs. Lakhs		
	For the period		
	February 27-June 30, 2020	July 01, 2020 - March 31, 2021	February 27, 2020 - March 31, 2021
Income			
Revenue from operations			
Sale of Products	2,051.55	24,345.15	26,396.70
Operating Income	-	0.50	0.50
Revenue from operations	2,051.55	24,345.65	26,397.20
Other income	-	892.71	892.71
Total income (I)	2,051.55	25,238.36	27,289.91
Expenses			
Cost of trims and accessories consumed	-	25.84	25.84
Purchase of stock-in-trade	-	14,983.85	14,983.85
Changes in inventories (Increase) / Decrease	1,531.52	920.17	2,451.69
Employee benefits expense	813.07	730.27	1,543.34
Finance costs	890.88	815.51	1,706.39
Depreciation and amortisation expense	675.86	1,087.51	1,763.37
Other expenses	2,060.80	7,044.59	9,105.39
Total expenses (II)	5,972.13	25,607.74	31,579.87
Profit/(loss) before tax (I-II)	(3,920.58)	(369.38)	(4,289.96)
Tax expense			
Current tax	-	-	-
Deferred tax charge / (credit)	-	102.38	102.38
Total tax expense	-	102.38	102.38
Profit/(loss) for the period (III-IV)	(3,920.58)	(471.76)	(4,392.34)

Note 38 : Share based payments

Arvind Fashions Limited, the Ultimate 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, 2022, the holding Company has granted 39,48,049 (Previous Year - 32,48,049) options under ESOP 2016 and granted 3,15,200 (Previous Year - 3,15,200) options 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. Under ESOP 2016, the outstanding options granted to the employees of the Company as at March 31, 2022 is Nil (Previous year - outstanding option 80,999) and under ESOP 2018, the outstanding options granted to the employees of the Company as at March 31, 2022 is 35,000 (Previous year - Nil).

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. Lakhs	
	2021-22	2020-21
Employee option plan	9.60	0.21
Total employee share based payment expense	9.60	0.21



Arvind Youth Brands Private Limited

CIN - U52100GJ2020PTC112995

Notes to the Financial Statements for the year / period ended March 31, 2022

Note 39 : Other Statutory Information as per Revised Schedule III

- a. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- b. The Company do not have any transactions with companies struck off.
- c. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- d. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- e. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 40 : Corporate Social Responsibility:

As per Section 135 of the Companies Act, 2013 read with rules thereunder, the Company is not liable to incur CSR expense as per requirement of Section 135 of Companies Act, 2013 in views of losses in financial year 2020-21.

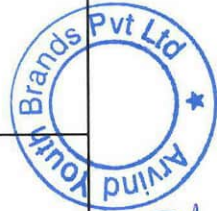
(This space has been left intentionally blank)



Handwritten signatures in blue ink, including a large 'R' and a signature that appears to be 'M'.

Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Notes to the Financial Statements for the year / period ended March 31, 2022
Note 41 : Ratio Analysis

Particulars	UOM	For the year ended 31st March, 2022	For the period ended 31st March, 2021	% Variance	Reason for Variance
i) Current Ratio :					
Current Assets (a)	(Rs.in Lakhs)	44,561.21	29,177.89		
Current Liabilities (b)	(Rs.in Lakhs)	34,240.23	21,162.94		
Current Ratio (a/b)	Times	1.30	1.38	-5.61%	Not Applicable
Numerator - Total Current Assets					
Denominator - Total Current Liabilities					
ii) Debt-Equity Ratio:					
Debt (a)	(Rs.in Lakhs)	21,577.40	22,698.25		
Equity (b)	(Rs.in Lakhs)	4,839.94	3,583.73		
Debt - Equity Ratio (a/b)	Times	4.46	6.33	-29.61%	Note (a) below
Numerator - Debt: Total borrowings + Total Lease Liabilities + Trade Credits + Compulsory Convertible Preference Shares (CCPS) + Cash and Cash Equivalents					
Denominator - Equity: Total Equity - Charge for Change in fair valuation of CCPS					
iii) Debt Service coverage Ratio :					
Earnings available for Debt services (a)	(Rs.in Lakhs)	3,584.90	(1,975.20)		
Interest + Installments (b)	(Rs.in Lakhs)	2,441.59	1,357.57		
Debt Service coverage Ratio (a/b)	Times	1.47	(1.45)	200.92%	Note (a) below
Numerator - Profit after taxes + Depreciation and Amortisation Expenses + Finance Costs on borrowings and Trade Credits + Other adjustment like loss on sale of Property, Plant and Equipment					
Denominator - Payment of Lease Liabilities + Movement in Borrowings and Trade Credits + Interest expenses on Working Capital Loan and Trade Credits					
iv) Return on Equity Ratio :					
Profit / (Loss) after Taxes	(Rs.in Lakhs)	1,045.19	(4,392.34)		
Equity (b)	(Rs.in Lakhs)	4,211.84	1,576.40		
Return on Equity Ratio (a/b)	%	24.82%	-278.63%	108.91%	Note (b) below
Numerator - Profit/(Loss) after Taxes - Distribution on Perpetual Securities					
Denominator - Average Shareholders' Equity excluding Charge for Change in fair valuation of CCPS					

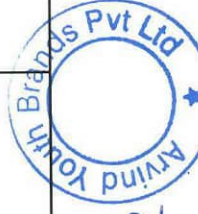


Handwritten signature and initials.



Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Notes to the Financial Statements for the year / period ended March 31, 2022
Note 41 : Ratio Analysis

Particulars	UOM	For the year ended 31st March, 2022	For the period ended 31st March, 2021	% Variance	Reason for Variance
v) Inventory Turnover Ratio : Cost of Goods Sold/Sale of goods (a) Average Inventory (b) Inventory Turnover Ratio (a/b) Numerator - Purchase of Stock-in-Trade + Cost of trims and accessories consumed + Changes in inventories of Stock-in-trade Denominator - Average Inventories	(Rs.in Lakhs) (Rs.in Lakhs) Times	24,506.12 12,878.85 1.90	18,031.38 10,831.29 1.66	14.30%	Not Applicable
vi) Trade Receivables turnover Ratio : Revenue from Operations (a) Average Trade Receivable (b) Trade Receivables turnover Ratio (a/b) Numerator - Revenue from Operations Denominator - Average Trade Receivables	(Rs.in Lakhs) (Rs.in Lakhs) Times	41,410.14 12,462.85 3.32	26,396.70 11,739.81 2.25	47.77%	Note (c) below
vii) Trade Payables turnover Ratio : Cost of Goods Sold (a) Average Trade Payable (b) Trade Payables turnover Ratio (a/b) Numerator - Purchases of stock-in-trade + Cost of trims and accessories consumed + Changes in Inventories of Stock-in-trade Denominator - Average Trade Payables	(Rs.in Lakhs) (Rs.in Lakhs) Times	24,506.12 12,567.10 1.95	18,031.38 7,119.30 2.53	-23.01%	Not Applicable
viii) Net Capital turnover Ratio : Revenue from Operations (a) Working Capital (b) Net Capital turnover Ratio (a/b) Numerator - Revenue from Operations Denominator - Average Working Capital (Current Assets-Current Liabilities) (As per i)	(Rs.in Lakhs) (Rs.in Lakhs) Times	41,410.14 9,167.97 4.52	26,396.70 12,085.89 2.18	106.81%	Note (a) below
ix) Net Profit Ratio : Net Profit / (Loss) for the year (a) Revenue from Operations (b) Net Profit Ratio (a/b) Numerator - Net Profit / (Loss) for the year Denominator - Revenue from Operations	(Rs.in Lakhs) (Rs.in Lakhs) %	1,045.19 41,410.14 3%	(4,392.34) 26,396.70 -17%	115.17%	Note (a) below



Arvind Youth Brands Private Limited
CIN - U52100GJ2020PTC112995
Notes to the Financial Statements for the year / period ended March 31, 2022

Note 41 : Ratio Analysis

Particulars	UOM	For the year ended 31st March, 2022	For the period ended 31st March, 2021	% Variance	Reason for Variance
x) Return on Capital Employed Earnings before Interest and Taxes (a) Capital Employed (b) Return on Capital Employed (a/b) Numerator - Profit before Taxes + Finance Cost on Borrowings incl. Change in Fair Value of CCPS Denominator - Total Equity + Total Borrowing incl. Trade Credit and Value of CCPS - Intangible Assets - Deferred Tax Assets	(Rs.in Lakhs) (Rs.in Lakhs) %	2,528.51 17,343.92 15%	(3,636.18) 17,507.51 -21%	170.19%	Note (d) below
xi) Return on Investment (ROI) :	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Note (e) below

Note - Reasons for Variance

- (a) Since business was newly incorporated in previous year and there was impact due to covid which resulted in loss during the previous financial period. However there is no business impact due to uncertain or unexpected circumstances in current year so business is normal.
- (b) Since business was newly incorporated in previous year by way of business combination and also due to covid impact there was loss during the previous financial period. However, earning from operations of the current year utilised for serving of total debt. This lead to impact / material change in Return on Equity Ratio.
- (c) Since business was newly incorporated in previous year by way of business combination and also due to covid impact there was loss during the previous financial period. However, improvement in realisation of receivables during the current year led to improve in trade receivables turnover ratio.
- (d) Since business was newly incorporated in previous year and due to covid impact there was loss during the previous financial period. However there is no business impact in current year and operations restored to normal. This lead to improvement in Earning before interest & tax for the year which further improved Return on Capital employed for the current year.
- (e) As there is no investment in treasury instruments in current year as well as previous year, return on investment ratio is not applicable.



[Handwritten signature]

Arvind Youth Brands Private Limited

CIN - U52100GJ2020PTC112995

Notes to the Financial Statements for the year / period ended March 31, 2022

Note 42 : Comparative Information

Figures of the previous period have been regrouped or reclassified to conform and to make them comparable with those of current year figures.

Note 43 : 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 May 26, 2022, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

In terms of our report attached

For S R B C & CO LLP

Chartered Accountants

Firm Registration No. 324982E/E300003


per Santosh Agarwal
Partner
Membership No. 93669



Place : Ahmedabad

Date :

09 AUG 2022

For and on behalf of the board of directors of

Arvind Youth Brands Private Limited


Piyush Gupta

Director

(DIN: 09612583)


Sachin Hegde

Company Secretary

Place : Bengaluru

Date : **09th August 2022**


Sandeep Karwa

Director

(DIN:08789695)

