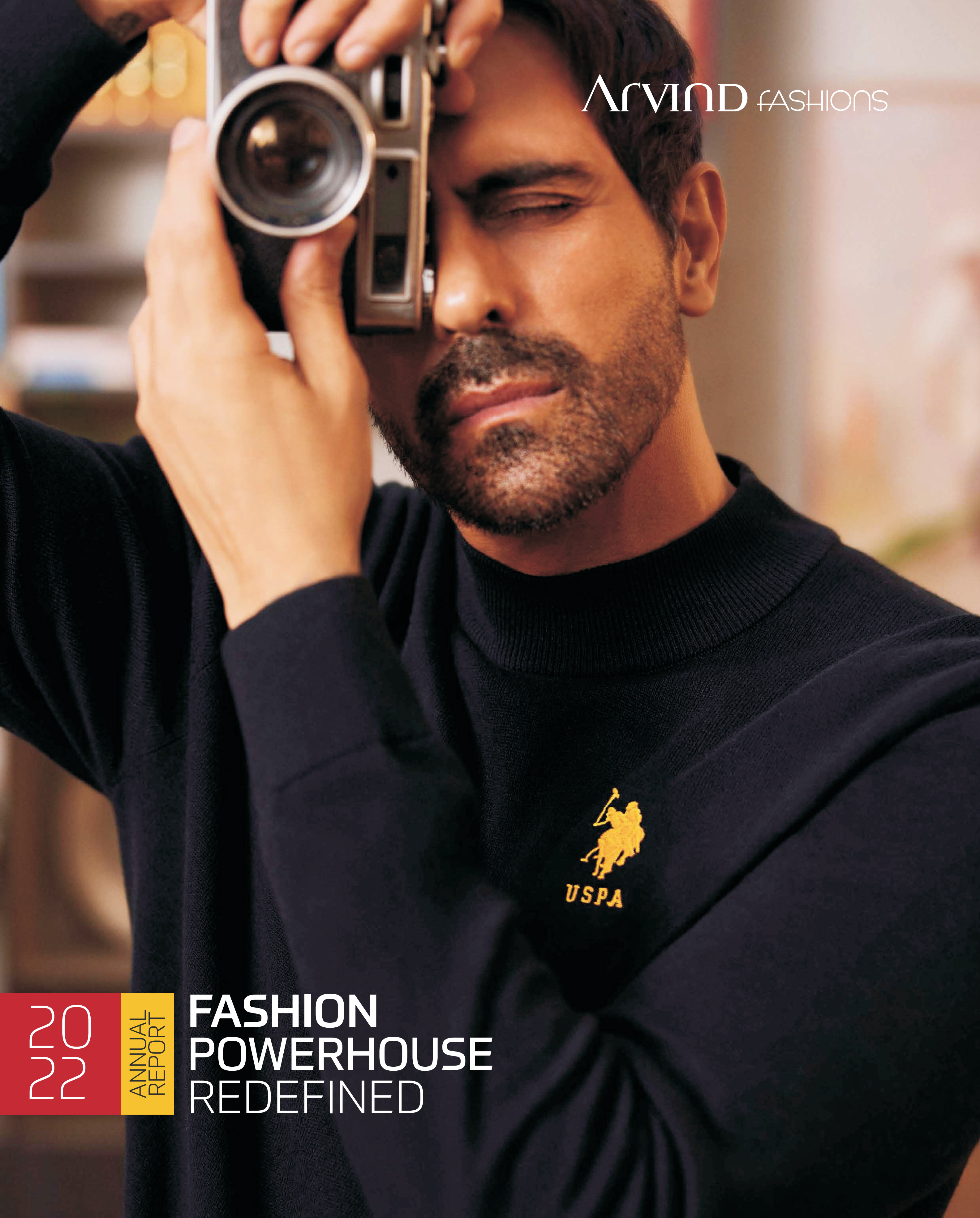


Arvind FASHIONS

2022 ANNUAL REPORT

FASHION POWERHOUSE REDEFINED

CONTENTS

Board of Directors

Mr. Sanjaybhai Lalbhai - Chairman & Non-Executive Director
Mr. Shailesh Chaturvedi - Managing Director & CEO
Mr. Kulin Lalbhai - Non-Executive Director
Mr. Punit Lalbhai - Non-Executive Director
Mr. Suresh Jayaraman - Non Executive Director
Mr. Nilesh Dhirajlal Shah - Non-Executive Independent Director
Ms. Abanti Sankaranarayanan - Non-Executive Independent Director
Mr. Nagesh Dinkar Pinge - Non-Executive Independent Director
Mr. Achal Anil Bakeri - Non-Executive Independent Director
Mr. Vallabh Roopchand Bhanshali - Non-Executive Independent Director
Ms. Vani Kola - Non-Executive Independent Director (till 30th June 2022)
Ms. Nithya Easwaran - Non-Executive Director
Mr. Manoj Nakra - Non-Executive Independent Director (effective from 1st July 2022)

Audit Committee

Mr. Nagesh Dinkar Pinge - Chairman
Mr. Nilesh Dhirajlal Shah - Member
Ms. Abanti Sankaranarayanan - Member
Ms. Nithya Easwaran - Member

Nomination and Remuneration Committee

Mr. Nilesh Dhirajlal Shah - Chairman
Mr. Achal Anil Bakeri - Member
Ms. Nithya Easwaran - Member

Corporate Social Responsibility Committee

Mr. Kulin Lalbhai - Chairman
Mr. Punit Lalbhai - Member
Mr. Nilesh Dhirajlal Shah - Member

Stakeholders Relationship Committee

Mr. Kulin Lalbhai - Chairman
Ms. Nithya Easwaran - Member
Mr. Nilesh Dhirajlal Shah - Member

Risk Management Committee

Mr. Suresh Jayaraman - Chairman
Mr. Shailesh Shyam Chaturvedi - Member
Mr. Nagesh Dinkar Pinge - Member
Mr. Nilesh Dhirajlal Shah - Member
Ms. Abanti Sankaranarayanan - Member
Ms. Nithya Easwaran - Member

Committee of Directors

Mr. Sanjay Lalbhai - Member
Mr. Kulin Lalbhai - Member
Mr. Punit Lalbhai - Member
Mr. Suresh Jayaraman - Member
Mr. Shailesh Shyam Chaturvedi - Member

Chief Financial Officer

Mr. Pramod Kumar Gupta (till 11th February 2022)
Mr. Piyush Gupta (Effective from 12th February 2022)

Company Secretary & Compliance Officer

Mr. Vijay Kumar B S (till 31st March 2022)
Ms. Lipi Jha (Effective from 27th May 2022)

Joint Auditors

M/s. Sorab S. Engineer & Co.
902, Raheja Centre, Free Press Journal Marg,
Nariman Point Mumbai 400-021
Phone: 022-22824811, 22040861
E-mail: sbchokshi@sseco.in

M/s. Deloitte Haskins & Sells
19th Floor, Shapath- V, S.G. Highway, Ahmedabad
Gujarat – 380015 • E-mail: kraval@deloitte.com

Bankers to our Company

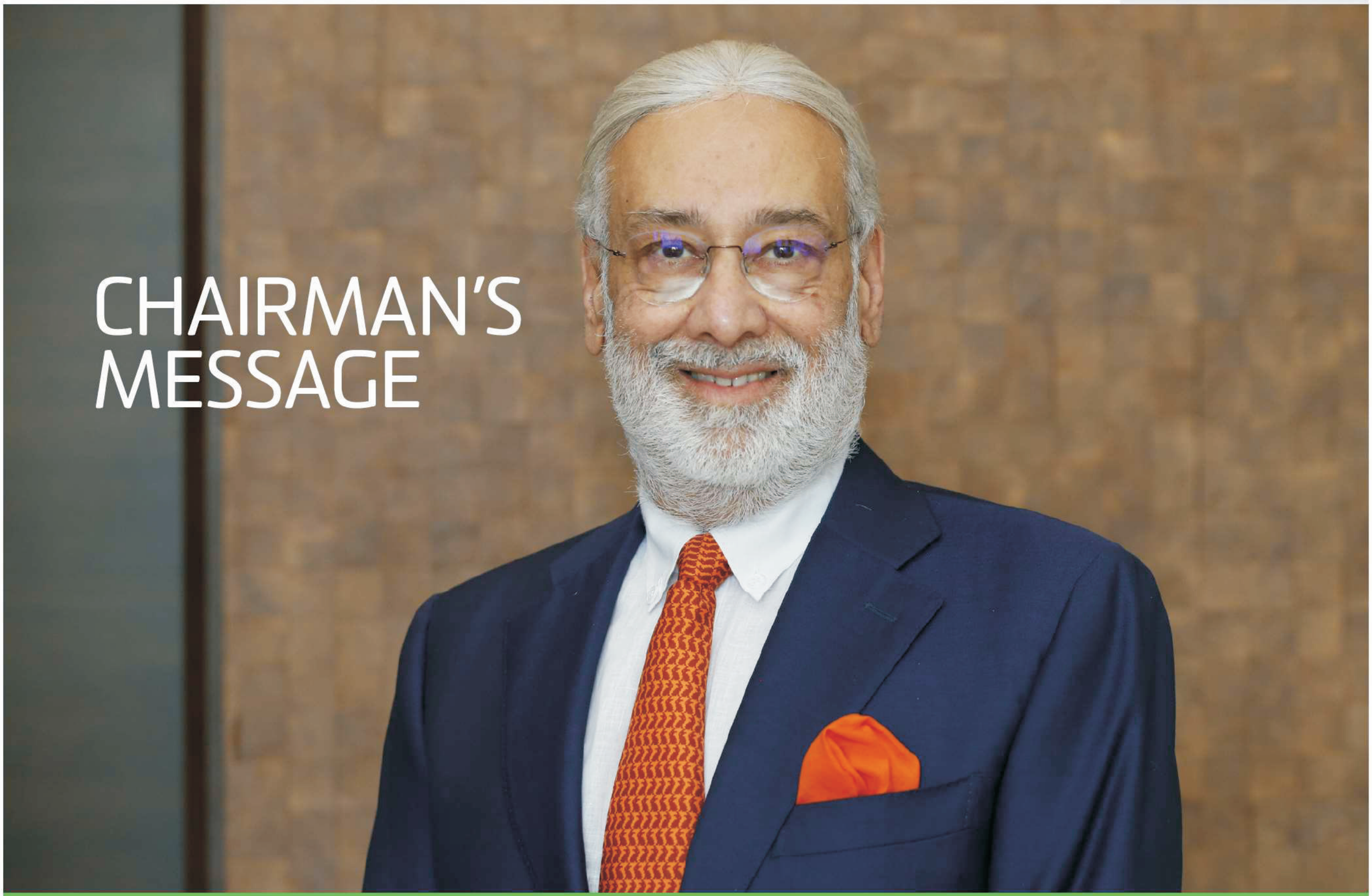
ICICI Bank Limited	State Bank of India
HDFC Bank Limited	IndusInd Bank
IDFC Bank Limited	RBL Bank Limited
Kotak Mahindra Bank Limited	Bank of Baroda
Yes Bank Limited	

Registered Office

Main Building, Arvind Limited Premises,
Naroda Road, Ahmedabad – 380025 Gujarat, India.
Website: www.arvindfashions.com

Registrar And Transfer Agent

Link Intime India Private Limited
506 – 508, Fifth Floor, Opp. Municipal Market
Amarnath Business Centre – 1 (ABC-1),
Beside Gala Business Centre, Near St. Xaviers College Corner,
Off. C. G. Road, Navrangpura, Ahmedabad -380009.
Phone & Fax No : 079-26465179
Email :ahmedabad@linkintime.co.in
Website: www.linkintime.co.in



CHAIRMAN'S MESSAGE

FY22 was a year of bounce back from the pandemic for your company Arvind Fashions Limited (AFL). The company consolidated its position as a leading casual wear player in the premium and super premium space. Your company built further on its digital leadership and grew the share of the direct to consumer (D2C) business with more investments in our digital eco system. It was an important year for the company in which it was able to achieve various milestones such as refreshed brand identities, sharp retail execution, and a significant expansion of the standalone store network backed by omni capabilities. While the business saw an impact on revenues in Q1 FY22 due to 2nd wave of Covid-19, in the second half of the year i.e. H2 FY22 our brands saw a strong rebound with significant growth in revenues along with record profitability. The performance in the 2nd half of the year reflects great affinity for our brands among consumers. Anticipating the possibility of a buoyant market in H2 FY22, your company focused on having a relevant post pandemic assortment mix and prepared for the demand accordingly. The following strategic actions were undertaken to prepare the business:

CHAIRMAN'S MESSAGE

1. Direct to consumer (D2C) was the key focus area including expansion through our own stores, omni enabled stores and building strong market place business capabilities

2. Focus on retail KPIs to deliver superior consumer experience in line with global standards and protocols

3. Launch of a new retail identity of the U.S. Polo Assn. brand

4. Store expansion across Tier-2 and 3 cities

5. Tweaking merchandise grids to cater to differentiated demands in the new post-Covid world

6. Omni enablement across the network of stores for better optimization of sales

7. Addition of 4 more B2C warehouses to improve last mile connectivity

8. Recapitalization of company with a preferential issue of ~400 Crs

9. Reduction in net debt by ~60% thereby reducing the interest costs significantly

10. Improved collections across channels leading to drop in debtors by ~50 Crs

11. Acceleration in adjacent categories with rapid expansion in the footwear business

The above actions helped us to deliver a robust financial performance in H2 FY22 and emerge stronger after 2 years of pandemic induced business uncertainties. The business momentum continued into Q1 FY23 as well and we believe that your company is poised to grow profitably in the years to come.

The first quarter of FY22 was a wash out because of the deadly 2nd wave of covid. We saw a recovery in business from the 2nd quarter onwards with a revenue recovery of more than 50% (compared to pre-Covid) from Jul-Aug of last year. The business picked up pace supported by buoyancy in the market given the reduction in number of Covid cases and the start of the festival and wedding season in Q3 FY22. The business witnessed a small disruption across channels in Jan'22 on account of the 3rd wave of Covid-19, however, with the environment easing out from mid Feb onwards, the business sentiment significantly improved and has carried on well into next fiscal as well. H2 FY22 saw revenue growth of ~35% over the last year despite the impact in Jan'22. Our key brands such as U.S. Polo Assn., Tommy Hilfiger, Calvin Klein & Sephora registered high double-digit same store growth with an improved share of direct to consumer revenue contribution. Our sustained efforts in the area of adjacent category expansion saw focused categories like footwear & innerwear emerge as the fastest growing businesses for your company. Footwear revenue more than doubled in H2 and is likely to continue its strong growth trajectory in the coming years.

The company has seen the strength of going direct to consumer through our exclusive stores and digital footprint. It helps to control and influence the customer experience and allows us to understand them up close. This will help us in optimizing the discounts, improving customer satisfaction and will give insights on customer preferences. Your company intends to keep the focus high on the direct to consumer business model both in the offline and online channels.

Your company was able to successfully refresh the retail identity across brands like U.S. Polo Assn., Arrow & Sephora during last year to re -energize the store experience. There is a renewed vigor post the pandemic to focus on profitable growth in retail and direct to consumer online businesses and hence a stronger emphasis on full price sell through and margin optimization through discount management. Your company started rolling out stores in tier 2 and tier 3 cities to cater to the new aspirations in these markets. A newer assortment has been deployed in these smaller towns as well as a robust replenishment in-season based on the store performance.

Your company has continued to invest in digital capability building. We have 800+ omni enabled stores and have extended our marketplace integrations with key e-commerce players. Our one view of inventory has helped us manage the consumer experience better, has improved store productivity and manage inventory turns of around 4X. We added another 4 dedicated B2C (Business to consumer) warehouses with the total capacity moving up to ~50000 orders per day with reduced lead times. Your company has maintained its leadership in digital commerce with revenues in FY22 of ~1000 Crs. Current trends over recent quarters suggests that ~1/4th of annual revenues will come through the digital channel even after opening up of physical retail outlets. As a natural extension of our digital journey, the company is in the process of launching brand dotcoms, which will aim to take the customer experience to a new level.

Our portfolio of brands is well poised for growth in this post pandemic world. Our portfolio includes U.S Polo Assn. – the market leader among casual brands, Tommy Hilfiger – the leading super premium casual wear brand, Flying Machine – amongst the top three denim brands in the country, Calvin Klein – the leading super premium denim brand as well as Sephora the leading prestige beauty retail concept.

Your company has also raised 495.90 Crs of funds which helped reduce the net debt to ~Rs. 400 Crs during the FY22 through a combination of issue of equity shares on preferential basis and the receipt of first and final call money pertaining to second tranche of the rights issue.

Optimization of working capital was central to all business decisions so as to keep the gross working capital at similar levels of FY21 even with sales almost growing by 60% over FY21. Receivables further improved by ~50 Crs due to a focused approach on collections across various customers and the addition of new customers based on their credit worthiness. Strong processes have been put in place to manage and control the inventory flow and to reduce the market lead times. This will help your company to generate better cash flows as we focus on profitable growth.

For the financial year ending March 2022, the company posted revenues of Rs. 3056 Crs with an EBITDA of Rs. 247 Crs. H2 FY22 delivered a strong financial performance with revenues of 1925 Crs revenue and a 200 Crs EBITDA. The company has also achieved the significant milestone of becoming a PBT positive company and has delivered a PBT of Rs. 32 Crs in H2 FY22. Your company will keep investing in maintaining its digital leadership and will simultaneously improve engagement and reach in the direct to consumer channels. Cost optimization and working capital management will remain focus areas moving forward.

In summary, with a focused portfolio of strong brands your company is in a great position to gain market share in the coming years. Key focus areas for your company in the coming years is to push for profitable growth through a higher adoption of direct to consumer channels, energize brands with sustained marketing efforts to create pull and aspirational value, diversify the brands into adjacent categories and build on the digital sales momentum with the launch of brand dotcoms. Moving forward, we will continue to work towards increasing the total shareholder returns with improvements in scale, margins and capital efficiency.

Lastly, I would like to express my sincere thanks to all the employees, customers, suppliers, investors, lenders, regulatory and government authorities, stock exchanges, depositories and our shareholders for their support during the year. We all are committed to taking your company to greater heights in the coming years.

Warmest regards,

Sanjay Lalbhai

Sanjay Lalbhai
Chairman

ARVIND FASHIONS AT A GLANCE

Arvind Fashions Limited (AFL) is a lifestyle powerhouse company that has revolutionized the retail and fashion industry in India. We are engaged in the business of designing, sourcing, marketing and selling a wide portfolio of men, women and kids branded readymade apparel, footwear, innerwear and other accessories across multiple owned and licensed brands. We distribute and sell our products across India through multiple distribution channels such as Exclusive Brand Outlets ("EBOs"), Multi-Brand Outlets ("MBOs"), Large Format Stores ("LFSs"), as well as e-commerce platforms, operated by us and operated by other e-commerce players. We are also engaged in the business of distributing and selling a select range of premium branded beauty products.

Arvind Fashions is a leading player and has a dynamic portfolio of owned and licensed international brands which include U. S. Polo Assn., Tommy Hilfiger, Calvin Klein, Arrow, Flying Machine and Sephora. With a diversified portfolio of brands and a variety of distribution channels, we are able to maintain a balanced approach in which our operating results are not solely dependent on a single brand, category, or distribution channel.

With its distinctive casual dressing strategy, U.S. Polo Assn. has defined casual dressing in India. It is now the leading casualwear brand in its price segment across a broad range of product categories. Furthermore, we introduced to India two of the most successful designer brands in the premium casual wear category - Tommy Hilfiger & Calvin Klein. These brands are the top 2 brands in their segment. We set the bar of excellence in the men's wear category by introducing Arrow, the first premium international brand in India. Arrow has transformed the way people dress for work today. Not only is Arrow the go-to outfit of choice for corporate tycoons and young professionals alike, but it is also changing the way people dress for work from home with its Sports & New York collection. To meet India's growing fashion aspirations, we launched India's first home-grown denim brand in 1980 - Flying Machine. As of today, Flying Machine is the top digital-first youth brand in India. With Sephora, AFL is the leading player in India in prestige beauty.

People are at the centre of everything we do at Arvind Fashions. As a result of our 'One AFL' culture and our humane approach to people, we are able to attract and retain talented individuals from across the country. We place a great deal of emphasis on our employees' health and holistic development as part of our HR practices. Since our inception, we have always put customers & consumers first, which is why we have become India's first choice in fashion and retail.

U.S. POLO ASSN.
SINCE 1890

Cities
172

Stores
391

Officially born in 1981 yet steeped in the rich 130-year history of the United States Polo Association (USPA), U.S. Polo Assn. is the official global retail brand of the USPA. With a multi-billion-dollar global footprint and worldwide distribution through more than 1,100 U.S. Polo Assn. retail stores, department stores, sporting goods channels, independent retailers and e-commerce, U.S. Polo Assn. offers apparel for the whole family as well as accessories, footwear, travel, and home goods in 190 countries worldwide. The brand captures the authenticity of the sport while reflecting its rich history and staying true to its roots in Classic American Style, updated to complement today's on-the-go Lifestyle. Recently ranked the fifth largest sports licensor in License Global magazine's 2020 List of Top 150 Global Licensors, U.S. Polo Assn. is named alongside iconic sports brands such as the National Football League, the National Basketball Association, and Major League Baseball. U.S. Polo Assn. isn't just a brand—it's an experience. When you purchase U.S. Polo Assn., you own a piece of the sport of polo.

TOMMY HILFIGER

Cities
39

Stores
98

Tommy Hilfiger is one of the world's leading designer lifestyle brands with an American spirit. Top-of-the-line global brand ambassadors communicating the universal language of style. The brand is internationally recognized for celebrating the essence of classic American cool, featuring preppy designs with a twist. Founded in 1985, Tommy Hilfiger delivers premium styling, quality and value to consumers with a wide portfolio of categories including men's, women's and kid's sportswear, denim, accessories and footwear. Since 2004, the brand has been present in India and is the country's No. 1 international premium casual wear brand.

CALVIN KLEIN

Cities
32

Stores
76

With seductive and often minimal aesthetics, Calvin Klein is a global lifestyle brand exemplifying bold, progressive ideals. Founded in 1968, Calvin Klein is one of the most legendary fashion brands in the world. The brand is a leader in American fashion and seeks to thrill and inspire its audience while using provocative imagery and striking designs to ignite the senses. It has a market leadership in premium denimwear, innerwear, tees and fragrances. Through its many sub brands Calvin Klein Collection, Calvin Klein Platinum Label, Calvin Klein Underwear & Calvin Klein Performance the brand designs and markets women's and men's designer collection apparel. The brand has had its presence in India since 2007 and is the #2 international premium casual wear brand in the country.

ARROW 1851

Cities
112

Stores
212

Arrow has been instrumental in shaping menswear since 1851. It was launched in India in 1993, as a first of its kind-premium international brand. The brand is preferred by modern professionals due to its heritage value and a strong sense of innovation. Arrow cherishes some earmark innovations like detachable collars, wrinkle-free shirts, anti –UV shirts, trousers with adjustable waistbands, range of perfect polos, stain-resistant and lightweight clothing et al.

Customer centricity has been pivotal to the brand's overall approach and evolvement. The brand today stands tall with strong product lines that encompass elegant formal wear, relaxed workwear (Arrow Sports), a youthful New York collection, and a ceremonial collection. The brand has introduced acclaimed Bollywood actor, Hrithik Roshan as its brand ambassador through its 'On Top of The World' Brand Campaign. This collaboration has amped up the brand's appeal amongst its target customer base.

Cities
111

Stores
270

Flying Machine is India's original Jeans brand with a 40 year old legacy and continues to be one of most loved brand across generations. With its unique positioning and strong brand pull, Flying Machine is popular in Metros as well as small town India, paving way for fast paced growth. With its digital first youth-oriented spirit, Flying Machine has created an enviable online presence. Flying Machine is set to have explosive growth with a well-rounded strategy. Aggressive Retail expansion in small and large towns both will help develop a national footprint. Various collaborations with best in the world experts on product development will upgrade the aesthetics, relevance and quality of our offerings. We are making choices in marketing that are relevant and closer to the target core consumer that is Gen Z. Further, category expansions into adjacencies such as kids wear, innerwear, footwear and accessories, are emerging as large incremental opportunities.

SEPHORA
WHERE your beauty BEATS

Cities	Stores
13	25

As one of the world's most loved beauty communities, Sephora offers clients a unique retail experience, inspiring creativity and self-expression with innovative beauty brands. Being the #1 prestige beauty retailer in India, the brand is associated with amazing beauty selection and energetic retail experience. Growing from strength to strength, Sephora stands tall with 25 stores in India and a portfolio of more than 90 global brands in each store across categories like cosmetics, fragrances, skincare, make up & hair care.

Notice

NOTICE is hereby given that the Seventh Annual General Meeting of the Members of Arvind Fashions Limited will be held on Monday, 26th day of September, 2022 at 2.00 p.m. through Video Conference ("VC")/ Other Audio-Visual Means ("OAVM") ("hereinafter referred to as "electronic mode") to transact the following Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements [including consolidated financial statements] of the Company for the financial year ended March 31, 2022 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kulin Lalbhai (DIN:05206878), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Ms. Nithya Eswaran (DIN:03605392), who retires by rotation and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

4. **To Appoint Mr. Manoj Nakra (DIN: 08566768) as an Independent Director of the Company.**

   To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Manoj Nakra (DIN: 08566768), in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to June 30, 2027 and that his office as an Independent Director shall not be subject to retirement by rotation.

5. **To approve to give loans or guarantees or provide security to the Subsidiary and Joint Venture Companies.**

   To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

   RESOLVED THAT in supersession of all earlier resolutions passed in this regard and pursuant to the provisions of Section 185, 186 and all other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Amendment) Act, 2017 and Rules made thereunder, including any statutory modification(s) thereto or re-enactment(s) thereof, for the time being in force, and subject to such other consents, permissions, approvals, as may be required in that behalf, the approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loans taken by M/s. Arvind Youth Brands Private Limited, a 99.99% subsidiary of the Company or PVH Arvind Fashion Private Limited, a 50% Joint Venture of the Company up to Rs. 500 crores (Rupees Five Hundred Crores only) collectively, from time to time, in one or more tranches as and when required by the said subsidiary and Joint Venture company in their absolute discretion as may be deemed beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.

   RESOLVED FURTHER THAT for the purpose of giving effect to the above, Board of Directors or Committee of Directors of the Company and/or any person authorized by the Board from time to time be and is hereby empowered and authorized to take such steps as may be necessary in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

6. **To consider such number of stock options exercisable into not more than 8,00,000 (Eight Lakhs only) equity shares of the Company of face value of Rs. 4 each, under one or more Employee Stock Option Schemes for the benefit of such person(s) who are in permanent employment of the Company/Holding Company/Subsidiary Companies**

   To consider and, if thought fit, to pass with or without modification(s), the following resolutions as a Special Resolution:

   <u>Resolution I</u>

   RESOLVED THAT pursuant to the provisions of Section 42, 62(1)(b) of the Companies Act, 2013 ("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the SEBI ESOS Regulations") as and when they become applicable to the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI LODR Regulations") as and when they become applicable to the Company, the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (which shall be deemed to include the Nomination and Remuneration Committee or any other Committee of the Board of Directors constituted by the Board, to exercise its powers including powers conferred by this Resolution) (hereinafter referred to as "the Board" or as "the Committee"), consent of the Shareholders be and is hereby accorded to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in permanent employment of the Company (whether now or hereafter existing as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), whether working in India or out of India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "Employees") selected on the basis of criteria decided by the Board such number of stock options exercisable into not more than 8,00,000 (Eight Lakhs only) equity shares of the Company of face value of Rs. 4 each, under one or more Employee Stock Option Schemes, in one or more tranches, and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authority.

RESOLVED FURTHER THAT the maximum number of stock incentives granted to Eligible Employees of the Company, its holding Company and its subsidiaries under the scheme shall not cumulatively exceed 8,00,000 (Eight Lakhs only) stock options exercisable into not more than 8,00,000 (Eight Lakhs only) equity shares of face value Rs. 4/- each.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, for the purpose of making a fair and reasonable adjustment, the number of options to be granted and / or the exercise price payable under the Schemes shall be appropriately adjusted, without affecting any other rights or obligations under the Schemes.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity shares upon exercise of options from time to time in accordance with the employee stock option Schemes and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 4 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees.

RESOLVED FURTHER THAT the Board/Committee, be and are hereby authorized to settle all questions, difficulties or doubts that may arise in relation/reference to the amendment of the Scheme to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorized to vary, amend, modify or alter the terms of the Scheme in accordance with and subject to the terms of the Act and any Guidelines, Rules or Regulations that may be issued by any regulatory/statutory authority, as applicable.

RESOLVED FURTHER THAT the Board/Committee, be and is hereby severally authorized to do all such acts, deeds and things and execute all such deeds, documents and instruments and writings as may be necessary and incidental for giving effect to the above.

Resolution II

To consider and, if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution:**

RESOLVED THAT pursuant to the provisions of Section 42, 62(1)(b) of the Companies Act, 2013 ("the Act") and the Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions, if any, of the Act, including any statutory modification(s) or re-enactment of the Act for the time being in force and in accordance with the provisions of the Memorandum and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto ("the **SEBI ESOS Regulations**") as and when they become applicable to the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the **SEBI LODR Regulations**") as and when they become applicable to the Company, the Listing Agreement entered into with the Stock Exchange where the securities of the Company are listed and any other applicable laws for the time being in force and subject to such other consents, permissions, sanctions and approvals which may be agreed by the Board of Directors of the Company (which shall be deemed to include the Nomination and Remuneration Committee or any other Committee of the Board of Directors constituted by the Board, to exercise its powers including powers conferred by this Resolution) (hereinafter referred to as "the **Board**" or as "the **Committee**"), consent of the Shareholders be and is hereby accorded to create, offer, issue and allot at any time to or for the benefit of such person(s) who are in permanent employment of the holding company and the subsidiaries of the Company (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), whether working in India or out of India, including Director of the Company, whether Whole-time director or not, but excluding Promoter, Promoter group and independent Directors and such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time (hereinafter collectively referred to as "Employees") selected on the basis of criteria decided by the Board such number of stock options exercisable into not more than 8,00,000 (Eight Lakhs only) equity shares of the Company of face value of Rs.4 each, under one or more Employee Stock Option Schemes, in one or more tranches, and on such terms and conditions as may be fixed or determined by the

Board in accordance with the provisions of the law or guidelines issued by the relevant Authority.

RESOLVED FURTHER THAT the maximum number of stock incentives granted to Eligible Employees of the Company, its holding Company and its subsidiaries under the scheme shall not cumulatively exceed 8,00,000 (Eight Lakhs only) stock options exercisable into not more than 8,00,000 (Eight Lakhs only) equity shares of face value Rs. 4/- each.

RESOLVED FURTHER THAT in case of any corporate action (s) such as rights issues, bonus issues, merger and sale of division and others, for the purpose of making a fair and reasonable adjustment, the number of options to be granted and / or the exercise price payable under the Schemes shall be appropriately adjusted, without affecting any other rights or obligations under the Schemes.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot Equity shares upon exercise of options from time to time in accordance with the employee stock option Schemes and such Equity shares shall rank pari passu in all respects with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 4 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees.

RESOLVED FURTHER THAT that the Board/Committee, be and are hereby authorized to settle all questions, difficulties or doubts that may arise in relation/reference to the amendment of the Scheme to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board/Committee be and is hereby authorized to vary, amend, modify or alter the terms of the Scheme in accordance with and subject to the terms of the Act and any Guidelines, Rules or Regulations that may be issued by any regulatory/statutory authority, as applicable.

RESOLVED FURTHER THAT the Board/Committee, be and is hereby severally authorized to do all such acts, deeds and things and execute all such deeds, documents and instruments and writings as may be necessary and incidental for giving effect to the above

By Order of the Board

Date: 18th August, 2022
Place: Bangalore

Lipi Jha
Company Secretary

Registered Office:
Main Building,
Arvind Limited Premises,
Naroda Road,
Ahmedabad-380025.

NOTES:

1. 1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs, Government of India ("MCA") has issued General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated 8th April 2020, 13th April 2020, 5th May 2020, 13th January 2021, 8th December 2021, 14th December 2021 and 5th May 2022, respectively, ("MCA Circulars") and Securities and Exchange Board of India vide its circular dated 13th May 2022 read with 12th May, 2020 and 15th January 2021 ("SEBI Circular"), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company will be held through VC / OAVM. **Hence, Members can attend and participate in the 7th AGM through VC/OAVM only.** The deemed venue for the 7th AGM of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is explained in the subsequent notes of this Notice.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, the 20th September 2022 to Monday, the 26th September 2022 (both days inclusive).

4. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM inter-alia, indicating the process and manner of voting through electronic means along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website i.e. https://www.arvindfashions.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at https://www.bseindia.com and https://www.nseindia.com respectively, and on the website of NSDL i.e. https:// www.evoting.nsdl.com.

5. In case of Joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come first-served principle.

8. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item No. 4 & 5 of the Notice, is annexed hereto. The relevant details, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as a Director under Item No. 3 and 4 of the Notice is also annexed to the notice.

9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to investor.relations@arvindbrands.co.in .

10. SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November 2021 has mandated the listed companies to have PAN, contact details, Postal address with PIN, Mobile number, E-mail address, Bank account details (bank name and branch, bank account number, IFS code), Specimen Signature and Nomination of all shareholders holding shares in physical form. Folios wherein any one of the above cited details / documents are not available with company on or after 1st April 2023, shall be frozen as per the aforesaid SEBI circular. The investor service requests forms for updation of above-mentioned details viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 are available on our website of the company as well as on the website of RTA. In view of the above, we urge the shareholders to submit the Investor Service Request form along with the supporting documents at the earliest. The Company has sent a letter to the shareholders holding shares in physical form in relation to the aforesaid on 04th May 2022. In respect of shareholders who hold shares in the dematerialized form and wish to update their above-mentioned details are requested to contact their respective Depository Participants.

11. In accordance with SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/166 dated 7th September 2020 all share transfers shall be carried out compulsorily in the dematerialized form with effect from 1st April 2021. Hence no transfer of shares in physical form are allowed. Further, in compliance with SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only: i. Issue of duplicate share certificate, ii. Claim from unclaimed suspense account, iii. Renewal/Exchange of securities certificate, iv. Endorsement, v. Sub-division / splitting of securities certificate, vi. Consolidation of securities certificates/folios, vii.

Transmission, viii. Transposition. For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form. **Members holding shares in physical form are requested to dematerialize their holdings at the earliest.**

12. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

13. Since the AGM will be held through VC / OAVM, the Route Map is not annexed with Notice.

14. **INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS (E-VOTING) AND OTHER INSTRUCTIONS RELATING THERETO ARE AS UNDER:**

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.

II. The Company has engaged the services of NSDL as the Agency to provide remote e-Voting facility and e-Voting during the AGM.

III. Mr. Hitesh Buch, Practicing Company Secretary (Membership No. FCS 3145, COP 8195) has been appointed as the Scrutinizer to scrutinize the e-Voting during the AGM and remote e-Voting in a fair and transparent manner.

IV. The Results of voting will be declared within two working days from the conclusion of the AGM. The declared Results, along with the Scrutinizer's Report will be submitted with the Stock Exchanges where the Company's equity shares are listed (BSE Limited & National Stock Exchange of India Limited) and shall also be displayed on the Company's website https://www.arvindfashions.com and NSDL's website https://www.evoting.nsdl.com.

V. Voting rights of the Members for voting through remote e-Voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Monday, the Monday, 19 September 2022. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-Voting and voting during the AGM.

VI. The remote e-Voting facility will be available during the following period:

a. Commencement of remote e-Voting: 9.00 A.M. (IST) on Friday, 23rd September 2022

b. End of remote e-Voting: 5.00 P.M. (IST) on Sunday, 25th September 2022

c. The remote e-Voting will not be allowed beyond the aforesaid date and time and the remote e-Voting module shall be disabled by NSDL upon expiry of aforesaid period.

VII. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.

VIII. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

IX. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in mentioning their demat account number/folio number, PAN, name and registered address. However, if he/she is already registered with NSDL for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote.

X. **Process and manner for Remote e-Voting:**

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically on NSDL e-Voting system.

Step 1: Access to NSDL e-Voting system

(A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	**Login Method**
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-**

Type of shareholders	Login Method
	Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS**" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digits demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

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

(B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e - services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e - services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company which is Arvind Fashions Limited for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pcs.buchassociates@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor.relations@arvindbrands.co.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor.relations@arvindbrands.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Instructions for members for e-Voting on the day of the AGM:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

In case you have not registered your e-mail address with the Company/Depository, please follow below instructions for registration of e-mail address for obtaining Annual Report and / or login details for e-Voting

Physical Holding	**Visit the link:** https://web.linkintime.co.in/EmailReg/Email_Register.html and follow the registration process as guided therein. The members are requested to provide details such as name, folio number, certificate number, PAN, mobile number and e-mail address
Demat Holding	Please Contact your Depository Participant (DP) and register your email address in your demat account as per the process communicated by your DP

15. Instructions for Members for attending the AGM through VC / OAVM:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders/Members, who need assistance before or during the AGM, can contact NSDL official Ms. Sarita Mote on Toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at evoting@nsdl.co.in.
6. Members seeking any information with regard to the annual accounts for 2021-22 or any business to be dealt at the AGM, are requested to send e-mail on investor.relations@arvindbrands.co.in on or before Monday, the September 19, 2021 along with their name, DP ID and Client ID/folio number, PAN and mobile number. The same will be replied by the Company suitably.
7. Further, members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio Number, PAN and mobile number at investor.relations@arvindbrands.co.in on or before Monday, the September 19, 2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

By Order of the Board
For Arvind Fashions Limited

Date: 18th August, 2022
Place: Bangalore

Lipi Jha
Company Secretary

Registered Office:
Main Building,
Arvind Limited Premises,
Naroda Road,
Ahmedabad-380025.

Annexure to Notice

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

The Board of Directors ('Board'), has appointed Mr. Manoj Nakra (DIN: 08566768) as a Non-Executive Independent Director of the Company with effect from July 1, 2022 for a term of 5 consecutive years up to June 30, 2027, subject to the approval of Members in the ensuing General Meeting. In terms of section 160 of the Companies Act, 2013, ("Act") the Company has received notices in writing from a member proposing the candidature of Mr. Manoj Nakra, for appointment as an Independent Director as per the provisions of sections 149 and 152 of the Companies Act, 2013.

Mr. Manoj Nakra, has given declarations to the Board of Directors of the Company that he met the criteria of Independence, as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Manoj Nakra, fulfills the conditions specified in the Companies Act, 2013 and the Listing Regulations for appointment as Independent Director and he is independent of the management. Given Mr. Manoj's expertise, your Board is of the view that Mr. Manoj Nakra's appointment as an Independent Director would be of immense value to the Company.

As per the provisions of the Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and is not liable to retire by rotation. In compliance with the provisions of Section 149 of the Act read with Schedule IV of the Act, the appointment of Mr. Manoj Nakra, as an Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Mr. Manoj Nakra, shall be open for inspection by the members at the Registered Office during normal business hours (from 10:00 a.m. till 5:00 p.m.) on any working day (except Saturday) from the date of this Notice till the date of the AGM.

Disclosures as required under Regulation 36 of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India are appended to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Manoj Nakra, to whom the resolution relates, is concerned or interested in the Resolution mentioned in Item No. 4 of the Notice.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

Item No. 5

As per the provisions of Section 185 of the Companies Act, 2013, no company shall, directly or indirectly, advance any loan including any loan represented by a book debt, to any of its Directors or to any other person in whom the Director is interested or give any guarantee or provide any security in connection with any loan taken by him or such other person. However, in order to promote ease of doing business, the entire Section 185 of the Companies Act, 2013 has been substituted vide Companies (Amendment) Act, 2017 and the same was notified by the Ministry of Corporate Affairs on 7th May, 2018. In terms of the amended Section 185 of the Act, a company may advance any loan, including any loan represented by a book debt, to any person in whom any of the Directors of the Company is interested or give any guarantee or provide any security in connection with any loan taken by any such person, subject to the condition that approval of the shareholders of the Company is obtained by way of passing a Special Resolution and requisite disclosures are made in the Explanatory Statement.

As an abundant caution and in supersession of all previous approval obtained from the shareholders, the Board decided to seek approval of the shareholders to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loans taken by Arvind Youth Brands Private Limited, a 99.99% subsidiary of the Company or PVH Arvind Fashion Private Limited, a 50% Joint Venture of the Company up to Rs. 500 crores (Rupees Five Hundred Fifty Crores only) collectively.

The Board of Directors recommends resolution as set out in item No. 5 for approval of the members of the Company by way of passing a Special Resolution.

None of the directors, KMPs or any of their relatives is, directly or indirectly, concerned or interested in the proposed resolution except to the extent of their shareholding, Common Directorship's if any, in the aforesaid Companies.

Item No. 6

Stock Options are an effective instrument to attract, reward and retain the talented and key Employees in the Company. They also create a sense of ownership and participation amongst the employees of the Company and achieve sustained growth of the Company by creation of shareholder value by aligning the interests of the employees with that of the Organization.

The Board of Directors, keeping in view of the above-mentioned objectives, at their meeting held on 18th August 2022 formulated Arvind Fashions Limited-Employee Stock Option Scheme – 2022 ("Arvind Fashions Limited ESOS 2022") for the present and/or future permanent employees of the Company including holding company and subsidiary companies of the company (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time) (hereinafter referred to as 'employees' or 'said employees') in accordance with the applicable laws.

In terms of the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Section 62(1) (b) and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, issue of equity shares to the employees requires an approval of the existing Members by way of a Special Resolution and accordingly, the said Special Resolution seeks your approval for the further issue of Equity Shares under the ARVIND FASHIONS LIMITED ESOS 2022, to the employees of the Company, as may be determined by the Nomination and Remuneration Committee.

The Salient features of the ARVIND FASHIONS LIMITED ESOS 2022 as per Regulation 6(2) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are as follows:

a) Brief description of the Scheme

The Company recognizes and appreciates the critical role played by the employees of the Company in bringing about growth of the organization. It strongly feels that the value created by them should be shared with them. To promote the culture of employee ownership in the Company, approval of the shareholders is being sought for issue of stock options to the employees of the Company. The purpose of the Scheme is:

- Creation of wealth
- Retention of critical Employees
- Increase the performance of Employees

The Scheme shall be administered by the Board/Committee.

b) The total number of options to be granted

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches up to 8,00,000 (Eight Lakhs only) equity shares of Rs. 4/- each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company as may be applicable from time to time). The Employees are not required to pay any amount at the time of grants made to them.

Vested options lapsed due to non-exercise and/or unvested options that get cancelled due to resignation of Option grantees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of ESOS - 2022.

The Board/Committee shall in accordance with the Applicable Laws determine the procedure for making a fair and reasonable adjustment to the ESOPs entitlement of an Option Grantee in case of a stock split, stock consolidation, rights issue, bonus issue, merger, demerger, amalgamation, sale of division and any other form of corporate restructuring, if any.

If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee, except that the entitlement to the number of options and the Exercise Price will be adjusted, as determined by the Board/Committee. Only if the employee stock options are vested and exercised and the Option Grantee is a valid holder of the shares of the Company, the Option Grantee would be entitled for bonus or rights options as Option holder of the Company. Accordingly, if any additional options/shares are issued by the Company to the option grantees for making such fair and reasonable adjustment, the above ceiling of 8,00,000 (Eight Lakhs only) shall be deemed to be increased to the extent of such additional options/shares issued.

c) Identification of classes of employees entitled to participate and be beneficiaries in the Scheme

The following classes of employees of the Company, Holding Company and the Company's Subsidiaries (whether now or hereafter existing, whether incorporated in India or overseas as may be from time to time be allowed under the prevailing laws, rules and regulations and / or any amendments thereto from time to time), depending upon the eligibility criteria determined by the Board, are entitled to participate in ESOS - 2022 (the "Eligible Employees Employees"):

a) a permanent employee of the Company who has been working in India or outside India; or

b) a director of the Company, whether a whole-time director or not but excluding an independent director; or

c) an employee as defined in clauses (a) or (b) of a subsidiary, whether in India or outside India, or of a Holding Company of the company; or

d) such other persons as may from time to time be allowed to be eligible for the benefits of the stock options under applicable laws and regulations prevailing from time to time

but does not include-

i. an employee who is a promoter or a person belonging to the promoter group; or

ii. a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company;

d) Requirements of vesting and period of vesting

The options granted under ESOS - 2022 shall vest so long as the employee continues to be in the employment of the Company or its Holding or its subsidiary subject to maximum period of 5 (five) years, as the case may be, as per applicable laws. The Board/Committee may, at its discretion, lay down certain performance metrics on the achievement of which such options would vest, the detailed terms and conditions relating to such vesting, and the proportion in which options granted would vest subject to the minimum vesting period of 1 (one) year. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as stipulated in the ESOS - 2022.

The options which vested may be cancelled in the following events:

i. Expiry of exercise period

ii. Resignation/Termination due to misconduct / breach of company policies, etc. and

iii. Abandonment / Long Leave.

e) Maximum period within which the options shall be vested

The maximum vesting period may extend up to 5 (five) years from the date of grant of options.

f) Exercise price or pricing formula

Exercise Price means the price, if any, payable by the Employee for exercising the Vested Option granted to him in pursuance of the Scheme.

The exercise price shall be the Market Price for options to be granted under this scheme.

Explanation - Market Price means the latest available closing price on a recognized stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date and if such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume shall be considered as the market price.

g) Exercise period and process of exercise

a) Employees shall be entitled to exercise options in one or more traches within such period as may be prescribed by the Board, which period shall not be less than one year from the date of grant and shall not exceed a period of three years from the date of respective vesting of options.

b) In the event of an Employee being transferred between the Company, its Subsidiaries or its Holding Company, and at instance of or with consent of the Company, the Option Grantee will continue to hold all the Vested Options and can Exercise them anytime within the Exercise Period. All Unvested Options shall vest as per the Vesting schedule.

The process and conditions subject to which options can be exercised shall be laid down by the Board of the Company.

h) Appraisal Process for determining the eligibility of Employees to the Scheme.

The appraisal process for determining the eligibility of the employees will be specified by the Board/Committee, and will be based on criteria such as criticality of the role, designation, length of service, past performance record, future potential of the employee and / or such other criteria that may be determined by the Board, at its sole discretion.

i) Maximum number of options to be issued per Employee and in the aggregate

The number of Options that may be granted to any specific employee under ESOS-2022 shall not exceed the number of Shares equivalent to 1% of the Issued Share Capital (excluding outstanding warrants and conversions) of the Company in aggregate in any one year unless prior specific approval from members of the Company through a special resolution to this effect is obtained.

j) Maximum Quantum of benefits to be provided per employee

The maximum quantum of benefits underlying the options issued to an Eligible Employee shall depend upon the market price of the equity shares of the Company, as on the date of sale of such equity shares.

k) Whether the scheme is to be implemented and administered directly by the Company or through a trust

The Scheme will be implemented directly by the Company under the guidance of the Nomination and Remuneration Committee of the Board.

l) Whether scheme involves new issue of shares by the Company or Secondary acquisition by the trust

The Scheme will involve only new issue of shares by the Company.

m) The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;

Not applicable since the Scheme is not implemented through Trust.

n) Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);

Not applicable since the Scheme is not implemented through Trust.

o) Disclosure and accounting policies

The Company shall comply with the disclosure and the accounting policies prescribed as per the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 (as amended from time to time) and the guidelines issued by Institute of Chartered Accountants of India from time to time.

p) Method of Valuation

To calculate the employee compensation cost, the Company shall use Fair Value Method or any other applicable accounting guidelines for valuation of the options granted.

q) Certificate from auditors

The Board of Directors shall at each annual general meeting place before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with the prescribed regulations and in accordance with the resolution of the company.

r) Other terms

The employees to whom options have been granted (and which have not been exercised by them) shall have right, without giving any reason/s, to surrender such options, whether vested or otherwise and such surrendered options shall be added back to the number of Options that are pending to be granted.

The Board or Nomination and Remuneration Committee shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the regulations and guidelines as prescribed by the Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the Option Grantees.

The Board or Nomination and Remuneration Committee may, if it deems necessary, modify, change, vary, amend, suspend or terminate the ESOS - 2022, subject to compliance with the Applicable Laws and Regulations.

As the Scheme would entail further shares to be offered to persons other than existing Members of the Company, consent of the members is sought pursuant to the provisions of section 42 and 62 (1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per the requirement of Clause 6 of the SEBI ESOS Regulations.

None of the Directors and Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution No. 6, except to the extent of their shareholding entitlements, if any, under the ESOS.

Your Directors recommend the Resolutions set out in Item No. 6 of the Notice for adoption by the Shareholders as Special Resolution/s.

By Order of the Board
For Arvind Fashions Limited

Date: 18th August, 2022
Place: Bangalore

Lipi Jha
Company Secretary

Registered Office:
Main Building,
Arvind Limited Premises,
Naroda Road,
Ahmedabad-380025.

Details of Directors seeking Appointment / Re-appointment at the Fifth Annual General Meeting
[Pursuant to Regulations 26 and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] and SS-2 – Secretarial Standards on General Meetings

Name of the Director	**Mr. Kulin Lalbhai**	**Ms. Nithya Eswaran**	**Mr. Manoj Nakra**
DIN	05206878	03605392	08566768
Date of Birth	August 13, 1985	August 19, 1973	February 2, 1956
Age	37 Years	49 Years	66 Years
Qualifications	B.Sc. (Electrical Engineering), Stanford University, USA MBA - Harvard Business School, USA	MBA from IIM Lucknow	BE (IIT Delhi), MBA (IIM Bangalore), DBA (Case Western, USA)
Expertise in specific functional areas	Industrialist, Apparel & Textile Industry domain, Entrepreneur, Technology Expert	Financial Services, Asset Management, Capital Markets, Wealth Management, Private Equity	Retail and Distribution, Entrepreneurship and Technology Application.
Brief Profile	Mr. Kulin Lalbhai is the Non-Executive Director at Arvind Fashions and Executive Director at Arvind Limited. He is driving new initiatives in the consumer businesses of the group. He has been instrumental in setting up several new retail concepts and also spearheads the group's digital initiatives. He also plays an active role in the overall Corporate Strategy. Kulin holds an MBA from the Harvard Business School, and a BSc in Electrical Engineering from the Stanford University. Prior to his current role, he has also been a management consultant at Mckinsey & Co.	Ms. Nithya Easwaran has over 20 years of rich experience in financial services. She is Managing Director of Multiples Alternate Asset Management, a private equity platform with over US$1 billion of assets under management. Prior to joining Multiples Alternate Asset Management, she headed the Structured Finance Team of Citibank in India and before that she was a part of the structured finance business of ICICI Ltd	Dr. Manoj Nakra is a co-founder of SCIP, a SaaS platform company. SCIP platforms are used for Angel Investing, Startup Incubation, Creating Private Communities and Recruitment. Before reinventing himself in technology, Manoj led the creation and implementation of many global luxury and lifestyle brands in the Middle East and India. He engages with retailers for their digitalization. Manoj has held CEO positions at The Waterbase Limited (BSE listed company), and Jashanmal (Retailer in UAE), COO position at DubaiSME (Entrepreneur Development Organization of Government of Dubai) and CXO position Apparel Group (Retailer in UAE). His expertise and experience are in retail and distribution, entrepreneurship, and technology application. Manoj is a guest faculty at IIM Bangalore. Manoj is a Mechanical Engineer (IIT Delhi), has an MBA (IIM,

Name of the Director	Mr. Kulin Lalbhai	Ms. Nithya Eswaran	Mr. Manoj Nakra
			Bangalore), and a DBA (Case Western, USA). He has written two books
Date of first appointment	February 07, 2017	February 07, 2017	July 01, 2022
Directorships held in other public companies (excluding, private, foreign and Section 8 companies)	1. Arvind Limited 2. Arvind SmartSpaces Limited 3. Arvind Internet Limited 4. Zydus Wellness Limited	Nil	Nil
Memberships/Chairmanships of committees of other companies (includes only Audit Committee and Stakeholder Relationship Committee)	Member - Audit Committee (Zydus Wellness Limited)	Nil	Nil
Inter-se relationship with other Directors and Key Managerial Personnel	Mr. Kulin Lalbhai is son of Mr. Sanjay Lalbhai, Chairman and Non-Executive Director and brother of Mr. Punit Lalbhai, Non-Executive Director of the Company.	No	No
Number of shares held in the Company	Nil	Nil	Nil
The number of Meetings of the Board attended during the year	7 out of 7	7 out of 7	0 (appointed in the FY 22-23)
Details of remuneration sought to be paid	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer report on Corporate Governance
Remuneration last drawn	Refer Annexure - E to the Directors' Report	Refer Annexure - E to the Directors' Report	Refer Annexure - E to the Directors' Report

DIRECTORS' REPORT

To

The Members,

Arvind Fashions Limited.

Your Directors are pleased to present the Directors' Report of the Company together with the audited financial statements of the Company for the financial year ended March 31, 2022.

1. Financial Highlights

The Company's financial performances for the year under review along with previous year's figures are given hereunder:

[₹in Crores]

Particulars	Standalone		Consolidated	
	2021-22	2020-21	**2021-22**	2020-21
Revenue from operations (Net)	**514.01**	298.30	**3056.04**	1911.91
Profit/(Loss) Before Interest, Depreciation, Tax & Exceptional Items	**39.31**	35.01	**247.04**	107.15
Less: Finance Cost	**12.36**	31.43	**123.92**	180.29
Profit/(Loss) Before Depreciation, Tax & Exceptional Items	**26.95**	3.58	**123.12**	(73.14)
Less: Depreciation/Amortization	**18.07**	17.54	**233.00**	237.84
Profit/(Loss) before exceptional items & tax	**8.88**	(13.96)	**(109.88)**	(310.98)
Less: Exceptional items	**-**	45.73	**-**	45.2
Profit/(Loss) before tax	**8.88**	(59.69)	**(109.88)**	(356.18)
Less: Current tax/Deferred tax	**1.44**	(0.28)	**(5.80)**	41.86
Profit/(Loss) after Tax from Continuing Operations	**7.44**	(59.41)	**(104.08)**	(398.04)
Profit/(Loss) Before Tax for the period from Discontinuing Operations	**-**	-	**(132.62)**	(197.95)
Tax Expense/(Credit) on Discontinuing Operations	**-**	-	**-**	-
Profit/(Loss) after Tax from Discontinuing Operations	**-**	-	**(132.62)**	(197.95)
Net Profit/(Loss) for the period from Continuing Operations and Discontinuing Operations	**7.44**	(59.41)	**(236.70)**	(595.99)
Add: Other Comprehensive Income	**(0.43)**	0.01	**(0.43)**	(2.68)
Profit/(Loss) after Tax and OCI	**7.01**	(59.40)	**(237.13)**	(598.67)
Profit /(Loss) after tax carried over to Balance Sheet	**7.01**	(59.40)	**(237.13)**	(598.67)
Proposed Dividend	**-**	-	**-**	-
Transfer to General Reserve	**-**	-	**-**	-

2. Performance Review:

On Standalone basis

The total revenue from operations (net) of the Company is Rs. 514.01 Crores during the year as against Rs. 298.30 Crores in the previous year. The Company has reported net profit of Rs. 7.44 Crores during the year under review as against loss of Rs. 59.41 crores in the previous year.

On Consolidated basis

The consolidated total Revenue from operations (Net) for the current year is at Rs. 3,056.04 Crores as against Rs. 1,911.91 Crores during the previous year. The consolidated Profit before interest, depreciation, tax and exceptional items for the current year stands at Rs. 247.04 crores as against Rs.107.15 Crores during the previous year.

3. Material Events during the year under review

- **Preferential Issue of shares:**

  The board of directors of the company in their meeting held on 21st August 2021 have approved creation, offer, issue and allotment of shares on preferential basis to identified investors and promoter. Subsequently the members of the company in the extra ordinary general meeting held on 16th September 2021 have approved to create, offer, issue and allot shares to the identified investors and promoter vide special resolution.

Pursuant to the approval received from members of the company the Board of Directors approved allotment of 1,83,06,624 fully paid equity shares to identified investors and one of the promoters on preferential basis at Rs.218.50 per equity share (of which Rs.4/- is towards face value and Rs.214.50 towards premium) on receipt of total consideration of Rs. 399.99 Crores.

- **Update on receipt of call money in the first and final call made during the financial year 2021-22:**

  The Company had issued 1,48,02,856 Equity Shares and allotted 14,801,776 Equity Shares of Rs. 4 each of the Company on rights basis in the ratio of 3 equity share for every 20 equity shares held, to eligible equity shareholders of the Company at an issue price of Rs. 135/- per Equity Share (including premium of Rs. 131 per Rights Equity Share) for an aggregate amount up to Rs. 199.84 crores. An amount equivalent to 51.85% of the issue price viz. Rs. 70 per equity share was received on application i.e. Rs. 103.61 Crores.

  An amount equivalent to 58.15% of the issue price viz. Rs. 65 per equity share which was pending to be raised as first and final call was made during the financial year 21-22 along with two reminders to the partly paid up shareholders. Total fund raised by the Company as on date from this right issue is Rs. 199.49 crores

  The funds raised by the Company through aforesaid Rights Issue, have been utilised for the objects stated in the Letter of Offer, dated February 19, 2021, towards repayment of certain borrowings of the Company and its wholly owned subsidiary and for General Corporate purpose

4. Dividend

In keeping view of growth prospects of the company and to conserve resources, your Directors did not recommend any dividend on Equity Shares for the year ended March 31, 2022.

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Dividend Distribution Policy and the same is available on the Company's Website at

https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-Dividend-Distribution-Policy.pdf

5. Board Meetings held during the year

The Company had held Seven Board meetings during the financial year under review on following dates:

a) 07th April 2021
b) 03rd June 2021
c) 21st July 2021
d) 06th August 2021
e) 21st August 2021
f) 13th November 2021
g) 11th February 2022

6. Directors' Responsibility Statement

The Directors hereby make the following Responsibility Statement as required by Section 134(3)(c) of the Companies Act, 2013:

a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

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

c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

d) The Directors have prepared the annual accounts on a going concern basis.

e) They have laid down internal financial controls, which are adequate and are operating effectively.

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

7. Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors and the Practicing Company Secretary in their Reports

There were no qualifications, reservations or adverse remarks made by the Statutory Auditors or the Secretarial Auditor of the Company.

8. Particulars of Loans, guarantees or investments under Section 186 of the Companies Act, 2013

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

9. Related Party Transactions under Section 188 of the Companies Act, 2013

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Policy on Related Party Transactions as approved by the Board is available on Company's website at https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-RPT-Policy.pdf

10. Extract of Annual Return

The details forming part of the extract of the Annual Return is available on Company's website at:

https://www.arvindfashions.com/corporate-governance/

11. Material changes and commitments affecting the financial position of the Company which have occurred between March 31, 2022 and August 18, 2022 (date of the report).

During March 31, 2022 and August 18, 2022 there is no material change and commitments affecting the financial position occurred in the company.

12. Information Conservation of Energy, Absorption of technology and Foreign Exchange Earnings and Outgo.

i) Conservation of Energy

The Company is making efforts to achieve energy efficiency and increase the mix of renewable energy within the operations

a) Energy Efficiency

- The Company strives to shift conventional lighting fixtures at the end of their life with LEDs in entire operations thereby reducing the overall energy demand
- The company is evaluating the potential of Internet of Things (IOT) for energy management within its store operations. Two different pilots were undertaken in FY 21 and FY 22 that indicated a reduction potential of 5%-8% in the energy demand. The same are being evaluated for commercial ramp up for few store operations
- The company is also working on SOPs to achieve behavioural based energy efficiency within the operations

b) Renewable energy

- We signed an agreement to wheel solar power from an independent power producer in FY 19, expected to cover 80-95% of the energy demand at AFL's corporate office. We have a potential of mitigating ~1,030 tons of carbon dioxide on an annual basis.
- Company is exploring the potential of shifting its warehouses to renewable energy in the near future. The same was planned in FY21 but was postponed due to Covid-19 pandemic.
- Company is also engaging with its vendor partners to enable their transition to renewable energy thereby reducing the overall carbon footprint of its products.

ii) Absorption of technology

The Company has not absorbed any technology.

iii) Foreign Exchange Earnings and Outgo

₹in Crores

Particulars	2021-2022	2020-2021
Earning in Foreign Currency	**11.42**	4.24
Expenditure in Foreign Currency	**38.12**	55.56

13. Nomination & Remuneration Policy of the Company

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy is available on the Company's website at

https://www.arvindfashions.com/wp-content/uploads/2019/05/Nomination-and-Remuneration-Policy.pdf

14. Statement concerning development and implementation of Risk Management policy of the company

The Board has, framed a policy to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The Risk Management Policy is available on the Company's website at

https://www.arvindfashions.com/wp-content/uploads/2019/03/Risk-Management-Policy.pdf

15. Corporate Social Responsibility (CSR)

The Company's initiatives for social advancement has be undertaken through Strategic Help Alliance to Relief to Distressed Areas (SHARDA) Trust. In addition, the skills of vast majority of Employee Talents that the company has will be utilized in accomplishment of its CSR vision.

We have supported and will continue to fund the ongoing projects mentioned below:

1. Supporting Government School Children
2. Providing Scholarships for higher education
3. Projects around Company's Area of Operations

During the year the company has spent Rs. 20 Lakhs through Strategic Help Alliance to Relief to Distressed Areas (SHARDA) Trust and Rs. 23.13 Lakhs to Arvind Foundation, as the CSR expenditure.

The Annual Report on CSR Activities in prescribed format including details of Corporate Social Responsibility Initiatives is enclosed as an **Annexure-A.**

16. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors ("Board") has carried out an annual evaluation of its own performance and that of its Committees and individual Directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

17. Change In the nature of the Business

There was no change in the nature of the business during the year under review.

18. Directors & Key Managerial Personnel

The Board of Directors consists of 12 (Twelve) members, comprising of 1 Managing Director, 5 Non-Executive Directors and 6 Non-Executive Independent Directors.

As per the provisions of Section 152 (6) of the Companies Act, 2013, Mr. Kulin Sanjay Lalbhai (DIN: 05206878) and Ms. Nithya

Easwaran (DIN: 03605392), will retire by rotation at the ensuing Annual General Meeting and being eligible, offered them self for re-appointment as the Directors of the Company.

The Independent Directors have submitted a declaration that each of them meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as an Independent Director during the year.

As per the provisions of Section 203 of the Companies Act, 2013, Mr. Shailesh Shyam Chaturvedi Managing Director & CEO, Mr. Piyush Gupta Chief Financial Officer, are the Key Managerial Personnel of the Company.

Mr. Pramod Kumar Gupta, Chief Financial Officer and Mr. Vijay Kumar B S, Company Secretary have resigned from their office with effect from 11th February 2022 and 31st March 2022 respectively.

Mr. Piyush Gupta has been appointed as Chief Financial Officer with effect from 12th February 2022 and Ms. Lipi Jha has been appointed as Company Secretary and Compliance Officer with effect from 27th May 2022.

19. Disclosure under Section 67(3)(c) of the Companies Act, 2013

No disclosure is required under section 67(3)(c) of the Companies Act, 2013 read with Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

20. Auditors

Statutory Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration No. 117365W) were appointed as the joint statutory auditors of your Company for a period of five consecutive years at the Annual General Meeting ("AGM") held on August 23, 2021 along with M/s. Sorab S. Engineer & Co, Chartered Accountants (ICAI Firm Registration No. 110417W). The Report given by the Auditors on the financial statements of the Company is part of the Annual Report.

The tenure of M/s. Sorab S. Engineer & Co, Chartered Accountants (ICAI Firm Registration No. 110417W) who were appointed in the Annual General Meeting ("AGM") held on August 04, 2017 will conclude at the ensuing Annual General Meeting and post this date M/s. Deloitte Haskins & Sells will continue to act as sole statutory auditors of your Company.

Secretarial Auditors

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of M/s. N. V. Kathiria & Associates, Company Secretary in Practice, Ahmedabad to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2022. The Secretarial Audit Report (in Form MR-3) of the Company and its material Subsidiary Company is enclosed as an **Annexure-B** to this Report.

21. Subsidiaries /Joint Ventures / Associates

As on March 31, 2022, the Company has 4 subsidiary companies and 1 Joint Venture Companies.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC-1 is attached to the Financial Statements. The separate audited financial statements in respect of each of the subsidiary shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited financial statements in respect of each of the subsidiary are also available on the website of the Company at www.arvindfashions.com

The Company has framed a policy for determining material subsidiaries, which has been uploaded on company's website at

https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-Policy-on-Material-Subsidiaries.pdf

22. Consolidated Financial Statements

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and form part of this Annual Report.

23. Deposits

During the year under review, your Company has neither accepted nor renewed any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

24. Significant and Material Orders Passed by the Regulators or Courts or Tribunals impacting the Going Concern status of the Company

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company

25. Internal financial Controls

The Company has in place adequate internal financial controls with reference to financial statements and dedicated Internal Audit team to ensure its adequacy. The scope and authority of the Internal Audit function is well defined in the organisation. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of the Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions suggested are presented to the Audit Committee of the Board.

The Statutory Auditor of the Company has also given an opinion that the Internal Financial Controls over Financial Reporting are adequate and are operating effectively at the end of the financial year.

26. Disclosure of composition of Audit Committee

The Audit Committee consists of the following Members;

i) Mr. Nagesh Pinge –Independent Director

ii) Mr. Nilesh Shah –Independent Director

iii) Ms. Abanti Sankaranarayanan –Independent Director

iv) Ms. Nithya Easwaran –Non-Executive Director

27. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The Provisions of Section 125(2) of the Companies Act, 2013, do not apply as there was no dividend declared and paid since incorporation of the Company.

28. Share Capital

During the year under review, the Company has increased its paid-up capital from Rs. 42,43,46,396/- to Rs. 52,97,45,522/- by allotting 1,83,06,624 fully paid up equity shares under private placement basis and 6,67,702 under ESOP scheme of the company.

A. Issue of Equity Shares with differential rights – No such issue and accordingly no compliance

B. Issue of Sweat Equity Shares - No such issue and accordingly no compliance

29. Employee Stock Option Schemes (ESOS)

The Company has instituted the Employees Stock Option Scheme (ESOS) 2016 and 2018, to grant equity-based incentives to certain eligible employees and directors of the Company and its subsidiary and holding companies. During the year under review, the Company has granted stock options to eligible employees. Disclosures in compliance with Section 62 of the Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 are set out in **Annexure -C** to this report.

30. Vigil Mechanism

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at

https://www.arvindfashions.com/wp-content/uploads/2019/04/Whistleblower-Policy.pdf

31. Familiarization programme for the independent directors

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report are also available on the Company's website at

https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-Familiarisation-Programs-of-Independent-Directors.pdf

32. Corporate Governance Report and Management Discussion & Analysis

The Corporate Governance Report and Management Discussion & Analysis, which form part of this Report, together with the Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

33. Business Responsibility Report

The Business Responsibility Report for the year ended March 31, 2021 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed which forms part of this Annual Report.

34. Particulars of Employees

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136(1) of the Companies Act, 2013, the Annual Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure-D** to this report.

35. Disclosure as per sexual harassment of women at Workplace (prevention, prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has also formed Internal Complaint Committee and the Committee members are experts on handling the investigations and proceedings as defined in the policy.

During the financial year 2021-22, five (5) cases of sexual harassment were received by the Company, its subsidiaries and associates and the same had been satisfactorily addressed before 31st March 2022.

36. Human Resources

At Arvind Fashions, we believe that our people are our biggest asset. Our Organizational Values – Service, Innovation, Living the Brand, Collaborate and Care, along with a strong 'will do' culture have helped instil a sense of passion, commitment and performance among our employees.

At Arvind Fashions, We provide an environment that encourages collaboration and teamwork along with recognition. Demonstrating the values and leadership behaviours along with recognizing good performance has been the key to Arvind Fashions success. Our various platforms, events and engagement initiatives like SMILES – Our comprehensive employee engagement program for our retail staff provides instant support on salaries, learning and development, career progression and performance with the click of button, Fundo - the sports Olympiad event consisting of various high adrenaline activities, Family Day - a corporate organized function blending fun, family and activities in one well-planned occasion, and through reach-outs – employee town halls where leaders talk about the achievements of the quarter gone by and the way forward plans. Through such events, our employees get an opportunity to bond with their larger cross functional teams and understand the bigger picture they are contributing towards.

At Arvind Fashions we focus on the holistic growth and wellness of our people. The Arvind YoHGA framework is developed to focus on the overall wellness of our employees and deliver a differentiated employee experience. Our progressive policies and practices such as flexi-time policy, Travel and accommodation benefits, Maternity & Adoption policy, Crèche' services and Paternity policy along with our Professional Development initiatives and Internal Career Mobility Platform ensures that an environment of empowerment is created for all employees.

Our focus has been on development of our talent across job roles and our branded development initiatives like Arvind University - our learning and development centre of excellence where we 'fashion possibilities in learning'. Our purpose is to foster a learning environment where our employees develop skills they need to achieve high business performance for progressive growth. At Arvind University, we provide business specific learning interventions for retail, functional and leadership development, which help acquire skills & competencies that have direct business impact and individual growth. It is our vision to maximise these offerings to learn, contribute & grow. Arvind Express - our career progression initiative that provides employees a transparent and structured process to help take on larger roles within the company. Our assessment process has a holistic approach which blends both Machine Learning and Human Intervention to strategically evaluate employee performance and strengths to provide critical developmental feedback.

Our EVP (Employee Value Proposition) of 'Fashioning Possibilities' offers employees opportunity to impact beyond their job description. This along with our 'Will Do' culture and cutting-edge HR practices have helped us attract and retain the best talent. This has also made our company a preferred employer for professionals in the industry.

37. Acknowledgement

The Directors wish to express their appreciation for the continued support of bankers, financial institutions, customers, and various Government agencies. The Directors also wish to thank all the employees for their contribution, support and continued co-operation throughout the year.

For and on behalf of the Board of Arvind Fashions Limited

sd/_	sd/_
Mr. Sanjay S. Lalbhai	**Mr. Shailesh Shyam Chaturvedi**
Chairman & Director	Managing Director & CEO
DIN :00008329	DIN :03023079
Place: Ahmedabad	**Place:** Bangalore
Date: 18/08/2022	**Date:** 18/08/2022

Annexure – A to the Director's Report

BOARD REPORT FOR FINANCIAL YEAR COMMENCED PRIOR TO 1ST DAY OF APRIL, 2022
2021-22

Brief outline on CSR policy of the Company
Refer section 1 Annexure II.

Overview of CSR Initiatives

At Arvind Fashions Limited (AFL), through its CSR policy, aims to work for social and economic advancement of the people and thereby positively impact their quality of life. Arvind Fashions Limited (AFL), has identified Strategic Help Alliance to Relief to Distressed Areas (SHARDA) Trust and Arvind Foundation as their CSR vehicles to undertake the advancement initiatives.

We have supported the projects mentioned below:

1. Providing Scholarships for higher education

2. Upgrading Education & Life skills

Impact of Pandemic

The large parts of the year 2021-22 also witnessed the continuance of pandemic. The Company also undertook COVID Relief operations during the 2021-22. Following paragraph has the details:

Initiative brief:

The Ministry of Corporate Affairs has given a new format for reporting. Annexure II has the details.

Providing Scholarships for Higher Education: The Company has initiated **Saksham Arvind Fashion's Scholarship Program as an Ongoing Programme**. For the second year, we are continuing to provide the scholarship. The scholarship program is envisaged as multi-year scholarship support program for Higher Education and is open to applicants pursuing Undergraduate, Post Graduate, ITI and Diploma courses. The annual family income is capped below Rupees 6.0 Lacs. The process of identification was undertaken through an independent platform Vidyasarthi, an initiative by NSDL. The process involved Bootcamps for mobilisation, application sourcing, physical verification of application, student finalisation and disbursal. To create awareness about scholarship scheme, multiple boot camps were conducted. In-person meeting with students to verify their documents also happened.

The scholarship numbers almost doubled in comparison to last year and the average scholarship amount increased by around 20%. 142 students were given scholarships and the average scholarship amount was around Rs 12300. 75% recipients are pursuing their bachelor exams and remaining for Masters, ITI and Diploma studies. One third of the Bachelor students are pursuing their Engineering. Our experience had been good and this worked well in spite of the pandemic.

Project Upgrading Life skills:

The company has funded a project of education and life skills as an ongoing project to help youth who are entering into their first job. It aims to equip them with skills to deal with life's challenges effectively. The program would help the participants acquire communication and interpersonal skills, problem solving, critical thinking and creativity to be successful professionally and personally.

In addition of the above initiatives, the COVID Relief work during FY 2021-22 was also undertaken with the larger focus on supporting the medical Infrastructure of the Government. The Company, through the project grants released for working around Company's Areas of Operations supported the District Hospital Tumkur with infrastructure support that was needed for COVID Relief. This included establishing Oxygen piping of 75 General beds, Paediatric ICU equipment and consumables along with ECG Machines.

Annexure II

1. Brief Outline of the Company's CSR Policy

The Arvind Fashions Limited Policy on Corporate Social Responsibility **(AFLPCSR)** provides a structured guideline for the Company and all its Subsidiaries and Joint Ventures to undertake CSR initiatives. This policy helps them maintain a common CSR thought thread. For doing so, the top Management of the Arvind Fashions Limited and its Subsidiaries and Joint Ventures define an annual budget, select CSR focus areas, select geography, work with either the Arvind Fashions CSR team to undertake CSR initiatives or partner with like-minded individuals and organisations and last but not the least, utilise the skills of vast majority of Employee Talents that the company has in accomplishment of its CSR vision.

Our CSR Policy is in sync with the broader areas of Schedule VII of the New Companies Act and will always be aligned to the changes that gets incorporate in the schedule.

The key points of the policy are presented below and the policy can be reached at our website through the given link: https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-CSR-Policy.pdf

2. Composition of the CSR Committee

The Arvind Limited has set up Corporate Social Responsibility Committee (CSR Committee) as per the requirement of the Companies Act. The members of the CSR Committee are:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Kulin Lalbhai	Non-Executive Director, Chairman	1	1
2	Mr Punit Lalbhai	Non-Executive Director,	1	1
3	Mr Nilesh Shah	Independent Director	1	1

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-CSR-Policy.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable.

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

NIL

6. Average net profit of the Company as per Section 135(5)

The average net profit of the Company is Rs. 21.56 Crores

7.

a) Two percent of average net profit of the company as per section 135(5):

Rs. 43.13 Lacs

b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:

NA.

c) Amount required to be set off for the financial year, if any:

NIL

d) Total CSR obligation for the financial year (7a+7b-7c):

Rs. 43.13 Lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
43,13,658/-	NIL	-	NA	NIL	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project (in Rs. Lacs)	Amount spent in the current Financial Year (in Rs. Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
(1)	Scholarship for Higher Education	ii	No	Karnataka Different Districts		1+3 Year	20.00	20.00	NIL	No	SHARDA Trust CSR Registration Number CSR00004737	
(2)	Education & Life skills	ii	Yes	Bangalore Karnataka		1+3 Year	23.13	23.13	NIL	No	Arvind Foundation CSR Registration Number CSR00004733	
	Total							**43.13**				

c) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount allocated for the project (in Rs.)	Mode of Implem entation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1									
2									
3									
Total									

d) Amount spent in Administrative Overheads: Nil.

e) Amount spent on Impact Assessment, if applicable: Not Applicable

f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 43,13,658

g) Excess Amount for set off, if any: Nil.

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	43,13,658.00
(ii)	Total amount spent for the Financial Year	43,13,658.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]*	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1	2021-22	-	-	NA	NIL	-	NIL
2	2020-21	-	-	NA	NIL	-	NIL
	Total	**-**	**-**		**NIL**		**NIL**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID**	**Name of the Project**	**Financial Year in which the project was commenced**	**Project Duration**	**Total Amount allocated for the project (in Rs.)**	**Total Amount spent in the reporting Financial Year (in Rs.)**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed / Ongoing**
1								
2								
3								
Total								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(a) Date of creation or acquisition of the capital asset(s):

No Capital Asset created during the financial year 2020-21.

(b) Amount of CSR spent for creation or acquisition of capital asset:

Not Applicable

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):

Not applicable. The Company has spent the required amount.

Sd/-	Sd/-	Sd/-
Mr. Kulin Lalbhai	**Mr Nilesh Shah**	**Mr. Punit Lalbhai**
Non-Executive Director	Independent Director	Non-Executive Director

Date: 18/08/2022

Annexure – B

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH,2022

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

To,

The Members,

Arvind Fashions Limited

Main Building, Arvind Limited Premises,

Naroda Road, Ahmedabad – 380025.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ARVIND FASHIONS LIMITED** (hereinafter "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 (Audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:
   (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
   (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
   (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
   (v) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015;
   (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company has not issue any such securities during the financial year)**
   (vii) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar and Transfer Agents with SEBI)**
   (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable as the Company has not delisted any of its equity shares during the financial year);**
   (ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable as the Company has not bought back any of the securities during the financial year).**
3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.
4. The Company has complied with following specific laws to the extent applicable to the Company:
   a) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
   b) The Employees' State Insurance Act, 1948.
   c) The Contract Labour (Regulation & Abolition) Act, 1970.
   d) The Maternity Benefit Act, 1961.
   e) The Minimum Wages Act, 1948.

f) The Payment of Bonus Act, 1965.

g) The Payment of Gratuity Act, 1972.

h) The Payment of Wages Act, 1936.

i) The Workmen Compensation Act, 1923.

j) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.

k) Shops and Establishment Act of respective states.

l) The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.

m) Tax on Profession of respective States.

n) Labour Welfare Fund.

o) The Legal Metrology Act, 2009.

p) The Consumer Protection Act, 1986.

q) Trademarks Act, 1999.

r) The Information Technology Act, 2000.

s) Income Tax Act, 1961 and its Rules.

t) The Goods and Services Tax Act, 2017.

u) Customs Act, 1962.

5. We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India and The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period there were no specific events / actions having a major bearing on the company's affairs except the following:

1. Company has called first and final call as on 7th April, 2021 of ₹ 65 in respect of 1,48,01,776 outstanding partly paid-up equity shares of face value ₹ 4 each (₹2 paid up) on equity share issued as on 19.02.2021.

   Further, The Company has issued Final Demand cum Forfeiture Notice on July 15, 2021 and on December 15, 2021 to the equity shareholders who has not paid first and final call on shares allotted to them. Out of total right issue dated 19th February, 2021, 50,865 equity shares are remained partly paid up during end of reporting period.

2. The Company has allotted 1,83,06,624 equity shares of face value of Rs. 4/- each with premium of Rs. 214.50 on preferential Basis as on 22nd September, 2021 to the 16 investors and promoter of the Company.

3. The Company has allotted 5,49,424 Equity shares as on 30th September, 2021, 1,08,587 Equity shares as on 26th October, 2022, and 9,691 equity Shares as on 9th February, 2022, to the eligible employees pursuant exercise of stock options to eligible applicants/Grantee under Employee Stock Option scheme 2016 (ESOS 2016) of the Company.

For N. V. Kathiria & Associates
Company Secretaries
Sd/-
N. V. Kathiria
Proprietor
FCS 4573 COP 3278
(UDIN: F004573D000406801)

Date: 27/05/2022
Place: Ahmedabad

To,

The Members,

Arvind Fashions Limited

Main Building, Arvind Limited Premises,

Naroda Road, Ahmedabad- 380025.

Our Secretarial Audit Report of even date is to be read along with this letter.

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

For N. V. Kathiria & Associates

Company Secretaries

Sd/-

N. V. Kathiria

Proprietor

FCS 4573 COP 3278

(UDIN: F004573D000406801)

Date: 27/05/2022

Place: Ahmedabad

Secretarial Audit Report of the Material Subsidary

FORM NO. MR – 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

ARVIND LIFESTYLE BRANDS LIMITED

Arvind Mills Premises,

Naroda Road, Ahmedabad – 380025.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arvind Lifestyle Brands Limited** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:
   - (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
   - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
   - (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
   - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   - (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
   - (v) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015;
   - (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   - (vii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   - (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   - (ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

   It has been found that there were no instances requiring compliance with the provision of the laws indicated at point No. 2 mentioned hereinabove during the period under review.
3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.
4. The Company has complied with following specific laws to the extent applicable to the Company:
   - a. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
   - b. The Employees' State Insurance Act, 1948.
   - c. The Contract Labour (Regulation & Abolition) Act, 1970.
   - d. The Maternity Benefit Act, 1961.
   - e. The Minimum Wages Act, 1948.
   - f. The Payment of Bonus Act, 1965.

g. The Payment of Gratuity Act, 1972.
h. The Payment of Wages Act, 1936.
i. The Workmen Compensation Act, 1923.
j. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013.
k. Shops and Establishment Act of respective states.
l. The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986.
m. Tax on Profession of respective States.
n. Labour Welfare Fund.
o. The Legal Metrology Act, 2009.
p. The Consumer Protection Act, 1986.
q. Trademarks Act, 1999.
r. The Information Technology Act, 2000.
s. Income Tax Act, 1961 and its Rules.
t. The Goods And Services Tax Act, 2017.
u. Customs Act, 1962.

5. We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

The Listing Agreements entered into by the Company with Stock Exchange pursuant to Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015. **(the securities of the company are not listed on any recognized stock exchange, so clauses of listing agreement were not applicable)**

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that

During the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc. except the following:

1. The Company has allotted 48,00,000 equity shares of Rs. 10/- at a premium of RS. 90/- as on 11.06.2021, pursuant to Rights Issue to the existing shareholder of the Company.
2. The Company has allotted 2,00,00,000 equity shares of Rs. 10/- at a premium of RS. 90/- as on 04.10.2021, pursuant to Rights Issue to the existing shareholder of the Company.
3. The Company has allotted 10,00,00,000 Perpetual Non-Convertible Debenture (NCDs) of Rs. 10/- each as on 29.03.2022 to the Holding Company M/s. Arvind Fashion Limited.
4. The company has altered the authorized capital clause of its MOA to increase authorized capital from Rs. 1,50,00,00,000 to Rs. 2,00,00,00,000 vide an Ordinary Resolution passed at the Extraordinary General Meeting of the Company held on September 14, 2021.

For N. V. Kathiria & Associates
Company Secretaries
Sd/-
N. V. Kathiria
Proprietor
FCS 4573 COP 3278
(UDIN :F004573D000406942)

Date: 27/05/2022
Place: Ahmedabad

To,
The Members
ARVIND LIFESTYLE BRANDS LIMITED
Arvind Mills Premises, Naroda Road,
Ahmedabad- 380025.

Our Secretarial Audit Report of even date is to be read along with this letter.

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

For N. V. Kathiria & Associates
Company Secretaries
Sd/-
N. V. Kathiria
Proprietor
FCS 4573 COP 3278
(UDIN :F004573D000406942)

Date: 27.05.2022
Place: Ahmedabad

Annexure – C

Disclosures under Regulation 14 of the SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021

1	**Description of ESOS**	**ESOS 2016**	**ESOS 2018**
(a)	Date of shareholders approval Date of shareholder's approval on the amendment	15-Oct-2016 16-Jul-2018	12-May-2018 Date of approval to the Composite Scheme of Arrangement involving De-merger, amalgamation and restructuring of Capital amongst Arvind Limited, Arvind Fashions Limited, Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective shareholders and creditors (“**the Scheme**”)
(b)	Total number of shares approved	75,00,000	19,09,800
(c)	Vesting requirements	Options vest over a period of 1 to 5 years based on continued service and certain performance parameters.	
(d)	Exercise price or pricing formula	The Exercise Price shall be as decided by the Board/Committee at its own discretion. Provided that after listing of the equity shares of the Company on any recognized stock exchange in India, the exercise price shall be the Market Price of the share. However, it can be such other price as may be decided by the Board/Committee for grant of options not exceeding 0.5% of the paid-up equity shares as on 31st March 2018 i.e. not exceeding 5,79,257 shares or such other price as may be required to be arrived in accordance with the applicable laws. Further, Board/Committee shall grant such options not exceeding 0.5% of paid up capital as mentioned above to employees in lieu of cash compensation based on achievement of key performance indicators and such options shall not exceed 0.15% of the paid-up capital i.e. not exceeding 1,73,777 shares to any one employee.	Market price of the equity shares being latest available closing price on the Stock Exchange. However, Options granted to the Employees of the Demerged Company, i.e., Arvind Limited, will be at the Exercise Price as mentioned under Part II, clause 7.4.4 of the Scheme of Arrangement which states that the Board of the Resulting Company 1, i.e., AFL shall determine the exercise price of the stock options issued by it in lieu of stock options granted under Arvind Limited's ESOS and outstanding before the demerger.
(e)	Maximum term of options granted	5 years from the date of grant	
(f)	Source of shares	Primary	
(g)	Variation of terms of options	None	
2	Method used to account for ESOS	Fair Value Method	

3	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on the profits and EPS of the Company shall also be disclosed.	Not applicable	
	(i) Difference between Intrinsic value and Fair value compensation cost		
	(ii) Impact on the Profits of the Company (Rs.)		
	(iii) Impact on Basic Earnings Per Share of the Company (Rs.)		
	(iv) Impact on Diluted Earnings Per Share of the Company (Rs.)		
4	Option movement during the year:		
(a)	Options Outstanding at the beginning of the year	19,85,522	3,15,200
(b)	Options granted during the year	7,00,000	0
(c)	Options forfeited/lapsed during the year	1,48,546	0
(d)	Options vested during the year	8,42,541	0
(e)	Options exercised during the year	6,67,702	0
(f)	Number of shares arising as a result of exercise of option	6,67,702	0
(g)	Money realised by exercise of options (Rs.)	8,27,47,793	0
(h)	Loan repaid by the Trust during the year from exercise price received	NA	NA
(i)	Options Outstanding at the end of the year	18,69,274	3,15,200
(j)	Options Exercisable at the end of the year	7,44,674	3,15,200
5A	Weighted average exercise prices of outstanding options whose:		
	Exercise price equals market price of stock	Rs. 226.83	Rs. 830.15
	Exercise price exceeds market price of stock	Rs. 1320.37	0
	Exercise price is less than market price of stock	Rs. 72.30	0
5B	Weighted-average fair value of options whose		
	Exercise price equals market price of stock	Rs. 102.13	Rs. 220.73
	Exercise price exceeds market price of stock	Rs. 98.10	0
	Exercise price is less than market price of stock	Rs. 131.51	0
6	Grantee wise details of options granted to:		
	(i) Key managerial personnel	Shailesh Chaturvedi, Managing Director & CEO – 1,65,000 options Piyush Gupta, Chief Financial Officer – 40,000 options Pramod Kumar Gupta, Chief Financial Officer – 6,000 options Vijay Kumar B S, Company Secretary – 900 options Amitabh Suri - 45,000 options Yatish Gopendranath Mehrishi - 45,000 options Suman Saha - 40,000 options	None

	(ii) any other grantee who receives a grant in any one year of options amounting to five per cent or more of options granted during that year;	None	None
	(iii) identified employees who were granted options, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of grant.	None	None
7	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:		No grants were made during the period
	(i) Share price (Rs.)	273.98	
	(ii) Exercise price (Rs.)	237.24	
	(iii) Expected volatility	56.06%	
	(iv) Expected dividends	0.00%	
	(v) Risk-free interest rate	4.44%	
	(vi) Any other inputs to the model	None	
	(vii) Method used and the assumptions made to incorporate effects of expected early exercise	Binomial Option Pricing Model	
	(viii) How expected volatility was determined, including an explanation of the extent of to which expected volatility was based on historical volatility	The daily volatility of the Company's stock price and comparable companies' stock prices on NSE over the expected life of the options has been considered.	
	(ix) Whether any or how any other features of option grant were incorporated into the measurement of fair value, such as market condition.	None	

Annexure – D

Information pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 and the percentage of increase in the remuneration of each Directors, Chief Financial officer, Chief Executive officer, Company Secretary or Manager if any in the financial year 2021-22:

₹ in Lacs

Name	Designation	Annual Remuneration on for FY 2021-22 (in lacs)	% increase/ decrease in remuneration in FY 2021-22	Ratio of Remuneration to Median remuneration of employees
Non-Executive/ Independent Directors*				
Mr. Sanjay Lalbhai	Non-Executive Director	0.6	(14.29)	0.03
Mr. Kulin Lalbhai	Non-Executive Director	0.9	12.50	0.05
Mr. Punit Lalbhai	Non-Executive Director	1.0	11.11	0.05
Ms. Nithya Easwaran	Non-Executive Director	1.6	0.00	0.09
Mr. Suresh Jayaraman#	Non-Executive Director	0.0	0	0
Mr. Nagesh Dinkar Pinge	Independent Director	8.9	429.41	0.49
Mr. Nilesh Dhirajlal Shah	Independent Director	8.9	394.44	0.48
Ms. Abanti Sankaranarayanan	Independent Director	8.1	912.50	0.44
Mr. Achal Anil Bakeri	Independent Director	7.0	600.00	0.38
Mr. Vallabh Roopchand Bhansali	Independent Director	6.0	650.00	0.32
Ms. Vani Kola**	Independent Director	0.0	0.00	0.0
Key Managerial Personnel				
Mr. Shailesh Shyam Chaturvedi	Managing Director & CEO	579.98	608.16	21.34
Mr. Piyush Gupta***	Chief Financial Officer	89.96	N/A	1.62
Mr. Pramod Kumar Gupta****	Chief Financial Officer	215.59	61.73	11.00
Mr. Vijay Kumar B S##	Company Secretary	26.87	39.95	1.22

Notes:

* Non-Executive directors of the Company were paid only sitting fees for Financial Year 2021-22, as per the statutory provisions. Further Non-Executive Independent Directors of the company were paid sitting fee and commission for the Financial Year 2021-22 as per the statutory provisions.

**Ms. Vani Kola and Mr. Suresh Jayaraman have opted not to take any remuneration from the Company for her services. Hence, percentage increase/ decrease in remuneration in the year under review is not applicable.

*** Mr. Piyush Gupta has been appointed as Chief Financial Officer of the company w.e.f 12th February 2022.

**** Mr. Pramod Kumar Gupta has resigned from his office w.e.f 11th February 2022.

Mr. Suresh Jayaraman has been appointed as Non-executive director w.e.f August 23, 2021.

Mr. Vijay Kumar B S has resigned from his office w.e.f 31st March 2022.

2. The percentage increase in median remuneration of employees for the Financial Year was 25%.
3. The Company has 236 permanent Employees on the rolls of Company as on March 31, 2022.
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

   Average increase for Key Managerial Personnel is 1% and for other employees the average increase is 16%. There is no exceptional increase in remuneration of Key Managerial Personnel. However, such increase is not comparable for the reasons as mentioned in notes to point no. 1.
5. It is hereby affirmed that the remuneration paid during the year is as per the applicable Remuneration Policy of the Company.

CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended on 31st March 2022.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance at Arvind Fashions Limited ("Arvind") is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all our affairs and employ democratic and open processes. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the Company.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The majority of our Board, 6 out of 12, are independent members. Given below is the report on Corporate Governance of Arvind.

2. BOARD OF DIRECTORS

2.1 Composition of the Board:

The Board has 12 Directors, comprising of 1 Managing Director, 5 Non-Executive Directors and 6 Non-Executive Independent Directors. The Non-Executive Independent Directors are leading professionals from varied fields who bring in independent judgment to the Board's discussions and deliberations.

The following is the Composition of the Board as at 31st March 2022:

Sr. No.	Name of Director	Executive/Non-executive /Independent Director	No. of Directorships held (Including Arvind Fashions Ltd.)*	Committee(s) position (Including Arvind Fashions Ltd.)**	
				Member	Chairman
1	Mr. Sanjay Lalbhai	Chairman & Non-Executive Director	5	2	1
2	Mr. Shailesh Shyam Chaturvedi	Managing Director & CEO	4	0	0
3	Mr. Suresh Jayaraman	Non-Executive Director	4	0	0
4	Mr. Kulin Lalbhai	Non-Executive Director	7	2	1
5	Mr. Punit Lalbhai	Non-Executive Director	8	1	1
6	Ms. Nithya Easwaran	Non-Executive Director	5	2	0
7	Mr. Nilesh Shah	Independent Director	4	5	0
8	Ms. Abanti Sankaranarayanan	Independent Director	4	1	0
9	Mr. Nagesh Dinkar Pinge	Independent Director	10	3	2
10	Mr. Vallabh Bhanshali	Independent Director	8	0	0
11	Mr. Achal Anil Bakeri	Independent Director	7	1	0
12	Ms. Vani Kola	Independent Director	8	0	0

*All the Companies have been considered excluding Companies incorporated under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and Companies incorporated outside India.

**Only Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

Names of the other Listed Entities where the person is a Director and the category of Directorship:

Sr. No.	Name of the Director	Name of Listed Company	Category of Directorship	Audit Committee		Stakeholders' Relationship Committee	
				Member	Chairman	Member	Chairman
1	Mr. Sanjay Lalbhai	Arvind Limited	Chairman & Managing Director	-	-	✓	-
		Arvind SmartSpaces Limited	Chairman & Non-Executive Director	-	-	-	✓
		The Anup Engineering Limited	Chairman & Non-Executive Director	-	-	-	-
2	Mr.Shailesh Shyam Chaturvedi	-	-	-	-	-	-
3	Mr. Suresh Jayaraman	TCNS Clothing Co. Limited	Non-Executive - Independent Director	-	-	-	-
4	Mr. Kulin Lalbhai	Arvind SmartSpaces Limited	Non-Executive Director	-	-	-	-
		Arvind Limited	Wholetime Director	-	-	-	-
		Zydus Wellness Limited	Non-Executive Independent Director	✓	-	-	-
5	Mr. Punit Lalbhai	Arvind Limited	Wholetime Director	-	-	-	-
		The Anup Engineering Limited	Non-Executive Director	-	-	-	✓
6	Ms. Nithya Easwaran	-	-	-	-	-	-
7	Mr. Nilesh Shah	Arvind Limited	Non-Executive Independent Director	✓	-	-	-
8	Ms. Abanti Sankaranarayanan	-	-	-	-	-	-
9	Mr. Nagesh Dinkar Pinge	Goa Carbon Limited	Non-Executive Independent Director	-	✓	-	-
		Automobile Corporation Of Goa Limited	Director	✓	-	-	-
10	Mr. Vallabh Bhanshali	-	-	-	-	-	-
11	Mr. Achal Anil Bakeri	Symphony Limited	Chairman & Managing Director	-	-	-	-
		Nuvoco Vistas Corporation Limited	Non-Executive Independent Director	-	-	✓	-
12	Ms. Vani Kola	-	-	-	-	-	-
13	Mr. Manoj Nakra	-	-	-	-	-	-

2.2 The Board has identified the following skills/expertise/competencies with reference to its Business for the effective functioning of the Company and which are currently available with the Board:

Name of the Director	Skills/Expertise/Competencies
Mr. Sanjay Lalbhai	Industrialist, Apparel & Textile Industry domain, Entrepreneur, Board Service & Governance
Mr. Shailesh Shyam Chaturvedi	Apparel & Textile Industry domain, Marketing, Finance, Business Strategy & Corporate Planning.
Mr. Suresh Jayaraman	Apparel & Textile Industry domain, FMCG Industry domain, Marketing, Business Strategy & Corporate Planning.
Mr. Kulin Lalbhai	Industrialist, Apparel & Textile Industry domain, Entrepreneur, Technology Expert
Mr. Punit Lalbhai	Expertise in new materials and sustainable technologies, Sales and marketing, International business operations and Innovation management

Name of the Director	Skills/Expertise/Competencies
Ms. Nithya Easwaran	Financial Services, Asset Management, Capital Markets, Wealth Management, Private Equity.
Mr. Nilesh Shah	Finance, Banking, Asset Management, Capital Markets, Wealth Management
Ms. Abanti Sankaranarayanan	General management, marketing, public policy, corporate reputation and sustainability.
Mr. Nagesh Dinkar Pinge	Ethics, Corporate Governance, Risk Management, Internal Audit, Finance, Accounts and corporate laws.
Mr. Vallabh Bhanshali	Finance, Investment Banker, Asset Management, Capital Markets, Wealth Management
Mr. Achal Anil Bakeri	Industrialist, Entrepreneur, corporate strategy and people development
Ms. Vani Kola	Venture Capitalist, Financial Services, Asset Management, Capital Markets, Wealth Management, General Management.
Mr. Manoj Nakra	Expertise and experience are in retail and distribution, entrepreneurship, and technology application.

2.3 Board Agenda:

The annual calendar of Board and Committee Meetings are agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board Member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board Members at least 7 working days in advance. In addition, for any business exigencies the resolutions are passed by circulation and later places at the subsequent Board or Committee Meeting for ratification/approval. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

Invitees & Proceedings:

Apart from the Board Members, the Company Secretary, the Heads of Brands are invited to attend the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the matters being discussed by the Board. The CFO makes presentation on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Managing Director and other senior executives make presentations on capex proposals & progress, operational health & safety and other business issues.

Head of Internal Audit department, representatives of the Statutory Auditors are the permanent invitees of the Audit Committee meetings to discuss the areas of internal audit as well as highlights of the financial performance of the Company.

Support and Role of Company Secretary:

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of agenda and other documents and recording of the minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance to the Board and the Management.

2.4 Meetings and Attendance:

During the year, the Board of Directors met 7 times on April 07, 2021, June 03, 2021, July 21, 2021, August 06, 2021, August 21, 2021, November 13, 2021 and February 11, 2022. The gap between two Board Meetings was within the maximum time gap prescribed in SEBI (LODR) Regulations, 2015. The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under:

Sr. No.	Name of Director	Number of Board Meetings held during the period when the Director was on the Board	Number of Board Meetings attended	Whether present at the previous AGM held on September August 23, 2021
1	Mr. Sanjay Lalbhai	7	6	Yes
2	Mr. Suresh Jayaraman	7	6	Yes
3	Mr. Kulin Lalbhai	7	7	Yes
4	Mr. Punit Lalbhai	7	7	Yes
5	Ms. Nithya Easwaran	7	7	Yes
6	Mr. Nilesh Shah	7	6	Yes
7	Ms. Abanti Sankaranarayanan	7	2	Yes
8	Mr. Nagesh Dinkar Pinge	7	7	Yes
9	Mr. Vallabh Bhanshali	7	6	Yes
10	Mr. Achal Anil Bakeri	7	3	Yes
11	Ms. Vani Kola	7	3	Yes
12	Mr. Shailesh Shyam Chaturvedi	7	7	Yes

2.5 Independent Directors:

Independent Directors play an important role in the governance processes of the Board. They bring to bear their expertise and experience on the deliberations of the Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest in the decision making process.

None of the Independent Directors serves as "Independent Directors" in more than seven listed companies. No person has been appointed or continuing as an Alternate Director for an Independent Director of the Company.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Companies Act, 2013 and the Listing Regulations.

During the year under review, the Independent Directors met on February 11, 2022, interalia:

- To review the performance of the Non-Independent Directors (Executive Directors);
- To review the performance of the Board of the Company as a whole;
- To review the performance of Chairman of the Company taking into account the views of Executive Directors on the same;
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

They expressed satisfaction at the robustness of the evaluation process, the Board's freedom to express views on the business transacted at the Meetings and the openness with which the Management discussed various subject matters on the agenda of meetings.

2.6 Disclosure of relationships between the Directors inter-se:

Except between Mr. Sanjay Lalbhai, Chairman and Non-Executive Director and his two sons viz. Mr. Punit Lalbhai (Non-Executive Director) and Mr. Kulin Lalbhai (Non-Executive Director), there is no relationship between the Directors inter-se.

2.7 Number of shares and convertible instruments held by Non-Executive Directors:

Name	Category	No. of equity shares held
Mr. Suresh Jayaraman	Non-Executive Director	10,21,568
Ms. Nithya Easwaran	Non-Executive Director	0
Mr. Punit Sanjay Lalbhai	Non-Executive Director	1544
Mr. Kulin Lalbhai	Non-Executive Director	0
Mr. Sanjaybhai Shrenikbhai Lalbhai	Chairman and Non-Executive Director	641
Mr. Nilesh Dhirajlal Shah	Independent Director	42
Ms. Abanti Sankaranarayanan	Independent Director	0
Mr. Nagesh Dinkar Pinge	Independent Director	0
Mr. Vallabh Bhanshali	Independent Director	0
Mr. Achal Anil Bakeri	Independent Director	0
Ms. Vani Kola	Independent Director	40

During the year under review, the Company has not issued any Convertible Instruments.

2.8 Familiarization Programme for Independent Director:

On appointment of an individual as Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarisation program including the presentation from the Chairman, Managing Director & CEO providing information relating to the Company, Brands, Industry, business model of the Company, geographies in which Company operates, etc. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

The details of familiarisation program imparted to Independent Directors is also posted on the Company's Website at https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-Familiarisation-Programs-of-Independent-Directors.pdf.

2.9 Code of Conduct for Directors and Senior Management Personnel:

In terms of provisions of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior

Management Personnel of the Company have affirmed compliance with the Code.

2.10 Prohibition of Insider Trading Code:

The codes viz. "Code of Conduct for Prohibition of Insider Trading" and the "Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information" allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Designated Persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

Chief Financial Officer is responsible for implementation of the Code.

2.11 Committees of the Board:

The Board of Directors has constituted 6 Committees of the Board viz.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Committee of Directors

The Board determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman/Company Secretary. At each Board Meeting, minutes of these Committees are placed before the Directors for their perusal and noting.

3. AUDIT COMMITTEE

The Audit Committee of the Company comprises of 4 members out of which 3 members are Non-Executive Independent Directors. The Committee members are professionals having requisite experience in the fields of Finance and Accounts, Banking and Management. Mr. Nagesh Dinkar Pinge, Non-Executive Independent Director acts as the Chairman of the Committee.

3.1 Terms of reference of the committee inter alia, include the following:

a. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

b. Recommendation for appointment, remuneration and terms of appointment of auditors of Company;

c. Approval of payment to Auditors for any other services rendered by the Auditors of Company;

d. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
- Changes, if any, in accounting policies and practices and reasons thereto;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Disclosure of any related party transactions; and
- Qualifications in the draft audit report.

e. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

g. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

h. Formulating a policy on related party transactions, which shall include materiality of related party transactions;

i. Approval or any subsequent modification of transactions of Company with related parties;

j. Scrutiny of inter-corporate loans and investments;

k. Valuation of undertakings or assets of Company, wherever it is necessary;

l. Evaluation of internal financial controls and risk management systems;

m. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

n. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

o. Discussion with internal auditors of any significant findings and follow up there on;

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

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

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

s. To review the functioning of the whistle blower mechanism;

t. Approval of the appointment of the CFO of Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate; and

u. To review the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;

v. To review the compliance with the provisions of Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively; and

w. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Audit Committee shall mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations;

b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of Company;

c. Management letters / letters of internal control weaknesses issued by the statutory auditors of Company;

d. Internal audit reports relating to internal control weaknesses;

e. The appointment, removal and terms of remuneration of the chief internal auditor;

f. Statement of deviations:

- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchanges in terms of sub-regulation (1) of Regulation 32 of the SEBI Listing Regulations; and
- annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of sub-Regulation (7) of Regulation 32 of the SEBI Listing Regulations.

3.2 The Composition of the Committee as at 31st March 2022 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 4 Audit Committee Meetings were held on June 03, 2021, August 06, 2021, November 13, 2021 and February 11, 2022. The attendance of Members at meetings was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Mr. Nagesh Dinkar Pinge	Chairman	4	4
2	Mr. Nilesh Shah	Member	4	3
3	Ms. Abanti Sankaranarayanan	Member	4	3
4	Ms. Nithya Easwaran	Member	4	4

The representatives of Internal and Statutory Auditors are invitees to the Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the company comprises of 3 Directors viz. Ms. Nithya Easwaran, Mr. Achal Anil Bakeri and Mr. Nilesh Dhirajlal Shah, 1 of them are Non-Executive Directors and other 2 are Non-Executive Independent Directors. During the year under review the committee met 3 times on June 03, 2021, November 13, 2021 and February 11, 2022. The committee was reconstituted on November 13, 2021 by removing Mr Punit Lalbhai, Non-Executive Directors of the Company.

4.1 The terms of reference of the Committee inter alia, include the following:

Nomination of Directors / Key Managerial Personnel / Senior Management*

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;

b. Formulation of criteria for evaluation of independent directors and the Board;

c. Devising a policy on Board diversity;

d. Identify persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

e. Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

f. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

g. Recommend to the board, all remuneration, in whatever form, payable to senior management.

4.2 The Composition of the Committee as at 31st March 2022 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 3 Nomination and Remuneration Committee Meeting were held on June 03, 2021, November 13, 2021 and February 11, 2022. The Attendance of Members at meeting was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Mr. Nilesh Shah	Chairman	3	2
2	Mr. Achal Anil Bakeri	Member	3	2
3	Ms. Nithya Easwaran	Member	3	2
4	Mr. Punit Lalbhai*	Member	2	2

* Mr Punit Lalbhai has been removed as the Member of Nomination and Remuneration Committee w.e.f. November 13, 2021.

4.3 Evaluation of the Board's Performance:

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

4.4 Remuneration of Directors:

Remuneration of Managing Director is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and the Shareholders of the Company.

The remuneration of Non-Executive Directors is determined by the Board and is also approved by the Shareholders in General Meeting. Non-Executive Directors are paid Sitting Fees of Rs.10,000/- for every meeting of Board of Directors or Committee attended by them. Apart from this, Non-Executive Directors (other than Managing Director and Whole Time Director(s)) are entitled for commission within the limit of 1% of the net profits of the Company per annum or such other amount approved by the Board.

Details of remuneration to all Directors for the Financial Year 2021-22 are as under:

Sr. No.	Name of Director	Salary (₹)	Perquisites & Allowances (₹)	Retirement & Leave Benefits (₹)	Sitting Fees (₹)	Commission/ Bonus (₹)	Stock Option (No. of shares)
1	Mr. Sanjay Lalbhai	-	-	-	60,000	-	-
2	Mr. Suresh Jayaraman	-	-	-	-	-	-
3	Mr. Kulin Lalbhai	-	-	-	90,000	-	-
4	Mr. Punit Lalbhai	-	-	-	1,00,000	-	-
5	Ms. Nithya Easwaran	-	-	-	1,60,000	-	-
6	Mr. Nilesh Shah	-	-	-	1,40,000	7,50,000	-
7	Ms. Abanti Sankaranarayanan	-	-	-	60,000	7,50,000	-
8	Mr. Nagesh Dinkar Pinge	-	-	-	1,50,000	7,50,000	-
9	Mr. Vallabh Bhanshali	-	-	-	50,000	5,50,000	-
10	Mr. Achal Anil Bakeri	-	-	-	50,000	6,50,000	-
11	Ms. Vani Kola*	-	-	-	-	-	-
12	Mr. Shailesh Shyam Chaturvedi	2,86,25,219	2,64,50,443	29,22,830	-	-	1,86,750

None of the Directors of the company / Key managerial Personnel had any pecuniary relationship with the Company during the year.

*Ms. Vani Kola, has opted not to receive any remuneration from the Company for her services.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

The details of stock options granted to the eligible employees and directors under Arvind Fashions Limited – Employee Stock Option Scheme 2016 (ESOP-2016) and Arvind Fashions Limited – Employee Stock Option Scheme 2018 (ESOP-2018) are provided in the Directors' Report of the Company.

Please refer point no. 29 of Directors' Report for Employee Stock Option Scheme.

(a) There is neither any pecuniary relationship nor any transactions of the Non-Executive Directors vis-à-vis of the Company except remuneration paid as above.

(b) The Company has disclosed the criteria of making payment to Non-Executive Directors and the same is posted on the website of the Company at

https://www.arvindfashions.com/wp-content/uploads/2019/11/Independent-Director-Terms-and-Conditions-of-Appointment.pdf

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors of the Company has constituted the Stakeholders' Relationship Committee ("SRC") in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The SRC of the Company comprises of 3 (three) Directors out of which 1 (One) is Non-Executive Independent Directors and 2 (two) are Non-Executive Director.

5.1 Terms of reference of the Committee inter alia, include the following:

a Resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

b. Review of measures taken for effective exercise of voting rights by shareholders;

c. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and

d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

5.2 The Composition of the Committee as at 31st March 2021 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 1 Stakeholders' Relationship Committee Meetings was held on June 03, 2021. The Attendance of Members at meetings was under:

Sr. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Kulin Lalbhai*	Chairman	1	1
2	Ms. Nithya Easwaran	Member	1	1
3	Mr. Nilesh Shah	Member	1	1

5.3 Name and Designation of Compliance Officer:

Mr. Vijay Kumar B S, Company Secretary (till 31st March 2022)

Ms. Lipi Jha, Company Secretary (with effect from 27th May 2022)

5.4 Details of Complaints / Queries received and redressed during 1st April 2021 to 31st March 2022 are as follows:

Number of shareholders' complaints pending at the beginning of the year	Number of shareholders' complaints received during the year	Number of shareholders' complaints redressed during the year	Number of shareholders' complaints pending at the end of the year
2	27	29	0

All the complaints/ queries have been redressed to the satisfaction of the complainants and no shareholders' complaint/ query was pending at the end of the year.

6. RISK MANAGEMENT COMMITTEE

The Risk Management Committee comprising of 6 Director viz. Ms. Nithya Easwaran, Mr. Nilesh Dhirajlal Shah, Ms. Abanti Sankaranarayanan, Mr. Nagesh Dinkar Pinge, Mr. Suresh Jayaraman and Mr. Shailesh Chaturvedi, 4 of them are Non-Executive Independent Directors and other 2 are Non-Executive Directors. During the year under review the committee met 2 time on June 03, 2021 & Nov 29, 2021.

6.1 Terms of reference of the Committee inter alia, include the following:

a. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;

b. To frame and devise risk management plan and policy of the Company and review the progress made in putting in place a progressive risk management system;

c. To review and recommend potential risk involved in any new business plans and processes;

d. To ensure that the Company is in conformity with corporate governance standards pertaining to the composition, role and function of various committees formed by the Board; and

e. Any other similar or other functions as may be laid down by Board from time to time..

6.2 The Composition of the Committee as at 31st March 2022 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 2 Risk Management Committee Meeting was held on June 03, 2021 & Nov 29, 2021 the Attendance of Members at meeting was under:

Sr. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings attended
1	Ms. Nithya Easwaran	Member	2	2
2	Mr. Nilesh Shah	Member	2	1
3	Ms. Abanti Sankaranarayanan	Member	2	0
4	Mr. Nagesh Dinkar Pinge	Member	2	2
5	Mr. Suresh Jayaraman	Chairman	2	2
6	Mr. Shailesh Chaturvedi	Member	2	2

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of 3 Directors viz. Mr.Kulin Lalbhai, Mr. Punit Lalbhai and Mr. Nilesh Shah of them 2 Non-Executive Director and 1 Non-Executive Independent Directors. During the year under review the committee met 1 time on June 03, 2021.

7.1 Terms of reference of the Committee inter alia, include the following:

a Formulate and Recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by Company as specified in Schedule VII of the Companies Act, 2013;

b. To finalise a list of CSR projects or programs or initiatives proposed to be undertaken periodically including the modalities for their execution / implementation schedules and to review the same from time to time in accordance with requirements of section 135 of the Companies Act 2013;

c. To review and recommend the amount of expenditure to be undertaken by Company;

d. To monitor the Corporate Social Responsibility Policy of Company from time to time;

e. Review the CSR Report and other disclosures on CSR matters for the approval of the Board for their inclusion in the Board Report; and

f. Any other matter as the CSR Committee may deem appropriate after approval of Board or as may be directed by Board from time to time pursuant to the provisions of Section 135 of the Companies Act and rules in relation thereto, as amended from time to time.

7.2 Composition of the Committee as at 31st March 2022 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 1 Meeting was held on June 03, 2021.

Sr. No.	Name of Member	Position	Number of Meetings held during the year when the members was on the board	Number of Meetings attended
1.	Mr. Kulin Lalbhai	Chairman	1	1
2.	Mr. Nilesh Shah	Member	1	1
3..	Mr. Punit Lalbhai	Member	1	1

8 COMMITTEE OF DIRECTORS

The Board of Directors of the Company has re-constituted the Committee of Directors in its meeting held on November 12, 2020, which comprises of 5 (five) Directors out of which 4 (four) are Non-Executive and 1 (one) is Executive Director.

8.1 Role:

The Committee of Directors primary role is to look after the day-to-day business activities of the Company within Board approved direction/ framework. The Committee meets frequently, as and when need arises, to transact matters within the purview of its terms of reference.

8.2 The Composition of the Committee as at 31st March 2022 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 30 Committee of Directors Meetings were held on various dates. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings attended
1.	Mr. Sanjay Lalbhai	Member	30	30
2.	Mr. Kulin Lalbhai	Member	30	30
3.	Mr. Punit Lalbhai	Member	30	30
4.	Mr. Suresh Jayaraman	Member	30	0
5.	Mr. Shailesh Chaturvedi	Member	30	0

9 INFORMATION ON GENERAL BODY MEETINGS

9.1 The last 3 Annual General Meetings of the Company were held as under:

Date	Time	Venue
August 23, 2021	11.00. a.m.	Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 Through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")
September 28, 2020	11.00. a.m.	Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 Through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")
August 09, 2019	10:00 a.m.	H T Parekh Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015

9.2 Special Resolutions passed in the last 3 Annual General Meetings:

2020-21

1. To approve appointment of Mr. Shailesh Shyam Chaturvedi, as Managing Director & Chief Executive Officer (CEO) of the Company for a term of five years.
2. To approve raising of funds through issuance of securities of the Company.
3. To approve payment of Remuneration/Commission to Non-Executive Directors and Independent Directors of the Company in case in any financial year the Company has no profits or its profits are inadequate.
4. To approve to give loans or guarantees or provide security to the Subsidiary and Joint Venture Companies.
5. To approve Re-issue forfeited shares by the Board of Directors of the Company.

2019-20

1. To approve / ratify the creation of encumbrance by way of pledge or otherwise, on the shares / securities held by the Company in its wholly owned subsidiary Arvind Lifestyle Brands Limited ("ALBL")
2. To approve / ratify the creation of encumbrance by way of pledge or otherwise, on the shares / securities held by the Company in its step-down subsidiary Arvind Youth Brands Private Limited "AYBPL")

2018-19

1. To ratify the Arvind Fashions Limited - Employee Stock Option Scheme – 2016 ("ESOS – 2016" or "The Scheme")

9.3 Extraordinary General Meeting (EGM):

During last 3 years, the Company has held 1 Extra Ordinary General Meetings in the financial year 2021-22 to approve following business:

1. To create, offer, issue and allot shares on Preferential Basis to Investors.
2. To create, offer, issue and allot shares on Preferential Basis to one of the Promoters

9.4 Details of Resolution Passed through Postal Ballot, the person who conducted the Postal Ballot Exercise and details of the voting pattern:

On December 31, 2021 the company has passed following resolution through Postal Ballot and respective details are as under:

1. Re-appointment of Mr. Nilesh Dhirajlal Shah (DIN: 01711720), as an Independent Director of the Company for a term of Five (5) years commencing from February 7, 2022.

- The Board of Directors through a resolution passed at the Board Meeting held on November 13, 2021, had appointed Mr. Hitesh Buch, Hitesh Buch & Associates, Practicing Company Secretaries, (Membership No. FCS 3145, COP 8195) as the Scrutinizer for conducting the voting process through Postal Ballot in accordance with the law and in a fair and transparent manner.
- Details of the voting pattern:

Mode of Voting	In favour of the resolution			Against the resolution		
	No. of shareholders	Value of Votes	% of votes	No. of shareholders	Value of Votes	% of votes
Postal Ballot (Remote e-voting	691	80338217	99.9958	65	3352	0.0042
Total	**691**	**80338217**	**99.9958**	**65**	**3352**	**0.0042**

10. MEANS OF COMMUNICATION

10.1 The Quarterly, half-yearly and yearly financial Results are published in the Financial Express - All India Editions and Financial Express - Gujarati Edition of Ahmedabad and are also posted on the Company's website at www.arvindfashions.com.

10.2 Information released to the press at the time of declaration of results are also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors. Moreover, the Company's website hosts a special page giving information which investors usually seek.

10.3 Presentations made to institutional investors/analysts are posted on the Company's web site at www.arvindfashions.com.

11. GENERAL SHAREHOLDER INFORMATION

11.1 Annual General Meeting:

Date	September 26, 2022
Time	2:00 p.m.
Mode	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 13th January 2021 read with circulars dated 8th April 2020, 13th April 2020 and 5th May 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this

11.2 Financial Calendar (Tentative):

The Financial Year of the Company is for a period of 12 months from 1st April to 31st March.

First quarter results	:	Second week of August, 2022
Second quarter results	:	Second week of November, 2022
Third quarter results	:	Second week of February, 2023
Fourth quarter results / Year end results	:	Second week of May, 2023

11.3 Book Closure: Tuesday, September 20, 2022 to Monday, September 26, 2022 (both days inclusive)

11.4 Dividend Payment Date : Not Applicable as the Board did not recommend any dividend for the financial year.

11.5 Listing on Stock Exchanges:

- **Equity Shares**

Sr. No.	Name of the Stock Exchange	Code	Address
1	BSE Ltd.	542484	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
2	National Stock Exchange of India Ltd.	ARVINDFASN	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400051

The Company has paid Annual Listing Fees for the year 2021-2022 to the above Stock Exchanges.

- **Non-Convertible Debentures - NA**

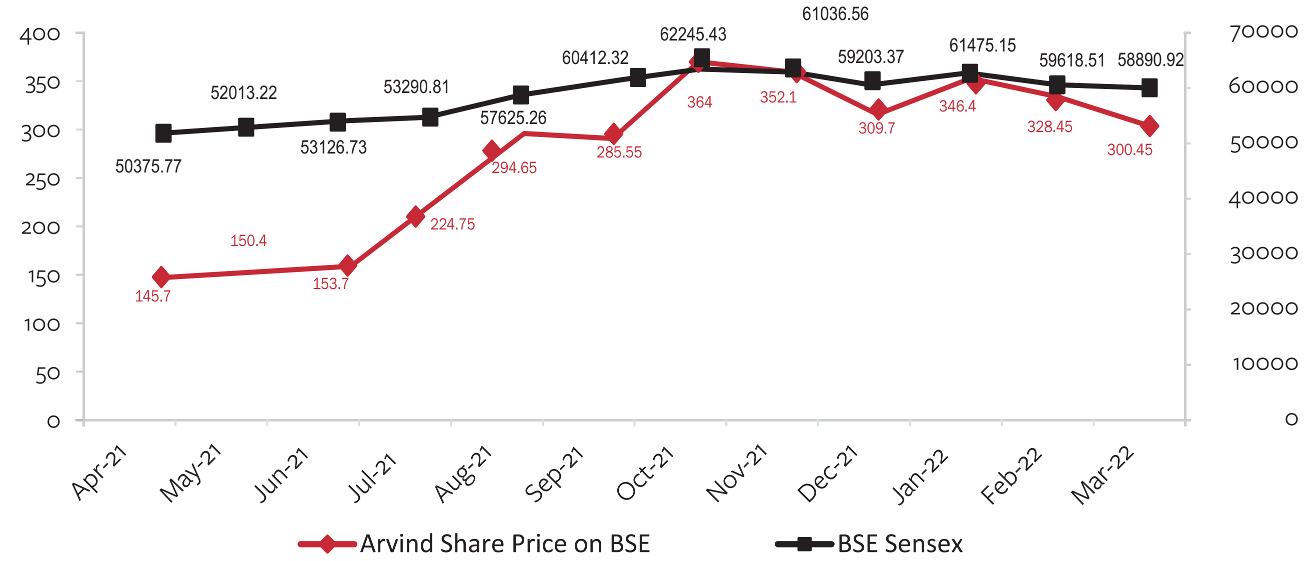
11.6 Market Price Data:

The market price data and volume of the company's share traded in the BSE Limited and the National Stock Exchange of India Limited during the Financial Year 2021-22 were as under:

Month	Share price on BSE		BSE Sensex		Volumes	Share price on NSE		NSE (NIFTY)		Volumes
	High (₹)	Low (₹)	High	Low	No. of Shares traded in the month	High (₹)	Low (₹)	High	Low	No. of Shares traded in the month
Apr-21	145.7	123.2	50375.77	47204.5	377965	146	123	15044.35	14151.40	44447
May-21	150.4	128.8	52013.22	48028.07	575070	151	128	15606.35	14416.25	99908
Jun-21	153.7	132.6	53126.73	51450.58	1178004	154	132.55	15915.65	15450.9	155252
Jul-21	224.75	136.55	53290.81	51802.73	4303363	224.9	136.6	15962.25	15513.45	543543
Aug-21	294.65	187.05	57625.26	52804.08	6304028	294.95	187.1	17153.5	15834.65	619142
Sep-21	285.55	243.2	60412.32	57263.9	2466658	285.95	242.5	17947.65	17055.05	325403
Oct-21	364	268.8	62245.43	58551.14	1638082	364.4	269	18604.45	17452.9	362358
Nov-21	352.1	266.05	61036.56	56382.93	484084	352	266	18210.15	16782.4	204234
Dec-21	309.7	257.05	59203.37	55132.68	244289	310	240.6	17639.5	16410.2	113262
Jan-22	346.4	269	61475.15	56409.63	444894	346.95	269	18350.95	16836.8	214881
Feb-22	328.45	255.7	59618.51	54383.2	253461	328.5	251.15	17794.6	16203.25	149361
Mar-22	300.45	245.8	58890.92	52260.82	513436	326.3	245.5	17559.8	15671.45	130982

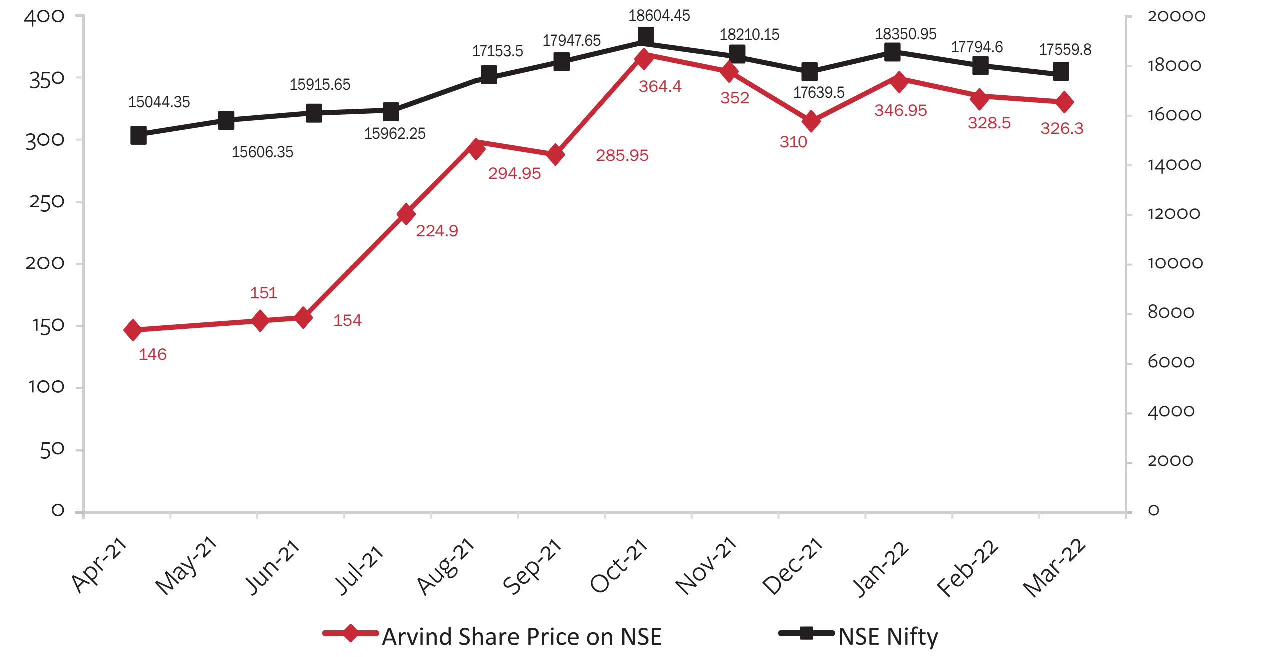
Performance in comparison to broad-based indices viz. BSE Sensex

ARVIND SHARE PRICE MOVEMENT V/S BSE SENSEX



Performance in comparison to broad-based indices viz. NSE Nifty

ARVIND SHARE PRICE MOVEMENT V/S NSE NIFTY



11.7 Registrar And Transfer Agent:

Link Intime India Private Limited

5th Floor, 506 to 508, Amarnath Business Centre-1 (abc-1),

Beside Gala Business Centre (GBC), Near St. Xavier's College Corner,

Off. C. G. Road, Ellisbridge, Ahmedabad-380006.

Phone Nos. 079-26465179/86/87

Fax No. 079-26465179

E-mail: ahmedabad@linkintime.co.in

11.8 Share Transfer System:

(I) Delegation of Share Transfer Formalities:

Since the Company's shares are compulsorily traded in the demat segment on stock exchanges, bulk of the transfers take place in the electronic form. However, shares in the physical form are processed by the Registrar and Share Transfer Agent. However, to expedite the transfers, the Board has delegated share transfer formalities to certain officers of the Company and Registrar and Share Transfer Agent, who attend to them at least 3 times in a month. Physical transfers are affected within the statutory period of one month. The Board has designated the Company Secretary as the Compliance Officer.

(II) Share Transfer Details for the period from 1st April 2021 to 31st March 2022:

Transactions	Physical
Number of Transfers	0
Average Number of Transfers per month	0
Number of Shares Transferred	0
Average Number of shares Transferred per month	0
No. of Pending Share Transfers	0

(III) Investors' Grievances:

The Registrar and Transfer Agent under the supervision of the Secretarial Department of the Company look after investors' grievances. Link Intime India Private Limited is responsible for redressal of Investors' Grievances. The Company Secretary of the Company has been appointed as the Compliance Officer for this purpose. At each Meeting of the Stakeholders' Relationship Committee, all matters pertaining to investors including their grievances and redressal are reported.

11.9 Shareholding Pattern as on 31st March 2022:

Sr. No.	Catagory	No. of Shares held	Percentage of Shareholding
1	Promoters and Promoter Group	4,89,10,720	36.92
2	Mutual Funds	1,38,08,686	10.42
3	Financial Institutions, Banks, Insurance Companies, Alternative Investment Funds & Central/State Government	10,89,342	0.82
4	Foreign Portfolio Investors, Foreign Institutional Investors, NRIs, Foreign Banks, Foreign Nationals	2,21,38,299	16.71
5	NBFCs registered with RBI	3,254	0.00
6	Bodies Corporate	41,59,735	3.14
7	Individuals	4,12,25,185	31.12
8	Trusts	8,597	0.01
9	Hindu Undivided Family	9,71,396	0.73
10	Clearing Members	1,46,019	0.11
11	Overseas Bodies Corporate	580	0.00
	Total	**13,24,61,813**	**100.00%**

11.10 Distribution of shareholding as on 31st March 2022

Sr. No.	Shareholding Of Shares			Shareholder	Percentage of Total	Total Shares	Percentage of Total
1	1	to	500	169921	97.2695	61,44,778	4.6407
2	501	to	1000	2187	1.2519	16,64,398	1.2570
3	1001	to	2000	1198	0.6858	17,82,802	1.3464
4	2001	to	3000	409	0.2341	1,01,89,71	0.7696
5	3001	to	4000	201	0.1151	7,16,715	0.5413
6	4001	to	5000	175	0.1002	8,18,903	0.6185
7	5001	to	10000	282	0.1614	20,61,566	1.5569
8	10001	to	**********	318	0.1820	11,82,02,815	89.2697
	Total			**174691**	**100**	**132410948**	**100**

11.11 Dematerialisation of shares and liquidity:

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are compulsorily to be delivered in the demat form on Stock Exchanges by all investors. As on 31st March 2022, 13,18,96,210 shares representing 99.57% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form.

Demat ISIN: Equity Shares fully paid: INE955V01021

11.12 Outstanding GDRs / ADRs / Warrants or any convertible instruments and conversion date and likely impact on equity:

Company had not issued any GDRs / ADRs / Warrants or any convertible instruments, hence this is not applicable

11.13 Commodity price risk or foreign exchange risk and hedging activities:

Commodity price risk and commodity hedging activities

Company does not engage in commodity hedging activities

Forex Risk:

Company is exposed to foreign exchange risk on account of import transactions entered into and committed royalty payments to licensee of the Brands. For import of apparel & accessories and payment of Royalties the Company has to make payment in USD terms; therefore the Company is exposed to the risk of depreciation in the local currency. The company is proactively mitigating these risks by entering into commensurate hedging transactions with banks/Financial Institutions as per applicable guidelines.

11.14 Plant Locations:

Company does not have any manufacturing plants

11.15 Unclaimed Dividend:

Company did not declared any dividend from the date of incorporation to till date, hence this is not applicable

11.16 Nomination Facility:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit the prescribed Form SH-13 for this purpose. Shareholders may write to the Secretarial Department of the Company for a copy of the Form.

11.17 List of all Credit Ratings obtained by the entity

Credit Ratings obtained by the Company during the year are available on Company's website at www.arvindfashions.com.

11.18 Address for correspondence:

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrar and Transfer Agent of the Company:

Arvind Fashions Limited Secretarial Department Naroda Road, Ahmedabad - 380025. Phone Nos: 079-68268000/68268108-09 E-mail: investor.relations@arvindbrands.co.in Website: www.arvindfashions.com	Link Intime India Private Limited 5th Floor, 506 to 508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre (GBC), Near St. Xavier's College Corner, Off. C. G. Road, Ellisbridge, Ahmedabad - 380006. Phone No. 079-26465179/86/87 Fax No. 079-26465179 E-mail: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

12. OTHER DISCLOSURES

12.1 There are no materially significant transactions with the related parties viz. promoters, directors or the management or their relatives or subsidiaries etc. that had potential conflict with the company's interest at large or which warrants the approval of the shareholders. Suitable disclosure as required by the Indian Accounting Standard has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's Website at https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-RPT-Policy.pdf.

12.2 Transactions with related parties are disclosed in detail in "Notes forming part of the Accounts" annexed to the financial statements for the year. There were no related party transactions having potential conflict with the interest of the Company at large.

12.3 There are no pecuniary relationships or transactions of Non-executive Directors vis-à-vis the Company which has potential conflict with the interests of the company at large.

12.4 No Strictures or penalties have been imposed on the company by the Stock Exchanges or by the Security Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

12.5 The Company has formed the policy for determining material subsidiary as required by Regulation 16 of the SEBI (LODR) Regulations, 2015 and the same is disclosed on the Company's website. The web link is https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-Policy-on-Material-Subsidiaries.pdf.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings.

Copies of the Minutes of the Audit Committee / Board Meetings of Subsidiary Companies are given to all the Directors and are tabled at the subsequent Board Meetings.

12.6 Vigil Mechanism:

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Whistleblower Policy (WB Policy) that provides a secured avenue to directors, employees, business associates and all other stakeholders of the company for raising their concerns against the unethical practices, if any. The WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be met out to any person for a genuinely raised concern.

Pursuant thereto, a dedicated helpline "Arvind Ethics Helpline" has been set up which is managed by an independent professional organization.

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct on:

Website for Complaints: www.in.kpmg.com/ethicshelpline/Arvind

Toll Free No.: 1800 200 8301

Dedicated Email ID: arvind@ethicshelpline.in

Whistle blower Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue.

12.7 The minimum information to be placed before the Board of Directors as specified in Part A of Schedule II of Listing Regulations is complied with to the extent possible.

12.8 Certification from Company Secretary in Practice:

Mr. N. V. Kathiria, Proprietor of M/s. N. V. Kathiria & Associates, Practicing Company Secretaries, has issued a certificate as required under the SEBI (LODR) Regulations, 2015, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

12.9 Complaints pertaining to Sexual Harassment:

During the year, five (5) cases of sexual harassment were received by the Company, its subsidiaries and associates the same had been satisfactorily addressed before 31st March 2022.

12.10 CEO/CFO Certification:

The Managing Director & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affair. The said certificate is annexed and forms a part of the Annual Report.

12.11 Details of total fees paid to Statutory Auditors:

Details relating to fees paid to the Statutory Auditors are given in in "Notes forming part of the Accounts" annexed to the financial statements for the year.

12.12 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

During the year, the Company has fully complied with the mandatory requirements as stipulated under SEBI (LODR) Regulations, 2015.

The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the SEBI (LODR) Regulations, 2015, is provided below:

a. **The Board:** The Chairman of the Company is Non-Executive Director.

b. **Shareholder Rights:** Half-yearly and other Quarterly financial statements are published in newspapers, uploaded on company's website at www.arvindfashions.com and same are not being sent to the shareholders.

c. **Modified Opinion(s) in Audit Report:** The Company already has a regime of un-qualified financial statement. Auditors have raised no qualification on the financial statements.

d. **Separate posts of Chairperson and Chief Executive Officer:** Mr. Sanjay S. Lalbhai is the Chairman and Mr. Shailesh Shyam Chaturvedi is the Managing Director & CEO of the Company.

e. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

The above Report was placed before the Board at its meeting held on August 18, 2022 and the same was approved.

For and on behalf of the Board

Sanjay S. Lalbhai	**Shailesh Chaturvedi**
Chairman & Director	Managing Director & CEO
(DIN: 00008329)	(DIN: 03023079)
Place: Ahmedabad	Place: Bangalore
Date: August 18, 2022	Date: August 18, 2022

CEO / CFO certifcation

To

The Board of Directors,

Arvind Fashions Limited,

Re: Financial Statements for the year 2021-22 - Certification by CEO and CFO

We, Shailesh Chaturvedi, Chief Executive Officer and Managing Director, and Piyush Gupta, Chief Financial Officer of Arvind Fashions Limited, hereby certify to the Board that:

A) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2022 and that to the best of our knowledge and belief:

(1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D) We have indicated to the auditors and the Audit committee

(1) Significant changes in internal control over financial reporting during the year;

(2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Shailesh Chaturvedi
Chief Executive Officer and Managing Director
DIN: 03023079

Piyush Gupta
Chief Financial Officer

Place : Bangalore
Date : August 18, 2022

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which is available on the Company's website at www.arvindfashions.com.

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2022.

Shailesh Chaturvedi
Managing Director & CEO
DIN: 03023079

Place : Bangalore
Date :August 18, 2022

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To The Members of
Arvind Fashions Limited
Ahmedabad

We, Sorab S. Engineer and Co., Chartered Accountants, the Joint Statutory Auditors of **Arvind Fashions Limited** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2022.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Sorab S Engineer & Co.
Chartered Accountants
Firm Registration No. 110417W

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
UDIN: 22100892APIMWL4460

Place: Ahmedabad
Date: August 18, 2022

Management Discussion and Analysis

GLOBAL MARKET

The global fashion industry has faced exceptionally challenging conditions owing to the Covid-19 related restrictions through 2020 and 2021. Nevertheless, the fashion industry appears to be returning to its footing after nearly two years of disruption. Global fashion sales are on track to pick up momentum in 2022, as increasingly hopeful consumers unleash pent-up buying power, refreshing their wardrobes as social life begins to resume in many key markets around the world. In the varying scenarios across fashion's largest consumer markets, 2022 is broadly expected to be a year of growth. In 2022, total fashion industry sales could surpass 2019 levels by 3 to 8 %, with the luxury segment surging by 15 to 25 % over 2019 levels.

The World responded well to the pandemic not just from a healthcare standpoint but also from a financial standpoint. The global fiscal response to the pandemic has been three times higher than the response to the 2008 global financial crisis, exceeding $10 trillion in the G20 alone. As a result of that, the global economy recovered strongly in 2021 even as new variants of the COVID-19 virus fueled additional waves of the pandemic.

In the beginning of 2022, the Russian invasion of Ukraine caused the greatest humanitarian crisis in Europe since World War 2. Apart from the immediate humanitarian impact, the war in Ukraine is predicted to set back the global recovery. It is projected that the global growth will slow down from an estimated 6.1% in 2021 to 3.6% in 2022 and 2023. Beyond 2023, global growth is forecasted to decline to about 3.3% over the medium term. In addition to the war, China's zero-tolerance Covid policy resulted into frequent and wider-ranging lockdowns, including in key manufacturing and trade hubs. This has also slowed down activity and has caused new bottlenecks in global supply chains.

As the growth across the world is projected to slow down to 3.6% in 2022, the growth disparity between the advanced economies, projected to grow at 3.3% in 2022 and 2.4% in 2023, and the Emerging markets and Developing economies, projected to grow at 3.8% in 2022 and 4.4% in 2023, is going to be significant. Even within the Emerging markets, Asian economies are going to be the powerhouse of world growth with the IMF projecting 5.4% and 5.6% growth in years 2022 and 2023 respectively for Emerging and Developing Asian markets.

Overview of the World Economic Outlook Projections (%):

Particulars	2021	Projections	
		2022	2023
World Output	6.1	3.6	3.6
Advanced Economies	5.2	3.3	2.4
Emerging Market and Developing Economies	6.8	3.8	4.4
Emerging and Developing Asia	7.3	5.4	5.6
China	8.1	4.4	5.1
India	8.9	8.2	6.9

Source: IMF World Economic Outlook April 2022, McKinsey State of Fashion 2022

INDIAN MARKET

As the world economy struggles to recover from the pandemic, the ongoing geopolitical crisis and Covid outbreak in China have exacerbated the uncertain macroeconomic and financial landscape. During these testing times, India's economy is experiencing spill overs as it recovers from the third wave of the pandemic though the downside risk remains.

The Indian economy steadied in February 2022 after some moderation of pace in the preceding month when the third wave was at its peak. In terms of national income, the Indian economy clocked a growth of 8.9% in 2021-22 (NSO SAE February 2022). Real GDP in level terms surpassed the pre-pandemic level of 2019-20 by 1.8%. In the aftermath of the pandemic, all components of aggregate demand, including private consumption, have recovered and exceeded their respective pre-pandemic levels.

The Reserve Bank of India in its April monetary policy revised the country's growth projection downwards for the current fiscal (FY23) to 7.2% from its earlier estimate of 7.8%. Also, the World Bank stated that India continues to face headwinds from rising inflation, supply chain disruptions, and geopolitical tensions offsetting buoyancy in the recovery of services consumption from the pandemic. It slashed India's economic growth forecast for the current fiscal to 7.5% from its earlier estimate of 8%. As per IMF World Economic Outlook, growth of India is projected at 8.2% in 2022 against the world growth of 3.6%

Unlike in 2020, when India's pandemic plan included a lengthy nationwide lockdown, lockdowns in 2021 were mostly rolled out and lifted on a state-by-state basis. With different durations and severities of restrictions, retailers across the country naturally experienced different economic impacts.

Global apparel revenue was estimated at US$1.5 trillion in 2021 and was predicted to reach approximately US$2 trillion by 2026. As of 2022, India stands third in the apparel market with an estimated revenue of US$87.60 billion. Volumes in the apparel market are expected to reach 37.65 billion units. The Apparel market is expected to show a volume growth of 9.8% in 2023. The market is expected to grow annually by 5.10% (CAGR 2022-2026).

But not everything was well for the apparel industry in India as the industry experienced an unprecedented pressure on input costs. The cotton and yarn prices in India increased significantly to an 11-year high. A cotton candy (356 kg) costed Rs 1, 00,000 as on May 2022 as against Rs 40,000 in October 2020. Likewise, the price of yarn (1 kg) also shot up to Rs 481 from Rs 244 in the same period.

Despite that the outlook remains significantly positive for the apparel industry due to policy support extended by the Government. The Union Budget 2022-23 with its new policies has paved the way for growth in the times to come. The Production Linked Incentive (PLI) scheme of Rs. 10,683 crores (US$ 1.44 billion) is expected to be a major boost for the textile manufacturers. The scheme proposes to incentivise MMF (man-made fibre) apparel, MMF fabrics and 10 segments of technical textiles products. In October 2021, the government approved a PLI scheme worth Rs. 4,445 crores (US$ 594.26 million) to establish seven integrated mega textile parks and boost textile manufacturing in the country.

Source: RBI report on State of Economy, Outlook India, Economic Times, India Brand Equity Foundation (IBEF), Statista

Spiralling oil and gas prices and unsettled financial market conditions pose fresh headwinds to the still incomplete global recovery. Amidst these testing times, India is making steady progress on the domestic front, owing to an extensive vaccination campaign, policy support from the government, increasing investments and robust demand. India's macroeconomic fundamentals remain strong and therefore India will continue to display strong growth in the years to come.

TRENDS IN INDIAN FASHION INDUSTRY

As new trends emerge in the Indian fashion industry, AFL is ready and equipped to leverage these trends by servicing the new fashion tastes, priorities and demands of our customers.

Digital – Channel of choice	Footwear potential
Along with other major e-commerce categories, fashion is the second biggest category in India, and COVID-19 has accelerated its growth as well. India stands 2nd in the world when it comes to digital penetration. Fashion e-commerce is expected to grow 3 times in CAGR terms as compared to fashion offline over the next 4 years.	Indian Footwear market in India is estimated at US$11 Bn and has been growing at 9% approximately. Footwear yearly per capita consumption in India is at 1.7 pairs vs global average of 4 pairs, which leaves a huge headroom for the footwear industry to grow in future.
AFL is a leading Omnichannel with own e-commerce & 3rd party marketplaces	**AFL Brand portfolio is ready to cater to the growing mid & premium footwear market**
Small Town Aspirations	**Accelerated shift to Casualwear & Athleisure**
There is an increasing acceptance of ready-to-wear branded clothing among the Indian population, particularly now in Tier 2 and Tier 3 cities. Since Covid-19, the reverse migration has accelerated the adoption of branded clothing. The Indian middle-class consumer in these areas is looking for quality and fashion at an affordable price.	With flexi working practices in the post pandemic world, the consumers' share of wardrobe is becoming more casual wear and athleisure oriented. Within casual, active wear and T-shirts have shown promising growth with CAGR of 12.7%and 10%respectively, owing to changing preferences[(1)]
AFL Brand portfolio is ready to cater to this consumer and has successfully piloted FMX in these towns	**AFL is well-positioned as the leading casualwear player in India**

1. Techno Pak Industry Report on Indian Apparel Retail Nov 2019

ARVIND FASHIONS LIMITED

With a portfolio of brands that span across price ranges and fast-growing categories, your company has done many successful category expansions that cater to the changing consumer preference such as Comfort wear, Athleisure, Prestige Beauty, Premium Kids wear, Premium Innerwear, Footwear & Accessories under its portfolio of brands. Your company is also building an advanced analytics capability to increase efficiency, scale, and curate merchandise for its digital customers, and foresees it as a key to achieving leadership in the digital business and increasing store throughput in the years to come. Arvind Fashions Ltd is India's leading direct-to-consumer (D2C) and Omni-channel apparel company. From offline to online and vice versa, the company's portfolio of brands are available directly to the evolved customer. Digital remains the focus area of the company, and we will continue to invest in strengthening our existing D2C capabilities and building new ones.

CALVIN KLEIN

TOMMY HILFIGER

U.S. POLO ASSN.
SINCE 1890

ARROW 1851

FLYING MACHINE
Your cool half.

SEPHORA
WHERE your beauty BEATS

KEY CHARACTERISTICS OF THE ARVIND FASHIONS PORTFOLIO

- Lifestyle offering across International and aspirational brands
- Across price points & usage occasions to cater to large consumer segments
- Distribution strength to expand into real India – Tier 3 & 4 cities
- Future ready by being digitally capable with presence across all D2C touch points: own website, strong market place & very large e-commerce partner portal play
- Strong possibility of brand extensions into adjacent categories post success of footwear, innerwear, kids and accessories across brand portfolios

U.S. Polo Assn.	#1 Casuals brand
Flying Machine	Among top 3 Denim brands
Arrow	Among top 5 Formalwear brands
Tommy Hilfiger	#1 & #2 in super premium casuals
Calvin Klein	
Sephora	#1 Prestige beauty retailer

Brands and Product Groups

Your company is focusing on U.S. Polo Assn., Tommy Hilfiger, Flying Machine, Arrow, Calvin Klein and Sephora. These brands have a strong historical performance and robust long-term growth potential.

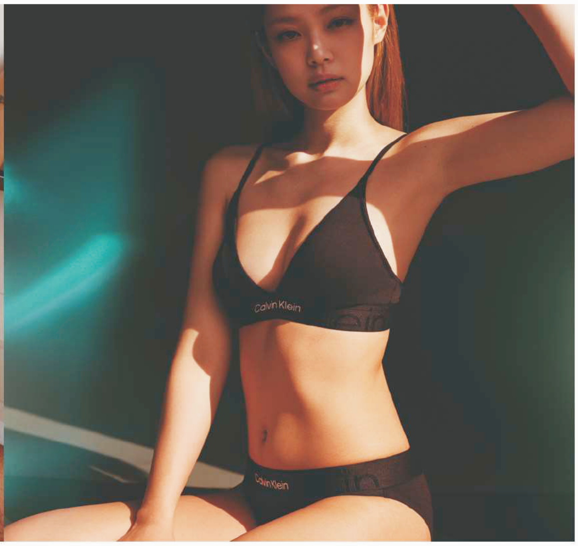
U.S. Polo Assn. is India's leading casualwear brand in relevant price points and on track to become India's leading Lifestyle Brand with strong multi-category & multi-channel play. U.S. Polo Assn. is set to grow steadily with multiple growth drivers. Upgrades in retail and product lines, a fresher marketing campaign, and digital journeys will help improve store efficiency. Expanding distribution to smaller towns with brand stores, deeper penetration of MBOs, and expansion through online channels provide immense growth potential. Your company's strong omni-channel capabilities will allow for seamless offline-online customer journeys. Further, category expansions into adjacencies such as kids wear, innerwear, footwear and accessories, are emerging as large opportunities. In addition to improving retail sell-through, lean cost structure, increasing operating leverage, and leveraging analytics in pricing and discount optimization, the brand is poised for strong profitable growth.

Tommy Hilfiger, with its classic American cool styling and high quality, plays well in the super-premium segment. As Tommy Hilfiger expands into new markets, accelerated growth in online channels, and expands into adjacent categories, such as tailored lines, women and kids wear, innerwear and accessories, there are multiple growth opportunities for the brand.

Flying Machine is India's original Jeans brand with a 40 year old legacy and continues to be one of most loved brand across generations. It is a digital first youth-oriented brand with strong online presence. The company's product and retail strategy straddles premium and value segments. Additionally, it is expanding distribution into Tier3/4 towns with FMX, its value retail format. Flying Machine has continuously evolved and enriched its premium product line and expanded its footprint in metros and mini-metros in premium retail and department stores.

Arrow is a brand with strong heritage value, its core target customer is someone who is attuned to buying premium menswear brands and is eager to experience aspirational international brands. The brand has refreshed the in-store shopping experience through a new retail identity that encapsulates the heritage of the brand, its New York point of view, and very contemporary self-expression. The brand has been churning out innovative products like the Auto flex trousers, auto press wrinkle-resistant shirts, and novel blends along with creating product premium-ness through the launch of a fresh new concept called "1851". The brand has been able to capitalize on the change in consumers' preferences through a very modern New York line. With the need to be future-ready, the brand has invested in a demand-pull led supply chain system for non-seasonal products. Arrow also has strengthened the omni channel capability as well as the customer relationship management programs which deliver strong consumer insights to the business.

Calvin Klein is India's #2 casualwear brand in the super-premium segment. It is a global lifestyle brand that exemplifies bold, progressive ideals and a seductive and often minimal aesthetic. Through store upgrades and the launch of multi-category Calvin Klein lifestyle brand stores, the brand seeks to increase the productivity in the retail channel. By communicating the brand's positioning as an ultra-chic and cool brand with a high glamour quotient, the brand continues to build its appeal among consumers. It is eyeing rapid growth in online channel by strengthening the entry level price point products. Accessories such as footwear and wallets provide additional growth opportunity for the brand. With increasing share of India's production, brand's profitability is also set to improve.



Your company is present in the prestige beauty market through **Sephora**. Sephora is the world's most loved beauty community, offering a unique retail experience for passionate clients and innovative beauty brands, encouraging them to be fearless in their creativity and self-expression. Revenue in the Prestige Cosmetics segment amounts to US$1.04bn in 2022. The market is expected to grow annually by 3.18% (CAGR 2022-2027), thereby presenting a larger opportunity. Sephora has already been established as a leading prestige beauty retailer in India. Sephora, with its unparalleled selection of prestige products in a wide range of beauty categories, unbiased service from beauty experts in an interactive shopping environment, retail excellence across all Sephora stores and an exciting future in online commerce, is well positioned to consolidate its leading position and continue to grow rapidly.

Digital and "Bharat" focus

Leader in Digital

Fashion is the second largest e-commerce category in India, and COVID-19 has accelerated its growth as well along with the other major e-commerce categories. Also, fashion e-commerce is expected to grow 3 times the CAGR Vs. offline fashion over the next 4 years. Your company has strengthened its digital capabilities in FY22 to cater to the exponentially rising digital-native customers. We have not only increased the store connectivity to our branded website (NNNOW.com) but have also expanded the connectivity to the 3rd party portals through Omni-linkage. As a result, more than 75% of EBOs are now connected to our website and various 3rd party portals - up from 55% in FY21. The process of integrating franchise stores has also taken shape in a big away and your company will continue to increase our store connect network exponentially and hence increase the customer reach. The shorter delivery timeline is one of the major customer satisfaction drivers online, therefore we added 4 more e-commerce warehouses (taking the count to 8) in FY22 to increase the regional fulfilment capability network in Kolkata, Lucknow, Ahmedabad, and Hyderabad.

Digital remains the focus area of the company, and we will continue to invest in strengthening our existing D2C capabilities and building new ones. We will continue to work towards integrating more stores (including franchisee stores) into the 3rd party portals. We are also building advanced analytics capability to drive efficiency, scale, and curate merchandise for the digital customers, and foresee it to be a key pillar for the leadership in the digital business as well as increase the store throughput in the coming years.

Tier 2 & Tier 3 Expansion

With a nationwide footprint in 150+ cities and presence on all major e-commerce platforms, your company has strong multi-channel distribution capabilities. It has ~1100+ brand stores (as of 31st Mar 2022), 3000+ counters in department stores and presence in 10,000+ MBOs. Stores of your company's brands are present in all the major malls throughout the country, and they rank amongst the most productive stores in those malls. With a common sales structure and centralized business development team across brands, your company will be able to increase cost efficiencies and leverage synergies across the portfolio to expand to more Tier 2 & Tier 3 cities where the real India resides. With the successful pilot of Flying Machine in small town India, your company has been prepared with the know-how on assortments, price points, and retail identities that can benefit both your company and its franchisees and business partners. There is an opportunity for your company to open ~400 stores in this Real India within the next three years.

Business Strategy

Your company has strong growth, profit and ROCE drivers to help deliver steady performance over the coming years. Rationalization of portfolio through exit of loss making brands and Covid-19 induced economic slowdown had an adverse impact on the revenue and profitability of your company during the recent years. But scale up of digital & omni capabilities during the pandemic coupled with rationalization of cost structure & working capital has made your company leaner and agile for future growth in the "new normal", that is emerging post pandemic world.

GROWTH DRIVERS
Focus on key brands with market leading positions to drive growth
Strong Omni-channel capabilities to drive growth in the online channel
Expand the offline network to small town India
Product portfolio well suited for changing consumer needs
Category expansion through kids-wear, footwear, innerwear & accessories by leveraging existing brand equity
Focus on aggressive EBO expansion

PROFIT DRIVERS
Improved full price sell through from retail upgrade and stronger buying and merchandising
Lean cost structure: • Managing costs effectively to ensure operating leverage • Optimization of store operating costs and closure of tail stores • Reduced warehousing costs through consolidation of multiple B2B warehouses • Centralized sales team leading to cost synergies and improved efficiencies • Overheads control
Analytics led discounts/markdown optimization
Elimination of loss-making parts of the portfolio

ROCE DRIVERS
Better working capital management leading to higher returns
Focused replenishment of core products leading to better inventory management
Agile sourcing to enable replenishment based buying of market right products closer to the launch
Primary sales aligned to consumer off-take leading to lower B2B returns
Greater operational controls over inventory buying process

Financial Performance and Analysis

Consolidated Financial Performance and Analysis (Rs. Crores)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from Operations	**3,056**	**1,912**
Other Income	**67**	**109**
Total Income	**3,123**	**2,021**
EBITDA	**247**	**107**
Finance Costs	124	180
Depreciation	233	238
Profit Before Exceptional Item and Taxes	**(110)**	**(311)**
Exceptional Items	**0**	**45**
Profit Before Taxes	**(110)**	**(356)**
Tax Expense Charge/(Credit)	(6)	42
Profit / (Loss) After Tax for Continued Operations	**(104)**	**(398)**
Discontinued Operations	**(133)**	**(198)**
Profit/(Loss) Before Minority Interest (Continued and Discontinued operations)	**(237)**	**(596)**
Minority Interest	31	(16)
Net Profit/(Loss) for Equity Shareholders of Parent	**(268)**	**(580)**
Other Comprehensive Income/(Loss)(Net of Tax)	(0)	0
Net Profit/ (Loss) after other comprehensive income/ (loss)	**(268)**	**(580)**

Balance Sheet (Rs. Crores)

Particulars	As on March 31, 2022	As on March 31, 2021
Net Fixed Assets	273	381
Net Working Capital	489	607
Deferred Tax asset	411	392
Other Current assets/ Non -current assets and Liabilities	392	363
Discontinued operations (Asset less Liabilities)	-	81
IND AS 116 Impact		
ROU Assets	388	665
Lease Liability	**(456)**	**(812)**
Capital Employed	**1,497**	**1,677**
Net Worth	850	591
Compulsorily Convertible Preference Share Capital (Disclosed under other non-current Financial Liability)	**145**	**143**
Debt	**502**	**943**
Capital Employed	**1,497**	**1,677**

Revenue from Operations:

Company registered a revenue of Rs. 3056 Crore from continuing operations compared to Rs. 1912 Crore in FY21 last year. The increase in revenue was mainly on account of a strong bounce back in the consumer sentiment post the second wave of Covid-19 leading to higher footfalls across channels and a robust momentum during the festival season that helped the Company register a growth of 59.8% in revenue compared to the last year.

Other Income:

Other income includes Rs. 38.2 Crore of Covid-19 related Rent concessions for FY 22. It has been disclosed under the guidance note to Ind-AS 116 leases, issued by the Ministry of Corporate Affairs vide notification dated July 24, 2020. Pursuant to the above guideline, the group has applied the practical expedient by accounting the unconditional rent concessions from 1st April, 2020.

EBITDA:

EBITDA is Earnings before Interest, depreciation & amortization and Taxes. Company registered an EBITDA of Rs.247 Crore during FY22 compared to Rs.107 Crore during FY21. The company undertook various cost rationalization measures across lease rentals, supply chain, manpower optimization, travel, marketing and advertisement and various other expenses to reduce the impact on account of lower sales witnessed due to the second wave of Covid-19 during the first half of the fiscal year. Your company is confident that the strategic actions and cost rationalization measures undertaken will help in significantly improving the profitability in the subsequent years.

Finance Cost:

Finance cost includes (a) interest on borrowings of Rs. 78.6 Crore (b) change in Fair Value of Financial liability of CCPS of Rs. 2.3 Crore and (c) interest on lease liabilities of Rs. 43.1 Crore. There is a finance cost reduction of Rs. 56.4 Crore compared to the previous year aided by the reduction in debt by more than Rs.400 Crore during the current fiscal.

Depreciation:

This includes depreciation on assets invested by the company of Rs. 85 Crore and Right Of Use (ROU) Assets for leases of Rs. 148 Crore for FY 22. Total depreciation is lower by Rs. 4.8 Crore compared to the previous year.

Discontinued Operations:

The company has divested the Unlimited Retail Business to V-Mart during the year in addition to discontinuing certain brands such as GAP, The Children's Place, Hanes and few other private brands last year. Accordingly, the loss before tax relating to these discontinued businesses have been disclosed separately under discontinued operations in accordance with Ind AS 105. The loss from discontinued operations during the year was Rs. 132.6 Crore. (compared to Rs. 198 Crore in FY21)

Minority Interest:

This represents share of profits / loss pertaining to JV partners of one of our subsidiary company PVH Arvind Fashions Private Limited.

Net Working Capital:

Net Working Capital of the continuing business stood at Rs. 489 Crore as on March 31, 2022 compared to Rs. 607 Crore last year. The breakup of the reported figures is mentioned below.

Particulars	As on March 31, 2022	As on March 31, 2021
Inventory (Including Returnable Assets)	965	900
Trade Receivables	572	626
Less: Trade Payables	1,048	918
Net Working Capital	**489**	**607**

Equity Share Capital:

The Company issued equity shares to various marquee investors and raised Rs. 400 Crores via issuance of 1.83 Crore fully paid up equity shares on a preferential basis in Aug'21.

During the financial year 21-22, the Company also received Rs. 95.9 Crores towards first and final call of second tranche of the right issue.

Debt:

Total debt for the company stood at Rs 502 Crore as on March 31, 2022, as compared to Rs.943 Crore as on March 31, 2021.

Compulsorily Convertible Preference Share Capital:

During the previous year ended 31 March 2021, Arvind Youth Brands Private Limited (AYBPL), a wholly owned subsidiary Company issued fully paid-up 58,95,852 Compulsorily Convertible Preference Shares ("CCPS") of Rs. 100 each. CCPS carry non-cumulative dividend @ 0.001% p.a. The Preferential Dividend is non-cumulative and will accrue but shall become payable annually prior to and in preference to any dividend or distribution payable on equity shares in same financial year. In addition to and after payment of preferential dividend @ 0.001% p.a., each Series A CCPS would be entitled to participate pari passu in any cash or non-cash dividends paid to the equity shares on a pro-rata, as-if converted basis.

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Financial Ratios (on Consolidated Financial Statements)

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has identified the following ratios as key financial ratios at the consolidated level:

Particulars*	As on March 31, 2022	As on March 31, 2021
Debtors Turnover Ratio	5.10	2.72
Inventory Turnover Ratio	3.73	1.81
Interest Coverage Ratio	0.11	(0.87)
Current Ratio	1.16	0.99
Debt Equity Ratio	0.67	1.81
EBITDA Margin	8.08%	5.60%
Operating Profit Margin	0.46%	(10.20%)
Net Profit Margin	(3.40%)	(20.82%)
Return on Net Worth	1.87%	(37.36%)
Return on Average Capital Employed	0.88%	(11.63%)

..* All Ratios other than Debt Equity Ratio have been worked out considering only continuing operations

The formula used for the computation of the above ratios are as follows:

Particulars	Formula
Debtors Turnover Ratio	Revenue from Operations / Average of opening and closing Trade Receivables
Inventory Turnover Ratio	Revenue from Operations / Average of opening and closing Inventories
Interest Coverage Ratio	EBITDA less Depreciation / Finance Costs
Current Ratio	Current Assets / Current Liabilities
Debt Equity Ratio	Debt / Net Worth
EBITDA Margin	EBITDA / Revenue from Operations
Operating Profit Margin	EBITDA less Depreciation / Revenue from Operations
Net Profit Margin	Profit After Tax / Revenue from Operations
Return on Net Worth	EBITDA less Depreciation / Net Worth
Return on Average Capital Employed	EBITDA less Depreciation / Average Capital Employed

Commentary on significant changes in key financial ratios (i.e., changes of 25% or more compared to the immediately preceding financial year)

Turnover Ratio: There is a significant improvement in both Debtors and Inventory Turnover ratios. The Company has put in tighter controls on buying along with better collections from the large customers across various channels resulting in significant improvement in inventory & debtor levels as of March 31, 2022 compared to the previous year.

Interest Coverage Ratio: The significant change is on account of the interest cost being lower by Rs.56 Crore (45% lower on Y-o-Y basis), owing to significant reduction in debt along with a sharp improvement in profitability on a year-on-year basis.

EBITDA Margin, Operating Profit Margins, Net Profit Margins, Return on Net Worth and Return on Capital Employed: The improvement in profitability margins along with return ratios is due to strong operating leverage as a result of growth in revenues across the channels, the expansion of store network along with optimization of various expenses.

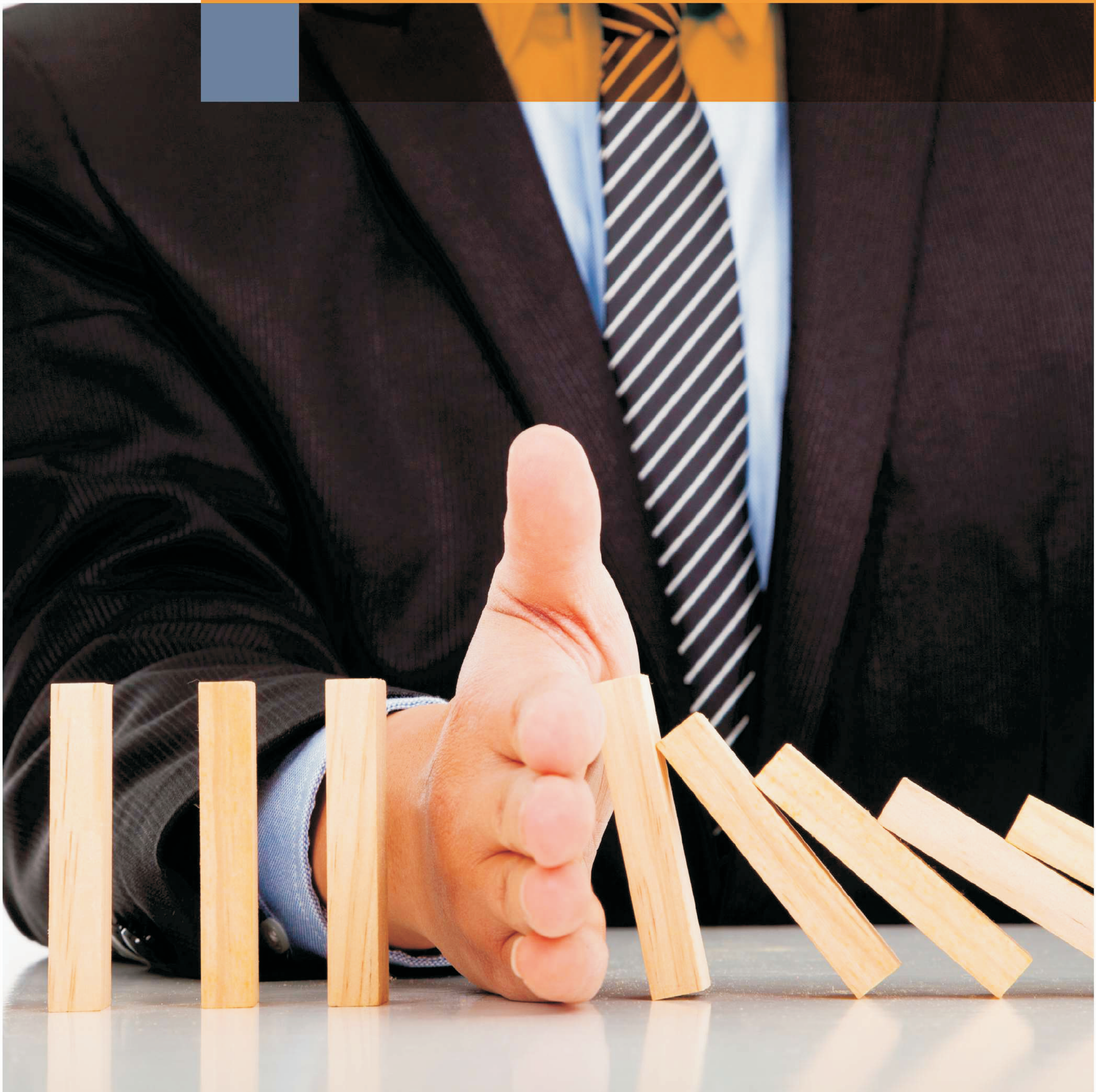
Business Outlook

During H2 FY22, the company posted a strong financial performance with industry leading like-to-like (LTL) growth in retail channel and overall increase in revenues by 30%+ and significantly improved profitability thereby achieving milestone of delivering positive profit after tax (PAT). With focused portfolio of market leading brands and an efficient working capital, your company is very optimistic about its growth and profitability prospects in FY23, barring any significant Covid related disruptions. Your company also stands to benefit from the investment done in the digital channel over the past few years and developing omni-fulfilment capabilities resulting in a leadership position in the online channel. This will also enable an agile supply chain and new ways of sourcing through our deepened partnerships with various B2B players in the industry and provides larger growth opportunities moving forward. The Company will continue to invest to further scale up omni-channel and e-commerce business to drive productivity and improve profitability.

As a dominant player in casual wear category with a strong portfolio of brands across categories, the Company will be investing in significant scaling up the adjacencies across the brands like footwear, kids wear, innerwear and women's wear. With a strong rebound in footfalls across the retail channel, your Company will also accelerate its store network expansion across brands and markets and plans to open more than 200 stores in the coming year. The Company will continue having multi-channel strategy to penetrate our brands across the country especially in Tier-2 and Tier-3 cities.

With a stable macro-environment, your Company expects to drive significant sales growth with sharp improvement in profitability resulting in better ROCE during the year. This will also be coupled with continued focus on driving higher inventory turns and working capital efficiency leading to free cash flow generation and deleveraging the balance sheet further. The Company is well prepared to tackle any uncertainties and risks in the short term and positioned to be a dominant lifestyle player in the medium and long term.

Risk Management



The success of current as well as future performance of Arvind Fashions is subject to a variety of factors, including but not limited to forecasting and managing of risks and uncertainties which are described as below:

1. **Strategic Risks-** These risks arise out of a company's strategies and objectives towards business which could have potential risk on the long-term continuity and sustainability.

2. **Operational Risks-** The risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events, leading to potential disruptions in the smooth functioning of the business.

3. **Regulatory Risks-** Lack of structured framework for compliance adherence towards statutory/legal laws and regulations pose such risks which could affect credibility of the organization causing financial implications.

The company has a robust enterprise risk management framework which identifies such potential risks, defines strategies for mitigating the impact of these identified risks and lays down processes for their continuous monitoring. The Company has identified the key risks, including Strategic, Operational and Regulatory risk. Some of the identified risks and their mitigation plans are described below:

1. Strategic Risks

a. The impact of Covid-19 pandemic still continues on the buying pattern of the customers. There is still an uncertainty around customers' preference to buy through online platforms or traditional brick & mortar. Further brand loyalty of customers also get impacted on account of visibility of similar alternatives (of other brands) available at a single place in online market-places. There is also a very high dependency on market-places and delivery partners to maintain the customer experience. The Company has focused and improved considerably on retail channel as the impact of the pandemic eases, while at the same time continues to improve on its online visibility. A robust process of regular monitoring to identify and close unprofitable channel partners/stores has been put in place. We also have the plans for selective store expansion, especially in tier 2/3 cities.

b. Inability to renew brand license due to non-compliance to contractual conditions or failure to meet agreed performance parameters can seriously impact profitability. The Company regularly reviews critical performance parameters which are key for brand license renewal. It has established a structured framework for periodic vendor, product and store compliance audits to ensure there are no violations to licensee/sub licensee obligations.

2. Operational Risks

a. High interest costs and fixed retail costs consumes significant portion of the margins impairing the capability to spend on business transformation. Excess inventory build-up and delayed payments by the customers also results in increased need for working capital. Significant actions have taken place in FY21 and FY22 to strengthen the balance sheet in terms of additional liquidity being available with the Company. With strengthened provisioning norms, there is a significant focus on improving the inventory turns and timely realizing of receivables which will continue to be a key area of management focus going forward. Fixed costs have also been rationalized significantly during the course of FY22 and necessary controls to monitor them are in place.

b. Dynamic Tax Rate: A detailed plan has been put in place for all impacted areas including IT preparedness, inventory position across channels, vendor actions, future procurement plan etc. in the event of any signal to change the tax rate by the Government.

c. International trade dispute or change in Government policy especially over imports from China may significantly disrupt the supply chain cycle. Further, sharp fluctuations in forex rates can also adversely impact the margins. The management is closely monitoring and is updated about the international trade policy to leverage the competitiveness and take informed decision while placing import orders. All already committed outflows are adequately hedged. We are also shifting the focus on domestic procurements and developing capabilities to reduce dependencies from Chinese supplies.

d. Unorganized change management process for IT as well as process transformation especially on account of automation due to shift of customers to online buying may result in adoption failure. The Company is completely focused in the transformation journey and is keenly monitoring the progress of the same with complete transparency of the objectives with all the concerned stakeholders. The roadmap for projects on IT development, process streamlining and strengthening the present IT infrastructure to enable better monitoring and customer experience has been put in place and the progress is closely monitored.

e. Counterfeit products of key brands like U.S. Polo Assn., Tommy Hilfiger, Calvin Klein, FM and Arrow pose a serious threat to the brand image leading to dilution of brand value. Lack of adequate legal framework and robust mechanism to control unauthorized use of brand logos/product information like labels cause such kind of risk.

Continuous audits at vendors to ensure compliance, coordinated intelligence gathering on counterfeit in coordination with the brand owners and relentless effort in seeking strictest action against counterfeit producers and distributors enables the Company to check counterfeits. The Company actively engages with industry peers on brand protection strategy and building common platforms for countering counterfeit.

3. Regulatory Risks

Increasing Compliance Requirements under governing laws and regulations in a time bound manner is a continuing challenge. The company has established a structured framework of accountability across the senior management team supported by a third-party tool for online monitoring the status of compliances across key processes.

Human Resource

At Arvind Fashions, people are at the centre of everything we do. As a result of our organizational values of Care, Confidence, Performance, and Promotion along with our strong 'Collaborative' culture, we have been able to instil a sense of passion, commitment and performance among our employees.

With over 5000 employees, we have a diverse workforce with an average age of 30 years and a gender diversity of 16%. As a result of our 'One AFL' culture and our humane approach to people, we are able to attract and retain talented individuals from throughout the country.

At Arvind Fashions, we focus on the holistic growth and wellness of our people. The Arvind YoHGA framework is developed to focus on the overall wellness of our employees and deliver a differentiated employee experience. Our progressive policies and practices such as flexi-time policy, Equal Employment Opportunity policy, Travel and accommodation benefits, Maternity & Adoption policy, Crèche' services and Paternity policy along with our Professional Development initiatives and Internal Career Mobility Platform ensures that an environment of empowerment and engagement is created for all employees.

At Arvind Fashions, we encourage collaboration and teamwork as well as recognition for our employees. The key to Arvind's success has been demonstrating values and leadership behavior, along with recognizing good performance. We have various platforms, events and engagement initiatives like SMILES - Our comprehensive employee engagement program for our retail employees provides instant support for salaries, learning and development, career progression and performance with a click of a button. Employee town halls are held during which leaders discuss the achievements of the quarter that have just ended and the course of action moving forward. As a result of such events, our employees have the opportunity to understand the bigger picture for which they are contributing.

With Arvind University, our learning and development centre of excellence where we 'fashion possibilities in learning', we have focused on developing our talent across job roles. We strive to create an environment where our employees are able to develop skills that are essential for achieving high business performance for progressive growth. The Arvind University offers a range of business-specific learning interventions, including retail, behavioural, functional, and leadership development, in order to acquire skills and competencies that contribute directly to business success and individual development. It is our vision to maximize these offerings to learn, contribute & grow. Arvind Express - our career progression initiative that provides employees a transparent and structured process to help take on larger roles within the company. As part of our organizational assessment process, we utilize a holistic approach that blends both Machine Learning and Human Intervention for strategic evaluation of employee performance and strengths to provide critical feedback for employee development.

With Arvind Applause, we provide rewards and recognition to our employees in the form of Retail, Value, and Spotlight awards. It is through these awards that we are able to reinforce the behaviours and values that are essential for our growth.

Arvind Care – our safety and wellness platform focuses on the wellbeing of our employees through multiple initiatives and advisories to provide a better working environment. Among the key initiatives are a 24x7 Covid-19 helpdesk, vaccination drives throughout India, teleconsultations and counselling services, and oxygen support for employees and their families. We also provided financial assistance for Covid-19 affected employees and to families of the deceased, over and above the Covid-19 medical cover and other insurance covers. Our employees are continuously trained on Covid-19 appropriate behavior, as well as ensuring our safety infrastructure is maintained across all operations. In addition to our 'Collaborative' culture and cutting-edge HR practices, the key characteristics of our Employer Value Proposition fall into five categories: Opportunity, Work, People, Organization, and Rewards.

As a result of our efforts aligned to these attributes, we have been able to attract and retain the best talent. Consequently, our company has been viewed as an employer of choice in the industry and is a preferred workplace of professionals.

Sustainability and Business Responsibility Report

The world is faced an unprecedented challenge in the shape of COVID-19 pandemic.. At the same time the pandemic has also provided the time to reflect back at the linear profit centric mindset of businesses and a glimpse of clean air, clean water and the rich biodiversity that we can enjoy.

At Arvind Fashions Limited (AFL), we strongly believe that the businesses have to further their action and strive for greater inclusivity of Sustainable practices in their operations and increase the number of sustainable product offerings. We are looking at all the potential avenues to enable the required infrastructure and are collaborating with relevant stakeholders for the same.

We believe the last materiality assessment is still relevant to the business and shall be able to guide us through our sustainable journey till 2025. Though, we intend to reaffirm the same in 2022 with our relevant stakeholders.

The illustration below depicts issues that are most material to AFL:

AFL's four pillar Sustainability Strategy guides our efforts towards the goal of a Sustainable World. The strategy is focused on the areas of "Combating Climate change", "Responsible Supply Chain", "Sustainable Fashion" and "Social Responsibility". The projects undertaken under each focus area are discussed in the subsequent sections of this report.

Section A: General Information about the company

Corporate Identity Number (CIN) of the Company: L52399GJ2016PLC085595

Name of the Company: Arvind Fashions Limited

Registered address: Arvind Limited, Naroda Road, Ahmedabad-380025, Gujarat, INDIA

Website: https://www.arvindfashions.com/

E-mail id: investor.relations@arvindbrands.co.in

Financial Year reported: FY 2021-22

Sector(s) that the Company is engaged in (industrial activity code-wise): Wholesale of textiles, clothing and footwear

Code : 4641

List three key products/services that the Company manufactures/provides (as in balance sheet):

Apparel | Footwear | Innerwear

Total number of locations where business activity is undertaken by the Company:

Mostly India with some exports to Nepal, Sri Lanka, Bangladesh, Middle East and Maldives.

Markets served by the Company – Local/State/National/International:

National and International

Section B: Financial details of the company

1. **Paid up Capital (INR):** INR 52.97 Crores
2. **Total Turnover (INR) :** INR 514.01 Crores (Standalone) & INR 3056.04 Crores (Consolidated)
3. **Total profit / (loss) after taxes (INR) :** INR 7.44 Crores (Standalone) & INR (104.08) Crores (Consolidated)
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** 2% of the average net profit of the company made during the three immediately preceding Financial Years. The Company's total spending on CSR for the year ended March 31, 2022 was INR 0.43 crores which is 2% of the PAT.
5. **List of activities in which expenditure in 4 above has been incurred:** Refer Annexure B to the Directors' Report

Section C: Other Details

Any Subsidiary Company/ Companies:

Subsidiaries

- Arvind Lifestyle Brands Limited
- Arvind Beauty Brands Retail Private Limited
- Arvind Youth Brands Private Limited
- Value Fashion Retail Limited
- Associate companies
- PVH Arvind Fashion Private Limited

Do the Subsidiary Company participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

No, Subsidiary companies do not participate in the BR initiatives of the company.

Do any other entity (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

We work very closely with our vendor partners to align our vision of Sustainable Development and encourage them to adopt BR initiatives. Further, some of our Sustainable Development projects are run in collaboration with our vendor partners.

Section D: BR Information

1. **(a) Details of Director / Directors responsible for BR**

   Name: Mr. Shailesh Chaturvedi

   DIN: 03033110

   Designation: Managing Director & CEO

   Telephone Number: +91 - 080 - 4155 0601 / 51

   Email id: shailesh.chaturvedi@arvindbrands.co.in

2. (b) Details of the BR head

Name: Mr. Ajay Ravuri

Designation: Head of Sustainability

Telephone Number: 9108449039

Email id: ajay.ravuri@arvindbrands.com

National Voluntary Guidelines		Arvind's Policies
P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability	- Code of Conduct - Whistle Blower Policy - Code of conduct for Prohibition of Insider Trading - Responsible Supply Chain Guidelines
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	- EHS Policy
P3	Businesses should promote the well-being of all employees	- Annual health check policy - Education Assistance policy - Flexi time policy - Policy against Sexual harassment - Maternity and adoption policy - Paternity leave
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	- Dividend distribution policy - CSR policy.
P5	Businesses should respect and promote human rights	- Code of Conduct, - Whistleblower Policy
P6	Business should respect, protect and make efforts to restore the environment	- EHS Policy
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	- We do not have a defined policy as of now, this policy will be initiated and published in the upcoming BRSR report
P8	Businesses should support inclusive growth and equitable development	- CSR policy
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	- We do not have a defined policy as of now, this policy will be initiated and published in the upcoming BRSR report

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)										
	Principle-wise Policies	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1	Do you have a policy/policies for:	Y	Y	Y	Y	Y	Y	N	Y	N
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	-
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Various national and international laws as well as international conventions are captured in the policies articulated by AFL such as ISO 14001, ISO 50001, OHSAS 18001 and SA 8000, etc.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	-
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	-
6	Indicate the link for the policy to be viewed online?	We have some of the policies available on our website while the rest are available on our intranet.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	-
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	-
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	-
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	We have not carried out an independent audit of the working of these policies.								

3. Governance related to BR

i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within three months, 3-6 months, annually, more than 1 year:

The management reviews the BR performance of the company on an annual basis. Enterprise Risk Management (ERM) framework of the company also includes material ESG issues.

ii. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the Fourth Business Responsibility Report of the company. We shall continue to publish the same on an annual basis going forward and shall upload the same on our website.

Section E: Principle-wise Performance

Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? (Yes/No).Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?

Good governance is an integral part of any responsible organization. At AFL, integrity is imbibed in our working culture and is non-negotiable. We communicate the same across our group and the entire value chain via different platforms. We have developed the following policies to ensure transparency in operations and communications while maintaining a behavior that is ethical and accountable to the highest standards:

- **Code of Conduct:** Signed by the top management, it requires each employee to ensure the highest level of ethical conduct and integrity.
- **Code of Conduct for Prohibition of Insider Trading:** Insider trading can be detected and prevented and each employee is expected

to exercise caution with sensitive information

- **Whistle Blower Policy:** Applicable across our value chain, this policy provides a platform to anonymously disclose/report unethical activity or any conduct that may constitute breach of the Company's Code of Conduct or an employee's human right.
- **Responsible Supply Chain (RSC) Guidelines:** These are developed with reference from national legislation, NGRBC and other internationally accepted environmental and social standards. The guidelines are applicable to all the tier -1 (Final good manufacturers) vendor partners and act as a screening tool before on-boarding any new vendor and is also used to assess the performance of vendor partners on a continuous basis

Apart from the Code of Conduct which is applicable to AFL and its group companies, all the other policies are extended to stakeholders including but not limited to vendor partners, service providers, NGOs, contractors, and any stakeholder having business relationships with AFL. Further, all the employees are mandatorily required to undergo training on these policies on a periodic basis and the vendor partners are communicated about the same at the time of signing the Memorandum of Understanding (MOU).

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved? If so, provide details thereof, in about 50 words or so.

In FY22, 28109 customer complaints[1] were received in AFL, its subsidiaries and associates. Most of these complaints pertained to logistical delays and order processing. Of the total customer complaints received, 99.99% of the complaints have been resolved as on 31st March 2022.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

In FY 22, we continued our efforts to adopt more sustainable practices and expand the offering of sustainable products.

A. Energy:

We have engaged Atria Power Ltd for Solar energy through PPA and we have Annual potential savings of 551000 Units through Solar Power

~80% of the electricity consumption in the corporate office is met through the solar power that has a potential to mitigate ~460 tco2e

We are planning to start a roof top solar power generation in our warehouse in FY 22-23.

[1] As highlighted in the previous section, the customer care portal faced certain issues during FY20 and the reported number may not be comprehensive.

B. Plastic Waste

We are using a recycled plastic hangers for Arrow Blazers in order to understand the potential of moving away from conventional plastic to avoid plastic pollution

Working on Extended Producer Responsibility for Plastic recycling for USPA, Arrow, Flying machine as per Plastic Waste management rules and we recycled about 31.58 MT of plastic generated in last year.

C. Sustainable Product

Sustainable Chemicals, Energy/Water efficient washing machines are used in production inorder to reduce the environmental impact .

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   We source the garments from vendor partner factories which may or may not be dedicated for our products. As on data, we are in the process of mapping the resource use for our products and will report on the same in future.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

   We continue to engage our Vendor Partners using 'Responsible Supply Chain (RSC) guidelines' that define the minimum standards that our vendor partners are expected to meet. These guidelines are instrumental in ensuring that we achieve desired business objectives while making a positive social impact and reducing the overall environmental impact of our operations.

   Apart from this, we strive to support our vendor partners in adopting environment friendly practices in their operation, including but not limited to Renewable Energy, Zero Liquid Discharge Facilities, etc. Being a founding member of the Sustainable Apparel Coalition, we also encourage our vendor partners to register on the Higg Index.

   Some of the Sustainability initiatives are listed below:

SI No	Input Material	Input Material %	Sustainable Material	Sustainable Material Composition
1	Labels	100	Recycled Polyester	25% Recycled Polyester
2	Polybags	100	Recycled Polyester	20% Recycled Polyester
3	Butterfly	100	Recycled Polyester	100% Recycled Polyester

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   AFL, its subsidiaries and associates source >70% of the products from Indian manufacturers. This provides steady opportunities to skilled artisans involved in the craft.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

   Based on the information collected from our vendor partners, most of the cut waste generated in our vendor partner factories is sent to third parties that are in the business of recycling / upcycling / down cycling.

   AFL strives to divert the textile waste from landfills and is committed to build a formal infrastructure to enable a closed loop economy. The Company is exploring collaboration opportunities with relevant industrial partners that can work together to set up the required infrastructure for a closed loop economy. However, the process is in a nascent stage and is expected to take shape in the near future.

<u>Principle 3 - Businesses should promote the well-being of all employees</u>

1. **Total number of employees**

   We have a total of 2187 permanent employees at AFL, its subsidiaries and associates.

2. **Total number of employees hired on temporary/contractual/casual basis**

   We have a total of 3042 temporary/contractual associates at AFL, its subsidiaries and associates.

3. **Number of permanent women employees:**

   We have a total of 448 permanent women employees at AFL, its subsidiaries and associates.

4. **Number of permanent employees with disabilities:**

   We are an equal opportunity employer and have hired employees with disability over the years. However, we are not tracking the number of employees with disability through a formal mechanism.

5. **Do you have an employee association that is recognized by management?**

   We do not restrict our employees to form unions and bargain collectively. However, we do not have any recognized employee union as on date.

6. **What percentage of your permanent employees is members of this recognized employee association?**

   We do not have any recognized employee union as on date.

7. **Please indicate the number of complaints relating to: (i) Child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year; (ii) Sexual harassment; (iii) Discriminatory employment.**

   There were no complaints against child and forced labour as well as for discriminatory / involuntary employment during the last financial year. However, we received 5 cases of sexual harassment in FY 22 in AFL, its subsidiaries and associates and the same has been satisfactorily addressed before 31st March 2022.

8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

   In FY 22, the total number of unique employees trained was ~8250. These included ~500 corporate employees and ~7750 retail employees/associates in AFL, its subsidiaries and associates. Out of this 800 number of employees were trained on health and safety aspects in FY 22.

   The training programs were focused on Retail, Functional. Some of the programs that were organized focused on skill development in Buying & Merchandising, health and safety, Leadership excellence, Vision alignment among others.

<u>Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized</u>

1. **Has the Company mapped its internal and external stakeholders?**

   We recognize the fact that as a large business we have several stakeholder groups each with distinct priorities and diverse interests. We therefore developed a method for structured identification of stakeholder groups, understanding their concerns and incorporating their views in our sustainability strategy. Based on various parameters we have identified the following key stakeholders:

   - Customers
   - Consumers
   - Investors
   - Employees & Workers
   - Community
   - Media
   - Government Agencies & Regulators
   - Vendor partners

Diverse communication platforms were institutionalized for each stakeholder group, with the objective of communicating our company policies and expectations, and collecting timely feedback from stakeholders. In FY 22, we continued to engage with all our stakeholder in a two-way dialogue, around the year and through a host of channels:

2. **Out of the above, has the Company identified the disadvantages, vulnerable and marginalized stakeholders?**

   No.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   No.

<u>Principle 5 - Businesses should respect and promote human rights</u>

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   AFL Code of Conduct is applicable to all the group companies, joint ventures, vendor partners, contractors and its employees. Not only our intentions, but also our actions are compliant with all statutory laws and regulations.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved?**

   In FY 22, we did not receive any complaints in respect of Human Rights from our stakeholder.

<u>Principle 6 - Business should respect, protect and make efforts to restore the environment</u>

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

   The Company's EHS Policy is also applicable to its subsidiaries & associates. The policy is available on our company's intranet.

Responsible Supply Chain (RSC) guidelines also take cue from EHS policy and are applicable to all the tier1 vendor partners (Final good manufacturers).

At AFL, we strive to minimize the negative environmental impact due to our products and our operations across the value chain and ensure adherence to environmental compliances. There are several initiatives that we have undertaken to reduce our environmental footprint including improving the sustainable quotient of our products by increasing the mix of sustainable raw materials and renewable energy and reducing the consumption of non-hazardous chemicals and fresh water, etc.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, AFL is committed to contributing to limiting global temperature increase to well below 2°C. We are working several initiatives to achieve energy efficiency and are committed to adopt renewable energy in our operations. (Refer the website https://www.arvindfashions.com/combat-climate-change/)

3. **Does the Company identify and assess potential environmental risks?**

   Yes, we do identify and assess the potential environmental risks on a regular basis and also do the after follow-ups for the same to ensure the proper actions to cater to those identified risks.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, is any environmental compliance report filed? (Please confirm)**

   Currently, we do not have any project related to Clean Development Mechanism.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   AFL is actively looking for options to adopt renewable energy within its operations. ~80% of the energy demand at AFL's corporate office is met through solar power. In FY 22, the initiative helped in mitigating ~450 tons of carbon dioxide emissions from our operations.

   We are also exploring the potential of setting up a solar rooftop for our new warehouse. This will further help us increase the mix of renewable energy within our operations and move closer to our target of shifting 20% of our energy mix to renewable energy by 2025[2] .

   Apart from this, we encourage our strategic vendor partners to shift to renewable energy to further reduce the environmental footprint of our products. Some of our vendors have already shifted / planned to shift to renewable energy in the future.

6. **Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, we comply with all applicable environmental legislations in the locations we operate from. We monitor and track all parameters as defined by CPCB or SPCBs and ensure that they are maintained within norms.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

   In FY 22, we did not receive any show cause/legal notice from CPCB/SPCB. Further, no show cause/legal notice from CPCB/SPCB was pending resolution as of the end of the financial year.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

   AFL has been actively working with trade/industry associations in evolving policies that govern the functioning and regulations of the retail sector. AFL is currently an active member of Retailers Association of India (RAI).

   Apart from this, Arvind is one of the founding members of the Sustainable Apparel Coalition (SAC). The coalition focuses on building a unified approach in assessing environmental and social performance of the textile and apparel industry. We play an active role in defining the new set of standards that should be used to reduce the environmental and social impact of the textile industry.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas.**

   AFL does undertake need based advocacy on issues pertaining to the retail sector and sustainability through our membership of relevant industry/trade bodies. Further, all the engagements are guided by the values of commitment, integrity, transparency and the need to balance interests among our diverse stakeholders.

[2] The target was recently re-assessed and modified considering the impending impact of COVID-19 on the retail industry.

Principle 8 - Businesses should support inclusive growth and equitable development

1. **Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   Yes. The Company has defined specific programs in pursuit of the policy related to Principal 8.

   The Arvind Fashions Limited Policy on Corporate Social Responsibility (AFLPCSR) provides a structured guideline for the Company and all its Subsidiaries and Joint Ventures to undertake CSR initiatives help them maintain a common CSR thought thread. For doing so, the top

   Management of the Arvind Fashions Limited and its Subsidiaries and Joint Ventures would define an annual budget, select CSR focus areas, select geography, work with either the Arvind Fashions CSR team to undertake CSR initiatives or partner with like-minded individuals and organizations and last but not the least, utilize the skills of vast majority of Employee Talents that the company has in accomplishment of its CSR vision.

   Our CSR Policy is in sync with the broader areas of Schedule VII of the New Companies Act and will always be aligned to the changes that gets incorporate in the schedule.

   The key points of the policy are presented below and the policy can be reached at our website through the given link:
   https://www.arvindfashions.com/wp-content/uploads/2018/11/AFL-CSR-Policy.pdf

2. **Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The programs are being undertaken by Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust and Arvind Foundation (AF).

3. **Have you done any impact assessment of your initiative?**

   We have initiated projects in FY 22 around our business operations. The project however had a difficult start because of the pandemic. This is an integrated development multi year initiative which will require at least 3-5 years to gauge its impact

4. **What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?**

   Direct Contribution: INR 0.43 Crores

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project Duration	Amount allocated for the project (Rs. in Lacs)	Amount spent in the current Financial Year (Rs. in Lacs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in Lacs)	Mode of Implem-entation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
(1)	Scholarship for Higher Education	ii	No	Karnataka Different Districts		1+3 Year	20.00	20.00	NIL	No	SHARDA Trust CSR Registration Number CSR00004737	
(2)	Education & Life skills	ii	Yes	Bangalore Karnataka		1+3 Year	23.13	23.13	NIL	No	Arvind Foundation CSR Registration Number CSR00004733	
Total								43.13				

Projects undertaken:

At Arvind Fashions Limited (AFL), through its CSR policy, aims to work for social and economic advancement of the people and thereby positively impact their quality of life. Arvind Fashions Limited (AFL), has identified Strategic Help Alliance to Relief to Distressed Areas (SHARDA) Trust and Arvind Foundation as their CSR vehicles to undertake the advancement initiatives.

We have supported the projects mentioned below:

Providing Scholarships for higher education

Upgrading Education & Life skills

Initiative brief:

The Ministry of Corporate Affairs has given a new format for reporting. Annexure II has the details.

Providing Scholarships for Higher Education: The Company has initiated Saksham Arvind Fashion's Scholarship Program as an Ongoing Programme. For the second year, we are continuing to provide the scholarship. The scholarship program is envisaged as multi-year scholarship support program for Higher Education and is open to applicants pursuing Undergraduate, Post Graduate, ITI and Diploma courses. The annual family income is capped below Rupees 6.0 Lacs. The process of identification was undertaken through an independent platform Vidyasarthi, an initiative by NSDL. The process involved Bootcamps for mobilisation, application sourcing, physical verification of application, student finalisation and disbursal. To create awareness about scholarship scheme, multiple boot camps were conducted. In-person meeting with students to verify their documents also happened.

The scholarship numbers almost doubled in comparison to last year and the average scholarship amount increased by around 20%. 142 students were given scholarships and the average scholarship amount was around Rs 12300. 75% recipients are pursuing their bachelor exams and remaining for Masters, ITI and Diploma studies. One third of the Bachelor students are pursuing their Engineering. Our experience had been good and this worked well in spite of the pandemic

Project Upgrading Life skills:

The company has funded a project of education and life skills as an ongoing project to help youth who are entering into their first job. It aims to equip them with skills to deal with life's challenges effectively. The program would help the participants acquire communication and interpersonal skills, problem solving, critical thinking and creativity to be successful professionally and personally.

In addition of the above initiatives, the COVID Relief work during FY 2021-22 was also undertaken with the larger focus on supporting the medical Infrastructure of the Government. The Company, through the project grants released for working around Company's Areas of Operations supported the District Hospital Tumkur with infrastructure support that was needed for COVID Relief. This included establishing Oxygen piping of 75 General beds, Paediatric ICU equipment and consumables along with ECG Machines.

5. **Have you taken steps to ensure that the community successfully adopts this community development initiative? Please explain in 50 words, or so.**

   Ideally, every development initiative should be ultimately managed by the people it is meant for. This, however, will require a long gestation.

   We have supported the projects mentioned below:

   1. Providing Scholarships for higher education
   2. Upgrading Education & Life skills

<u>Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner</u>

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   We strive to resolve all the customer complaints / consumer cases in a timely and efficient manner. In FY22, 28109 customer complaints were received in AFL, its subsidiaries and associates. Most of these complaints pertained to logistical delays and order processing. Of the total customer complaints received, 99.99% of the complaints have been resolved as on 31st March 2022. Further, 21 Consumer Cases had been filed against AFL and its subsidiaries in FY 20, mostly related to VAT/GST dispute and the rest concerning extra charging of carry bags. Of these 16 Cases (76%) have been satisfactorily closed while 5 Cases (24%) were pending before District Consumer Forums as on 31st March 2022.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

   Beyond the label requirements mandated by local laws, all apparel product labels also include information on raw materials utilized and the environment initiatives, in case applicable. Further, instructions for wash and care are included to maintain durability of the products.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as at the end of the financial year? If so, provide details thereof, in about 50 words or so.**

   No.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Not during the recently concluded financial year.

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Independent Auditor's Report

To The Members of Arvind Fashions Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Arvind Fashions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and 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 standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total 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 standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 42 of the standalone financial statements, which describes the uncertainties and the impact of COVID 19 pandemic on the Company's operations and standalone financial statements as assessed by the Management.

Our conclusion on the statement is not modified in respect of this matter.

Key Audit Matters

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

Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
1	**Revenue Recognition: [Assertion- Cut off] and provision for sales return.** Revenue recognition involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point of time and provision for sales return. Cut-off is the key assertion in so far as revenue recognition is concerned. There is a risk that revenue is recognized on sale of goods around the year end without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers". Also, Company has contracts with customers which entitles them to right of return. At year end, amount of expected returns that have not yet been settled with the customers are estimated and accrued. Estimating the amount of such accrual at year end is considered a key audit matter due to assumptions and judgments required to be made by management.	**Principal Audit Procedures Performed:** The details of audit procedures performed by us are as follows: • Selected a sample and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • We obtained an understanding of process and evaluated the design and operating effectiveness of key controls over timing of revenue recognition and calculating, reviewing and approving sales returns. • Selected samples and performed the following procedures: - Read, analyzed and identified the distinct performance obligations in these contracts and compared these performance obligations with that identified and recorded by the Company. - For the selected samples, tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues with comparative period. - Analyzed historical trends for returns and held discussions with management to understand changes in provisioning norms/additional provisions made based on management's assessment of market conditions and based on that, we have tested the estimates of

Sr. No.	Key Audit Matter	Auditor's Response
		returns related accruals with underlying documentation such as management approved norms, customer agreements, sales data and customer reconciliations, as applicable. • At the year end, we have performed early and late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with proof of delivery (POD) to confirm the recognition of sales.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

In preparing the standalone financial statements, 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.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

Other Matters

The financial statements of the Company for the year ended March 31, 2021, were audited by one of the joint auditor, Sorab S. Engineer & Co., Chartered Accountants, who had expressed an unmodified opinion thereon as per their report dated June 03, 2021.

Report on Other Legal and Regulatory Requirements

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

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

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

   e) On the basis of the written representations received from the directors as on 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

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

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

      iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the notes to the accounts, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of it's knowledge and belief, other than disclosed in the note 41(iv)(II) to the standalone financial statements no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), 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.

(c) Based on the audit procedures that has 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

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

For Sorab S. Engineer & Co.	**For Deloitte Haskins & Sells**
Chartered Accountants	Chartered Accountants
(Firm's Registration No. 110417W)	(Firm's Registration No. 117365W)
Chokshi Shreyas B	**Kartikeya Raval**
(Partner)	(Partner)
(Membership No.100892)	(Membership No.106189)
(UDIN:22100892APIIJR5032)	(UDIN: 22106189APVLZQ4953)
Place : Ahmedabad	Place : Ahmedabad
Date : August 18, 2022	Date : August 18, 2022

Annexure “A” To The Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Arvind Fashions Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Sorab S. Engineer & Co.	**For Deloitte Haskins & Sells**
Chartered Accountants	Chartered Accountants
(Firm’s Registration No. 110417W)	(Firm’s Registration No. 117365W)
Chokshi Shreyas B	**Kartikeya Raval**
(Partner)	(Partner)
(Membership No.100892)	(Membership No.106189)
(UDIN:22100892APIIJR5032)	(UDIN: 22106189APVLZQ4953)
Place : Ahmedabad	Place : Ahmedabad
Date : August 18, 2022	Date : August 18, 2022

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

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 intangible assets.

(b) The Company has a program of verification of property, plant and equipment so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment according to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date, except for the following:

₹ in Crores

Description of property	As at the Balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of Company
	Gross carrying value	Carrying value in the financial statements				
Building	6.94	6.26	Arvind Limited (formerly known as Arvind Mills Limited)	No	Since November 05, 2018	The transfer is in process

(d) The Company has not revalued any of its property, plant and equipment and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, including the revised submissions made by the Company to its lead bankers based on closure of books of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has made investments in, provided guarantee and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

(a)The Company has provided loans and stood guarantee during the year and details of which are given below:

₹ in Crores

Particulars		Loans	Guarantees
A.	Aggregate amount granted / provided during the year:		
	- Subsidiaries	42.70	781.32
	- Others	0.90	-
B.	Balance outstanding as at balance sheet date in respect of above cases:*		
	- Subsidiaries	43.29	1068.90
	- Others	0.79	-

*includes opening balances.

The Company has not provided any advances in the nature of loans to any other entity during the year.

(b) The investments made, guarantees provided, and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The Company has granted loans to its subsidiaries, which are payable on demand. Accrued interest at every year end is converted to loan as per the agreement. In our opinion, the repayments of principal amounts (when demanded) are regular. In respect of loans granted by the Company to others, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans granted by the Company which have fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has granted loans which are repayable on demand, details of which are given below:

₹ in Crores

Particulars	All Parties (Including related parties)	Related Parties
Aggregate amount loans:	44.08	43.29
- Repayable on demand (A)	43.29	43.29
- Agreement does not specify any terms or period of repayment (B)	-	-
Total (A+B)	43.29	43.29
Percentage of loans/advances in nature of loans to the total loans	98.21%	100%

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Professional tax.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount (Rs. In Crores)	Amount unpaid (Rs. In Crores)	Period to which the Amount Relates	Forum where Dispute is pending
The Income Tax Act, 1961	Income Tax	7.52	4.65	2017-18 2018-19	Commissioner of Income Tax Appeals
The Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	0.36	0.15	2016-17	Deputy Commissioner of Commercial Taxes

Name of Statute	Nature of Dues	Amount (Rs. In Crores)	Amount unpaid (Rs. In Crores)	Period to which the Amount Relates	Forum where Dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax Act	0.85	0.45	2015-16	Assistant Commissioner of Commercial Taxes
		0.33	0.33	2016-17	Assistant Commissioner, Department of Trade and Taxes
		0.09	0.09	2016-17	Deputy Commissioner of Commercial Taxes
		0.27	0.27	2016-17 2017-18	Joint Excise and Taxation Commissioner (Appeals)

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

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

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, we report that the Company has taken funds from the following entities and persons on account of or to meet the obligations of its subsidiaries as per details below.

Nature of fund taken	Name of lender	On account of or to meet the obligations of subsidiary			
		Amount involved (Rs. In Crores)	Name of subsidiary	Relation	Nature of transaction for which funds utilized
Issue of equity shares	Rights Issue	48	Arvind Lifestyle Brands Limited	Subsidiary	For general business purpose
Issue of equity shares	Preferential allotment	200	Arvind Lifestyle Brands Limited	Subsidiary	For general business purpose
Perpetual Debenture		100	Arvind Lifestyle Brands Limited	Subsidiary	For general business purpose

(f) The Company has raised loans during the year on the pledge of securities held in its subsidiary companies, as per details below and has not defaulted in the repayment of such loans raised.

Nature of loan taken	Name of Lender	Amount of Loan (Rs. In Crores)	Name of subsidiary	Relation	Details of security pledged	Remarks if any
Working Capital Facility	HDFC Bank	45	Arvind Youth Brands Private Limited	Subsidiary	1,75,82,539 shares with a face value of Rs. 10 per share	

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has made preferential allotment of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2022.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred any cash losses in the financial year covered by our audit but had incurred cash losses amounting to Rs. 36.14 crores in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and 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 indicating 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) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Sorab S. Engineer & Co.
Chartered Accountants
(Firm's Registration No. 110417W)

Chokshi Shreyas B
(Partner)
(Membership No.100892)
(UDIN:22100892APIIJR5032)

Place : Ahmedabad
Date : August 18, 2022

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No.106189)
(UDIN: 22106189APVLZQ4953)

Place : Ahmedabad
Date : August 18, 2022

Standalone Balance Sheet as at March 31, 2022

(₹in Crores)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	5	**17.05**	20.92
(b) Intangible assets	6	**10.67**	20.78
(c) Financial assets			
(i) Investments	7 (a)	**2,108.26**	1,754.30
(ii) Loans	7 (c)	**-**	0.01
(iii) Other financial assets	7 (f)	**5.91**	13.69
(d) Deferred tax assets (net)	26	**19.35**	19.35
(e) Non - Current Tax Assets (net)	8	**7.95**	5.98
(f) Other non-current assets	9	**19.70**	0.57
Total non-current assets		**2,188.89**	1,835.60
II. Current assets			
(a) Inventories	10	**41.36**	108.80
(b) Financial assets			
(i) Trade receivables	7 (b)	**271.26**	119.59
(ii) Cash and cash equivalents	7 (d)	**1.05**	0.65
(iii) Bank balances other than (ii) above	7 (e)	**1.17**	0.07
(iv) Loans	7 (c)	**44.08**	43.09
(v) Others financial assets	7 (f)	**1.32**	2.05
(c) Other current assets	9	**55.53**	46.10
Total current assets		**415.77**	320.35
Total Assets		**2,604.66**	2,155.95
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	**52.97**	42.43
(b) Other equity	12	**2,249.30**	1,752.55
Total equity		**2,302.27**	1,794.98
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	**37.33**	49.39
(ii) Other financial liabilities	13 (c)	**2.32**	1.94
(b) Long-term provisions	14	**3.32**	3.43
Total non-current liabilities		**42.97**	54.76
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	**54.34**	73.91
(ii) Trade payables	13 (b)		
-Total outstanding dues of micro enterprises and small enterprises		**8.28**	17.65
-Total outstanding dues of creditors other than micro enterprises and small enterprises		**163.00**	199.48
(iii) Other financial liabilities	13 (c)	**12.83**	8.34
(b) Other current liabilities	15	**19.82**	6.27
(c) Short-term provisions	14	**1.15**	0.56
Total current liabilities		**259.42**	306.21
Total Equity and Liabilities		**2,604.66**	2,155.95
Significant Accounting Policies	3		

The accompanying notes are an integral part of these Standalone financial statements.

In terms of our report attached

For Sorab S. Engineer & Co.
Chartered Accountants
Chokshi Shreyas B.
Partner

For Deloitte Haskins & Sells
Chartered Accountants
Kartikeya Raval
Partner

Place: Ahmedabad
Date: August 18, 2022

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru

Piyush Gupta
Chief Financial Officer
Place: Bengaluru
Date: August 18, 2022

Lipi Jha
Company Secretary
Place: Bengaluru

Standalone Statement of profit and loss for the year ended March 31, 2022

(₹in Crores)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
I. Income			
Revenue from operations			
Sale of Products	16	**513.60**	297.46
Operating Income	16	**0.41**	0.84
Revenue from operations		**514.01**	298.30
Other income	17	**9.44**	14.74
Total income (I)		**523.45**	313.04
II. Expenses			
Purchases of stock-in-trade	18	**254.27**	34.25
Changes in inventories of stock-in-trade	19	**67.52**	134.25
Employee benefits expense	20	**50.72**	35.41
Finance costs	21	**12.36**	31.43
Depreciation and amortisation expense	22	**18.07**	17.54
Other expenses	23	**111.63**	74.12
Total expenses (II)		**514.57**	327.00
III. Profit/(Loss) before exceptional items and tax (I-II)		**8.88**	(13.96)
IV. Exceptional items	25	**-**	(45.73)
V. Profit/(Loss) before tax (III+IV)		**8.88**	(59.69)
VI. Tax expense	26		
Current tax		**-**	-
(Excess)/short provision related to earlier years		**1.20**	-
Deferred Tax charge / (credit)		**0.24**	(0.28)
Total tax expense		**1.44**	**(0.28)**
VII. Profit/(Loss) for the year (V-VI)		**7.44**	**(59.41)**
VIII. Other comprehensive income			
Items that will not to be reclassified to profit or loss:			
Re-measurement gains / (losses) on defined benefit plans	31	**(0.67)**	0.01
Income tax effect on above	26	**0.24**	-
Total other comprehensive income/(loss) for the year		**(0.43)**	0.01
IX. Total comprehensive income for the year, net of tax (VII+VIII)		**7.01**	(59.40)
X. Earnings per equity share			
Nominal Value per share - Rs. 4 (Previous Year Rs. 4)			
Basic - Rs.		**0.61**	(6.85)
Diluted - Rs.		**0.61**	(6.85)
Significant Accounting Policies	3		

The accompanying notes are an integral part of these Standalone financial statements.

In terms of our report attached

For Sorab S. Engineer & Co.
Chartered Accountants
Chokshi Shreyas B.
Partner

For Deloitte Haskins & Sells
Chartered Accountants
Kartikeya Raval
Partner

Place: Ahmedabad
Date: August 18, 2022

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru

Piyush Gupta
Chief Financial Officer
Place: Bengaluru

Lipi Jha
Company Secretary
Place: Bengaluru

Date: August 18, 2022

Standalone Statement of cash flows for the year ended March 31, 2022

(₹in Crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A	**Operating activities**		
	Profit/(Loss) after taxation	**7.44**	(59.41)
	Adjustments to reconcile profit/(loss) before tax to net cash flows:		
	Depreciation/Amortization	**18.07**	17.54
	Financial guarantee commission	**(4.44)**	(3.98)
	Tax Expenses/(Credit)	**1.44**	(0.28)
	Interest Income	**(4.05)**	(10.20)
	Interest and Other Borrowing Cost	**12.36**	31.43
	Allowance for doubtful debts	**6.37**	6.00
	Sundry debits written off	**-**	0.03
	Stamp Duty on Demerger	**(5.50)**	-
	Foreign Exchange Difference	**-**	(0.55)
	(Profit)/Loss on Sale of Property, Plant & Equipment /Intangible assets	**(0.72)**	(0.01)
	Share based payment expense	**4.16**	2.20
	Operating Profit before Working Capital Changes	**35.13**	(17.23)
	Working Capital Changes:		
	(Increase)/Decrease in Inventories	**67.44**	94.39
	(Increase)/Decrease in Trade receivables	**(158.05)**	(4.33)
	(Increase)/Decrease in Other assets	**(12.04)**	14.42
	(Increase)/Decrease in Other financial assets	**8.49**	2.89
	Increase/(Decrease) in Trade payables	**(34.86)**	(113.44)
	Increase/(Decrease) in Other liabilities	**9.04**	2.77
	Increase/(Decrease) in Other financial liabilities	**0.91**	(2.62)
	Increase/(Decrease) in Provisions	**(0.19)**	(1.10)
	Net Changes in Working Capital	**(119.26)**	(7.02)
	Cash Generated from Operations	**(84.13)**	(24.25)
	Direct Taxes paid (Net of Income Tax refund)	**(3.16)**	9.19
	Net Cash flow received/ (used in) Operating Activities	**(87.29)**	(15.06)
B	**Cash Flow from Investing Activities**		
	Purchase of Property, Plant & Equipment/Intangible assets (Net)	**(4.24)**	(6.32)
	Proceeds from disposal of Property, Plant & Equipment	**0.87**	0.77
	Changes in Capital Advances	**(16.50)**	0.17
	Changes in other bank balances not considered as cash and cash equivalents	**(1.10)**	0.15
	Loans (given)/received back (net)	**(0.98)**	67.80
	Purchase of Investments	**(348.00)**	(445.71)
	Proceeds from sale of undertaking	**-**	52.00
	Interest Received	**4.06**	10.19
	Net cash flow received/ (used in) Investing Activities	**(365.89)**	(320.95)
C	**Cash Flow from Financing Activities**		
	Proceeds from Issue of share capital	**499.82**	499.30
	Proceeds/(repayment) from long term borrowings (net)	**(12.06)**	29.07
	Proceeds/(repayment) from short term borrowings (net)	**(19.57)**	(163.50)
	Interest and Other Borrowing Cost Paid	**(14.61)**	(36.21)
	Net Cash flow received/ (used in) Financing Activities	**453.58**	328.66
	Net Increase/(Decrease) in cash & cash equivalents	**0.40**	(7.35)

Standalone Statement of cash flows for the year ended March 31, 2022 (Contd.)

(₹in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash & Cash equivalent at the beginning of the year	**0.65**	8.00
Cash & Cash equivalent at the end of the year	**1.05**	0.65

Figures in brackets indicate outflows.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash and cash equivalents comprise of: (Refer Note 7(d))		
Cash on Hand	**-**	-
Balances with Banks	**1.05**	0.65
Cash and cash equivalents	**1.05**	0.65

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

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

Particulars of liabilities arising from financing activity	Note No.	As at April 1 2021	Net cash flows	Non Cash Changes		As at March 31, 2022
				Effect of change in Foreign Currency Rates	Other changes *	
Borrowings:						
Long term borrowings	13 (a)	49.39	(12.06)	-	-	37.33
Short term borrowings (including current maturities of long-term borrowings)	13 (a)	73.91	(19.57)	-	-	54.34
Interest accrued on borrowings	13 (c)	3.83	(3.83)	-	2.34	2.34
Total		**127.13**	**(35.46)**	**-**	**2.34**	**94.01**

Particulars of liabilities arising from financing activity	Note No.	As at April 1 2020	Net cash flows	Non Cash Changes		As at March 31, 2021
				Effect of change in Foreign Currency Rates	Other changes *	
Borrowings:						
Long term borrowings	13 (a)	20.97	29.07	(0.65)	-	49.39
Short term borrowings (including current maturities of long-term borrowings)	13 (a)	237.36	(163.50)	0.05	-	73.91
Interest accrued on borrowings	13 (c)	2.86	(2.86)	-	3.83	3.83
Total		**261.19**	**(137.29)**	**(0.60)**	**3.83**	**127.13**

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

Notes: 1) The standalone cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

In terms of our report attached

For Sorab S. Engineer & Co.
Chartered Accountants

Chokshi Shreyas B.
Partner

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru

Piyush Gupta
Chief Financial Officer
Place: Bengaluru
Date: August 18, 2022

Lipi Jha
Company Secretary
Place: Bengaluru

Place: Ahmedabad
Date: August 18, 2022

Standalone Statement of changes in equity for the year ended March 31, 2022

(₹in Crores)

Statement of changes in Equity

A. Equity share capital

Balance	Amount Note 11
As at April 1, 2020	**23.47**
Add: Issue of fully paid up shares (Refer Note 11.5)	15.99
Add: Issue of partly paid up shares (Refer Note 11.6)	2.96
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 34)	0.01
As at March 31, 2021	**42.43**
Add: Issue of fully paid up preferential shares (Refer Note 11.5)	7.32
Add: Issue of partly paid up shares (Refer Note 11.6)	2.95
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 34)	0.27
As at March 31, 2022	**52.97**

B. Other equity **Attributable to the equity holders**

Particulars	Reserves and Surplus				Total equity
	Share Based Payment Reserve	Securities premium	Retained Earnings	Capital Reserve	
	Note 12 Note 12	Note 12	Note 12	Note 12	
Balance as at April 1, 2020	**6.43**	**1,170.52**	**103.45**	**45.39**	**1,325.79**
Profit/ (Loss) for the year	-	-	(59.41)	-	(59.41)
Other comprehensive income/(loss) for the year	-	-	0.01	-	0.01
Total Comprehensive income/(loss) for the year	**-**	**-**	**(59.40)**	**-**	**(59.40)**
Addition during the year	5.82	484.56	-	-	490.38
Equity issue expenses adjusted during the year (Refer Note 11.6)	-	(4.22)	-	-	(4.22)
Transfer to securities premium	(1.02)	-	-	-	(1.02)
Transfer from share based payment reserve	-	1.02	-	-	1.02
Balance as at March 31, 2021	**11.23**	**1,651.88**	**44.05**	**45.39**	**1,752.55**
Balance as at April 1, 2021	**11.23**	**1,651.88**	**44.05**	**45.39**	**1,752.55**
Profit/ (Loss) for the year	-	-	7.44	-	7.44
Other comprehensive income/(loss) for the year	-	-	(0.43)	-	(0.43)
Total Comprehensive income/(loss) for the year	**-**	**-**	**7.01**	**-**	**7.01**
Addition during the year	5.95	493.62		-	499.57
Utilisation during the year (refer note 12(a)	-	-	-	5.50	5.50
Equity issue expenses adjusted during the year (Refer Note 11.6)	-	(4.33)	-	-	(4.33)
Transfer to securities premium	(4.36)	-	-	-	(4.36)
Transfer from share based payment reserve	-	4.36	-	-	4.36
Balance as at March 31, 2022	**12.82**	**2,145.53**	**51.06**	**50.89**	**2,260.30**

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

In terms of our report attached

For Sorab S. Engineer & Co.
Chartered Accountants

Chokshi Shreyas B.
Partner

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

Place: Ahmedabad
Date: August 18, 2022

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru

Piyush Gupta
Chief Financial Officer
Place: Bengaluru

Lipi Jha
Company Secretary
Place: Bengaluru

Date: August 18, 2022

Notes to the Standalone Financial Statement As At and for The Year Ended 31st March, 2022

1. Corporate Information

Arvind Fashions Limited ("the Company") is a public limited company incorporated in India under the provisions of the Companies Act, 2013 and has its registered office at Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 having CIN L52399GJ2016PLC085595. The Company has its primary listings on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited ("the Stock Exchanges"). The Company is in the business of marketing and distribution of branded apparels and accessories.

The Company's Standalone Financial Statements have been approved by Board of Directors in the meeting held on August 18, 2022.

2. Statement of Compliance and Basis of Preparation

2.1 Basis of Preparation and Presentation and Statement of Compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. The financial statements have been prepared on accrual basis under the historical cost convention, except certain assets and liabilities, which have been measured at fair value as required by the relevant Ind AS.

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

The Standalone Financial Statements comprising of Standalone Balance Sheet, Standalone Statement of Profit and Loss including other comprehensive income, Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows as at March 31, 2022 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III of the Companies Act, 2013 (Ind AS compliant schedule III) as applicable to Standalone Financial Statement.

The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Previous year numbers are regrouped or reclassified, where necessary to comply with the amendment. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

2.2 Historical Cost Convention

The Standalone Financial Statements have been prepared on a historical cost basis, except for the followings:

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

2.3 Rounding off

The Standalone Financials Statement have been prepared in Indian Rupees (INR) and all the values are rounded to nearest crores as per the requirement of Schedule III, except when otherwise indicated. Figures less than Rs 50,000 which are required to be shown separately, have been shown in actual brackets.

3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its Standalone Financial Statements consistently to all the periods presented:

3.1. Current versus non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. For the purpose of current/non-current classification of assets, the company has ascertained its normal operating cycle as twelve months.

3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

3.3. Business combinations and goodwill

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

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Company after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interests method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

3.4. Foreign currencies

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

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

3.5. Fair value measurement

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

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

- In the principal market for the asset or liability

  Or

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

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

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

  A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

  The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

  All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

  Management compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

  For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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

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

3.6. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. 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 life and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Derecognition

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

Depreciation

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

Asset	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

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

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful life for these assets are different from the useful life as prescribed under Part C of Schedule II to the Companies Act 2013. Any change in useful file are being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

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

3.7. Leases

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

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

3.8. Borrowing cost

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

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

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

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

3.9. Intangible Assets

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

The useful life of intangible assets are assessed as finite.

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

Intangible assets with indefinite useful life are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Value of License Brands/License fees acquired under demerger scheme has been amortized on Straight Line basis over the period of 10 years.

Technical Process Development has been amortized on Straight Line basis over the period of 5 years and Product Development has been amortized on Straight Line basis over the period of 3 to 5 years.

Software and Website are depreciated over management estimate of its useful life of 5 years.

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

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

3.11. Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

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

Intangible assets with indefinite useful life are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.12. Revenue Recognition

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

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer.

Variable consideration

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

i. Rights of return

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

ii. Discounts

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

b) Contract balances

i. Contract assets

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

ii. Trade receivables

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

iii. Contract liabilities

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

c) Assets and liabilities arising from returns

i. Returnable asset

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

ii. Refund liabilities

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

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

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

e) 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.

f) Interest income

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

g) Profit or loss on sale of Investments

Profit or Loss on sale of investments is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

h) Insurance claims

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

i) Export Incentive

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

3.13. Financial instruments – initial recognition and subsequent measurement

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

a) Financial assets

(i) Initial recognition and measurement of financial assets

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement of financial assets

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

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

- **Financial assets at amortised cost:**

A financial asset is measured at amortised cost if:

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

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

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

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

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

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

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

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

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

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

b) Equity instruments:

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(iii) Derecognition of financial assets

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire, or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or

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

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

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

(iv) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The

Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(v) Impairment of financial assets

a) Financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 109 and IND AS 115

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

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and IND AS 115, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and IND AS 115 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and
- Right Of Use Assets resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

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

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

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

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

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

c) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

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

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

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

(ii) Subsequent measurement of financial liabilities

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

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

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

  Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ 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 not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings**

  This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

  This category generally applies to borrowings.

(iii) Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d) Offsetting of financial instruments

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

3.14. Cash and cash equivalents

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

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

3.15. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

3.16. Employee Benefits

a) Short Term Employee Benefits

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

b) Post-Employment Benefits

(i) Defined contribution plan

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

(ii) Defined benefit plan

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

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

c) Other long term employment benefits:

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

d) Termination Benefits:

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

3.17. Share-based payments

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

Equity-settled transactions

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

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

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

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

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

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

3.18. Earnings per share

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

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

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.

3.19. Provisions and Contingencies

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

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

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

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

3.20. Segment Reporting

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

3.21. Events after the reporting period

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

3.22. Exceptional Items

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

4. Critical accounting Judgements and key source of estimation uncertainty

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

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

4.1 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.

4.2 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.

4.3 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.

4.4 Defined benefit plans

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

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

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

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

4.5 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.

4.6 Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant. The expenses recognised for share-based payment transactions are disclosed in Note 34.

4.7 Taxes

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

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

Further details on taxes are disclosed in Note 26.

4.8 Inventories

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

4.9 Useful life of Property, Plant and Equipment and Intangible assets

The Company reviews the estimated useful life of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended March 31, 2022, there were no changes in useful life of property plant and equipment and intangible assets other than (a) useful life of leasehold improvements which have been considered lower of the lease term or useful life and (b) those resulting from store closures / shifting of premises.

4.10 Impairment of non-financial assets

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

4.11 Provisions and contingencies

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

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

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

Notes to the Standalone Financial Statements

(₹in Crores)

Note 5 : Property, plant and equipment

Particulars	Buildings	Plant & machinery	Furniture & fixture	Vehicles	Leasehold Improve-ments	Office Equipment	Computer, server & network	Total
Gross Carrying Value*								
As at April 1, 2020	**6.94**	**5.70**	**14.61**	**1.17**	**6.61**	**1.04**	**7.16**	**43.23**
Additions	-	-	1.78	0.46	0.54	0.01	0.30	3.09
Deductions	-	0.60	0.60	0.28	2.35	0.44	0.22	4.49
Adjustment Due To Business Transfer (Refer Note 47)	-	0.05	5.09	0.24	1.71	-	-	7.09
As at March 31, 2021	**6.94**	**5.05**	**10.70**	**1.11**	**3.09**	**0.61**	**7.24**	**34.74**
Additions	-	0.01	2.40	0.82	0.84	0.02	0.09	4.18
Deductions	-	-	-	0.33	0.49	0.13	0.12	1.07
As at March 31, 2022	**6.94**	**5.06**	**13.10**	**1.60**	**3.44**	**0.50**	**7.21**	**37.85**
Accumulated Depreciation As at April 1, 2020	**0.26**	**2.79**	**4.78**	**0.52**	**2.66**	**0.29**	**0.88**	**12.18**
Depreciation for the year	0.21	1.60	2.72	0.24	1.76	0.48	1.93	8.94
Deductions	-	0.60	0.49	0.21	1.75	0.43	0.21	3.69
"Adjustment Due To Business Transfer (Refer Note 47)"	-	0.02	2.46	0.13	0.99	0.01	0.01	3.62
As at March 31, 2021	**0.47**	**3.77**	**4.55**	**0.42**	**1.68**	**0.33**	**2.59**	**13.81**
Depreciation for the year	0.21	1.11	2.69	0.38	0.91	0.17	2.35	7.82
Deductions	-	-	-	0.18	0.48	0.09	0.08	0.83
As at March 31, 2022	**0.68**	**4.88**	**7.24**	**0.62**	**2.11**	**0.41**	**4.86**	**20.80**
Net Carrying Value								
As at March 31, 2022	**6.26**	**0.18**	**5.86**	**0.98**	**1.33**	**0.09**	**2.35**	**17.05**
As at March 31, 2021	**6.47**	**1.28**	**6.15**	**0.69**	**1.41**	**0.28**	**4.65**	**20.92**

Notes:

1) For Properties pledge as security Refer Note 13 (a).

2). Title deeds of Immovable Properties are not held in name of the Company (Other than properties where the Company is Lessee and where the lease agreements are duly executed in favour of the Company).

Following is the details of immovable property not held in the name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held	Reason for not being held in the name of the company
Property, plant and equipment	Building	6.94	Arvind Limited (formerly known as Arvind Mills Limited)	No	Since November 05, 2018.	The Transfer is in process

*Refer Note 45.

Notes to the Standalone Financial Statements

Note 6: Intangible assets

(₹in Crores)

Particulars	Computer Software	Technical Process development	Product Develo-pment	Website	Total Intangible assets
Gross Carrying Value					
As at April 1, 2020	**8.48**	**8.00**	**12.59**	**2.46**	**31.53**
Additions	2.68	-	-	-	2.68
Deductions	-	-	-	-	-
As at March 31, 2021	**11.16**	**8.00**	**12.59**	**2.46**	**34.21**
Additions	0.14	-	-	-	0.14
Deductions	0.01	8.00	4.50	-	12.51
As at March 31, 2022	**11.29**	**-**	**8.09**	**2.46**	**21.84**
Amortisation					
As at April 1, 2020	**0.68**	**2.65**	**0.12**	**1.38**	**4.83**
Amortisation for the Year	2.09	1.61	4.22	0.68	8.60
Deductions	-	-	-	-	-
As at March 31, 2021	**2.77**	**4.26**	**4.34**	**2.06**	**13.43**
Amortisation for the Year	2.54	3.74	3.57	0.40	10.25
Deductions	0.01	8.00	4.50	-	12.51
As at March 31, 2022	**5.30**	**-**	**3.41**	**2.46**	**11.17**
Net Carrying Value					
As at March 31, 2022	**5.99**	**-**	**4.68**	**-**	**10.67**
As at March 31, 2021	**8.39**	**3.74**	**8.25**	**0.40**	**20.78**

Note 7 : Financial assets

7 (a) Investments

Particulars	Face Value per share in ₹	As at March 31, 2022	As at March 31, 2021
Non-current investment			
Investment in equity shares (fully paid up)			
Subsidiaries and Controlled Joint Ventures - measured at cost (Unquoted)			
Arvind Lifestyle Brands Limited (Refer Note 1, 2 and 4 below) (31st March 2022: 15,75,00,000, 31st March 2021: 13,27,00,000)	10	**1,713.69**	1,461.84
Arvind Beauty Brands Retail Private Limited (Refer Note 1 and 2 below) (31st March 2022: 89,39,488, 31st March 2021: 76,89,488)	10	**133.73**	107.53
PVH Arvind Fashion Private Limited (Refer Note 2 & 3 below) (31st March 2022: 25,01,589, 31st March 2021: 25,01,589)	10	**115.76**	115.21
Arvind Youth Brands Private Limited (Refer Note 1, 2 and 4 below) (31st March 2022: 4,46,32,600, 31st March 2021: 4,46,32,600)	10	**45.08**	44.72
Total equity Investments		**2,008.26**	1,729.30
Investment in Perpetual Non Convertible Debentures			
10,00,00,000 (previous year nil) 8% Unsecured Perpetual Non-Convertible Debentures of Rs.10 Each of Arvind Lifestyle Brands Limited (Refer Note 6)		**100.00**	-
Total Investments		**100.00**	-
Share application money, pending allotment		-	25.00
Total Investments		**2,108.26**	1,754.30
Aggregate amount of quoted investments		-	-
Aggregate amount of unquoted investments		**2,108.26**	1,729.30
Aggregate impairment in value of investment		-	-

Notes to the Standalone Financial Statements

(₹in Crores)

7 (a) Investments (contd.)

Note 1: Increase in the cost of investment during the year includes recognition of cost of ESOPs issued to Employees of Subsidiaries. The same is detailed below:

Subsidiaries	**2021-22**	2020-21
Arvind Lifestyle Brands Limited	**0.63**	1.39
Arvind Youth Brands Private Limited	**0.09**	(Rs. 21,358)
Arvind Beauty Brands Retail Private Limited	**1.08**	2.23

Note 2: Increase in the Cost of investment during the year includes recognition of Notional Commission on Fair Valuation of Financial Guarantee provided for loan taken by subsidiary. The same is detailed below:

Subsidiaries	**2021-22**	2020-21
Arvind Lifestyle Brands Limited	**3.22**	3.37
Arvind Youth Brands Private Limited	**0.27**	0.08
Arvind Beauty Brands Retail Private Limited	**0.12**	0.04
PVH Arvind Fashion Private Limited	**0.55**	-

Note 3: The National Company Law Tribunal (NCLT), vide its order dated July 14, 2020 has approved the scheme of amalgamation of Tommy Hilfiger Arvind Fashion Private Limited with Calvin Klein Arvind Fashion Private Limited now renamed as PVH Arvind Fashion Private Limited. The scheme has become effective with appointed date i.e. April 01, 2019.

19,96,941 equity shares of Rs. 10 each of PVH Arvind Fashions Private Limited were issued to the Company pursuant to the Scheme of amalgamation.

Note 4: The Company has pledged 5,07,26,265 equity shares of Arvind Lifestyle Brands Limited as a security against working capital loans availed by the Company and Arvind Lifestyle Brands Limited.

The Company has pledged 2,56,97,557 equity shares of Arvind Youth Brands Retail Private Limited as a security against working capital loans availed by the Company.

Note 5: The Company has complied with the requirement with respect to number of layers prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

Note 6: Investment in Perpetual Non Convertible Debentures / Perpetual Debt is redeemable / Payable at issuer's option and can be deferred indefinitely.

7 (b) Trade receivables - Current

Particulars	**As at March 31, 2022**	As at March 31, 2021
Unsecured, considered good	**372.89**	143.37
Significant increase in Credit Risk	**-**	-
Credit Impaired	**19.64**	13.27
Less: Allowance for doubtful debts	**(19.64)**	(13.27)
	372.89	143.37
Less: Refund liability - Refer Note 3 below	**(101.63)**	(23.78)
Total Trade receivables	**271.26**	119.59

Notes:

1). No trade receivables are due from directors or other officers of the Company either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.

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

3) Refund liability are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers.

Allowance for doubtful debts

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

Notes to the Standalone Financial Statements

Movement in allowance for doubtful debt :

(₹in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	**13.27**	7.27
Add : Allowance for the year (Refer Note 23 and Note 25)	**6.37**	6.00
Less : Write off of bad debts (net of recovery)	**-**	-
Balance at the end of the year	**19.64**	13.27

Trade Receivables Ageing Schedule:
As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade receivables - Considered Good	176.75	186.31	9.83	-	-	-	372.89
Undisputed Trade receivables - credit impaired	-	-	0.13	13.76	1.49	-	15.38
Disputed Trade receivables - credit impaired	-	-	-	1.73	2.53	-	4.26
Total	**176.75**	**186.31**	**9.96**	**15.49**	**4.02**	**-**	**392.53**
Less: Allowance for doubtful debts							19.64
Less: Refundable Liability							101.63
Net Trade Receivables							**271.26**

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade receivables - Considered Good	107.07	24.08	10.44	1.57	0.21	-	143.37
Undisputed Trade receivables - credit impaired	-	-	6.02	3.26	-	-	9.28
Disputed Trade receivables - credit impaired -	-	3.99	-	-	-	3.99	
Total	**107.07**	**24.08**	**20.45**	**4.83**	**0.21**	**-**	**156.64**
Less: Allowance for doubtful debts							13.27
Less: Refundable Liability							23.78
Net Trade Receivables							**119.59**

7 (c) Loans

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Non-current		
Loans to employees	**-**	0.01
	-	0.01
Current		
Loans to related parties (Refer Note 32)	**43.29**	42.77
Loans to employees	**0.79**	0.32
	44.08	43.09
Total Loans	**44.08**	43.10

Notes: 1) No loans are due from directors or promoters of the Company either severally or jointly with any person.

Notes to the Standalone Financial Statements

(₹in Crores)

Loans to related parties that are repayable on demand

Type of Borrower	Year ended March 31, 2022		Year ended March 31, 2021	
	Loan Outstanding	**Loan Outstanding (%)**	Loan Outstanding	Loan Outstanding (%)
Related Parties	43.29	98.21%	42.77	99.23%

7 (d) Cash and cash equivalent

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	-	-
Balance with Bank		
In Current accounts and debit balance in cash credit accounts	1.05	0.65
Total cash and cash equivalents	**1.05**	0.65

7 (e) Other bank balance

Particulars	As at March 31, 2022	As at March 31, 2021
In Deposit Account		
Earmarked Balance - Unpaid Fractional Shares and Rights Issue	1.05	-
Held as Margin Money*	0.12	0.07
Total other bank balances	**1.17**	0.07

* Under lien with bank as Security for Guarantee Facility

7 (f) Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise specified)		
Non-current		
Security deposits	5.91	13.69
	5.91	13.69
Current		
Security deposits	1.28	1.00
Income receivable	-	1.01
Accrued Interest	-	0.01
Insurance claim receivable	0.04	0.03
	1.32	2.05
Total other financial assets	**7.23**	15.74

Notes: 1) Other current financial assets are given as security for borrowings as disclosed under Note 13(a).

Notes to the Standalone Financial Statements

(₹in Crores)

7 (g) Financial assets by category

Particulars	Cost	FVTPL	FVOCI	Amortised cost
March 31, 2022				
Investments				
- Equity Shares	2,008.26	-	-	-
- Perpetual Debentures	100.00			
Trade Receivables	-	-	-	271.26
Loans	-	-	-	44.08
Cash & Bank balances	-	-	-	2.22
Other financial assets	-	-	-	7.23
Total Financial Assets	**2,108.26**	**-**	**-**	**324.79**
March 31, 2021				
Investments				
- Equity Shares	1,754.30	-	-	-
Trade Receivables	-	-	-	119.59
Loans	-	-	-	43.10
Cash & Bank balances	-	-	-	0.72
Other financial assets	-	-	-	15.74
Total Financial Assets	**1,754.30**	**-**	**-**	**179.15**

Notes :

1. Financial instruments risk management objectives and policies, refer Note 39.
2. Fair value disclosure for financial assets and liabilities, refer note 37 and fair value hierarchy disclosures refer note 38.

Note 8 : Non-Current Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current Tax Assets (Net)		
Tax Paid in Advance (Net of Provision)	**7.95**	5.98
Total	**7.95**	5.98

Note 9 : Other assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Non-current		
Sales tax paid under protest	**3.18**	0.55
Capital advances	**16.52**	0.02
	19.70	0.57
Current		
Advance to suppliers	**5.61**	7.37
Balance with Government Authorities (Refer Note 1 below)	-	20.92
Export incentive receivable	**0.46**	0.50
Returnable Asset (Refer Note 3 and 5 below)	**41.39**	7.88
Prepaid expenses	**0.84**	0.85
Other Current Assets	**7.23**	8.58
	55.53	46.10
Total	**75.23**	46.67

Notes :

1. Balance with Government Authorities mainly consist of input credit availed.
2. Other current assets are given as security for borrowings as disclosed under Note 13(a).

Notes to the Standalone Financial Statements

(₹in Crores)

3. Returnable Asset are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers.
4. No advances are due from directors or promotors of the Company either severally or jointly with any person.
5. Returnable Assets are accounted, considering the nature of inventory, ageing and net realisable value. Accordingly Rs. 7.66 Crores (March 31, 2021 Rs. 1.42 Crores) has been provided. The changes in write downs are recognised as an expense in the Statement.
6. Other current assets represents Goods and Service Tax paid on refund liability component.

Note 10 : Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2022	As at March 31, 2021
Trims and accessories	**2.38**	2.04
Stock-in-trade	**38.52**	106.04
Packing materials	**0.46**	0.72
Total	**41.36**	108.80

Notes:

1) Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value. Accordingly Rs. 8.59 Crores (March 31, 2021 Rs. 14.48 Crores) has been provided. The changes in write downs are recognised as an expense in the Statement of Profit and Loss.
2) Inventories are given as security for borrowings as disclosed under Note 13(a).

Note 11 : Equity share capital:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹in Crores	No. of shares	₹in Crores
Authorised share capital Equity shares of Rs.4 each (March 31, 2021: Rs. 4 each)	**18,75,00,000**	**75.00**	18,75,00,000	75.00
Issued and subscribed share capital Equity shares of Rs. 4 each (March 31, 2021: Rs. 4 each)	**13,24,61,813**	**52.97**	11,34,87,487	42.43
Subscribed and fully paid up Equity shares of Rs.4 each (March 31, 2021: Rs. 4 each)	**13,24,10,948**	**52.96**	9,86,85,711	39.47
Subscribed and Partly paid up Equity shares of Rs.2 each (March 31, 2021:Rs. 2 each)	**50,865**	**0.01**	1,48,01,776	2.96
Total	**13,24,61,813**	**52.97**	11,34,87,487	42.43

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹in Crores	No. of shares	₹in Crores
At the beginning of the period	**11,34,87,487**	**42.43**	5,86,79,364	23.47
Add: Issue of fully paid up shares (Refer Note 11.5)	**1,83,06,624**	**7.32**	3,99,79,347	15.99
Add: Issue of partly paid up shares (Refer Note 11.6)	**-**	**2.95**	1,48,01,776	2.96
Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 34)	**6,67,702**	**0.27**	27,000	0.01
Outstanding at the end of the period	**13,24,61,813**	**52.97**	11,34,87,487	42.43

11.2. Rights, Preferences and Restrictions attached to the equity shares :

The Company has one class of shares referred to as equity shares having a par value of Rs. 4 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after distribution of all preferential amounts, in proportion to their shareholding.

Notes to the Standalone Financial Statements

(₹in Crores)

11.3. 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
Aura Securities Private Limited	4,36,18,605	32.93%	4,31,18,605	37.99%
Icici Prudential Long Term Equity Fund Tax Savings	97,83,459	7.39%	46,79,842	4.12%
Plenty Private Equity Fund I Limited	75,10,649	5.67%	75,10,649	6.62%
Akash Bhanshali	80,09,153	6.05%	-	0.00%

11.4. Shareholding of Promoters

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	No. of shares	% of shares	'% change during the year	No. of shares	% of shares	% change during the year
Aura Securities Private Limited	4,36,18,605	32.93%	1%	4,31,18,605	37.99%	126%
Aura Merchandise Private Limited	18,30,701	1.38%	4817534%	38	0.00%	90%
Atul Limited	15,96,105	1.20%	0%	15,96,105	1.41%	93%
Aura Business Ventures LLP	10,36,706	0.78%	231%	3,13,229	0.28%	93%
Aagam Holdings Private Limited	7,25,553	0.55%	0%	7,25,553	0.64%	93%
Anusandhan Investments Limited	44,470	0.03%	0%	44,470	0.04%	93%
Aayojan Resources Private Limited	35,190	0.03%	0%	35,190	0.03%	93%
Adhinami Investment Private Limited	7,153	0.01%	0%	7,153	0.01%	93%
Swati S Lalbhai	3,754	0.00%	0%	3,754	0.00%	93%
Hansa Niranjanbhai	2,279	0.00%	0%	2,279	0.00%	0%
Sunil Siddharth Lalbhai	2,101	0.00%	0%	2,101	0.00%	93%
Badlani Manini Rajiv	1,644	0.00%	0%	1,644	0.00%	15%
Vimla S Lalbhai	1,593	0.00%	0%	1,593	0.00%	74%
Taral S Lalbhai	1,573	0.00%	0%	1,573	0.00%	93%
Punit Sanjaybhai	1,544	0.00%	0%	1,544	0.00%	108%
Sanjaybhai Shrenikbhai Lalbhai	641	0.00%	-1%	649	0.00%	109%
Astha Lalbhai	385	0.00%	0%	385	0.00%	0%
Vandana Gupta	302	0.00%	0%	302	0.00%	92%
Jayshreeben Sanjaybhai Lalbhai	152	0.00%	0%	152	0.00%	124%
Utkarsh Bhikoobhai Shah	96	0.00%	0%	96	0.00%	92%
Akshita Holdings Private Limited	51	0.00%	0%	51	0.00%	89%
Amit Gupta	40	0.00%	-87%	307	0.00%	339%
Aura Business Enterprise Private Limited	38	0.00%	0%	38	0.00%	90%
Aura Securities Private Limited	38	0.00%	0%	38	0.00%	90%
Kalpanaben Shripalbhai Morakhia	3	0.00%	0%	3	0.00%	50%
Sunil Siddharth HUF	3	0.00%	0%	3	0.00%	0%
Total	4,89,10,720	36.92%		4,58,56,855	40.41%	

Notes to the Standalone Financial Statements

11.5. Issue of Equity Shares on preferential basis

On 21st August 2021, the Board of Directors approved issuance of equity shares on a preferential basis to various investors. The Company received the approval of shareholders in the extra ordinary general meeting held on 16th September 2021. The Board of Directors approved allotment of 1,83,06,624 fully paid equity shares to various investors at Rs. 218.50 per equity share (of which Rs. 4/- is towards face value and Rs. 214.50 towards premium) on receipt of consideration. There has been no deviation in the use of proceeds of the Preferential Issue, from the Objects stated in the Offer Letter.

11.6. Issue of Shares under Right Issue

On June 21, 2020, the Board of Directors of the Company had approved the revised size of Rights Issue of 3,99,79,347 shares of face value of Rs. 4 each (the "Rights Issue Shares") at a price of Rs. 100 per Rights Equity Shares (including premium of Rs. 96 per Rights Equity Share) in the ratio of 62:91, i.e. 62 Rights Equity Shares for every 91 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. March 18, 2020. On July 24, 2020, the Company has approved the allotment of 3,99,79,347 equity shares of face value Rs. 4/- each to the eligible equity shareholders as fully paid up.

On February 03, 2021, the Board of Directors of the Company and subsequently on February 18, 2021, the Committee of Directors had approved the Rights Issue of 1,48,02,856 equity shares of face value of Rs. 4 each (the "Rights Issue Shares") at a price of Rs. 135 per Rights Equity Shares (including premium of Rs. 131 per Rights Equity Share) in the ratio of 3:20, i.e. 3 Rights Equity Shares for every 20 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. February 24, 2021. On March 25, 2021, the Company has approved the allotment of 1,48,01,776 equity shares of face value Rs. 4/- each to the eligible equity shareholders as partly paid up for an amount of Rs. 70/- per Rights Issue Share received on application (of which Rs. 2/- was towards face value and Rs. 68/- towards premium). The allotment of 1,080 Rights Equity Shares has been kept in abeyance pending regulatory/other clearance. The first and final call of Rs. 65/- was made in the month of May 2021 and received (of which Rs. 2/- was towards face value and Rs. 63/- towards premium). As on date the First and Final call payment for 50,865 shares amounting to Rs.0.33 Crores is yet to be received.

Equity Issue expenses of Rs. 4.33 Crores (March 31, 2021 - Rs. 4.22 Crores) has been adjusted against Securities Premium.

11.7. Shares allotted as fully paid up without payment being received in cash during the period of five years immediately preceding the reporting date:

1) The Company has allotted 26,04,676 Equity Shares as bonus shares by capitalization of Securities Premium during the year 2017-2018 in the ratio of 0.023 equity shares for 1 existing equity share held.

2) The Company has allotted 5,17,23,414 Equity Shares pursuant to the scheme of arrangement during the year 2018-19.

11.8. Shares reserved for issue under options and contracts:

Refer Note 34 for details of shares to be issued under Employee Stock Option Schemes (ESOPs)

11.9. Objective, policy and procedure of capital management:

Refer Note 40.

Notes to the Standalone Financial Statements

Note 12 : Other Equity

(₹in Crores)

Balance	As at March 31, 2022	As at March 31, 2021
Reserves & Surplus		
Capital reserve		
Balance as per last financial statements	**45.39**	45.39
Less: Utilised during the year	**(5.50)**	-
Balance at the end of the year	**39.89**	45.39
Securities premium		
Balance as per last financial statements	**1,651.88**	1,170.52
Add: Addition during the year	**493.62**	484.56
Add: Transfer from share based payment reserve	**4.36**	1.02
Less: Equity issue expenses adjusted during the year	**(4.33)**	(4.22)
Balance at the end of the year	**2,145.53**	1,651.88
Share based payment reserve (Refer Note 34)		
Balance as per last financial statements	**11.23**	6.43
Add: Addition during the year	**5.95**	5.82
Less: Transfer to Securities Premium Account	**(4.36)**	(1.02)
Balance at the end of the year	**12.82**	11.23
Surplus in statement of profit and loss		
Balance as per last financial statements	**44.05**	103.45
Add: Profit/ (Loss) for the year	**7.44**	(59.41)
Add / (Less): OCI for the year	**(0.43)**	0.01
Balance at the end of the year	**51.06**	44.05
Total reserves & surplus	**2,249.30**	1,752.55
Total Other equity	**2,249.30**	1,752.55

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

a Capital reserve

Capital reserve represents capital reserve on amalgamation/business combination. This reserve arose pursuant to scheme of arrangement and shall not be considered to be reserve created by the Company. Utilisation during the year represents the stamp duty paid which is accounted as per the Composite scheme of arrangement for demerger of branded apparel undertaking.

b Securities premium

Securities premium is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies, Act.

c Share based payment reserve

This reserve relates to share options granted by the Company to its employees (including subsidiary Companies) and erstwhile Holding Company's employee share option plan. Further information about share-based payments to employees is set out in Note 34.

Notes to the Standalone Financial Statements

(₹in Crores)

Note 13 : Financial liabilities

13 (a) Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Long-term Borrowings (Refer Note 1(a) below)		
Secured (at amortised cost)		
Term loan from Banks	**37.33**	49.39
Total long-term borrowings	**37.33**	49.39
Short-term Borrowings (Refer Note 1(b) below)		
Secured (at amortised cost)		
Current maturities of Long-Term borrowings	**12.72**	3.54
Working Capital Loans repayable on demand from Banks	**41.62**	70.32
Unsecured		
Intercorporate Deposits		
From Others	**-**	0.05
Total short-term borrowings	**54.34**	73.91
Total borrowings	**91.67**	123.30

I Secured Borrowings

a Long term

Particulars	Rate of interest	As at March 31, 2022	As at March 31, 2021	Security	Terms of repayment
Rupee Loans	7.80%	14.69	17.68	Secured against first pari passu charge over the entire fixed assets of the Company both present and future, and second charge is created over the entire stock, receivables and other current assets of the Company both present and future.	Repayable in 22 quarterly installments beginning from September 2019
Rupee Loans	7.80% to 8.15%	34.38	34.38	1. Guaranteed By National Credit Guarantee Trustee Company Ltd. 2. Second Charge on all current assets of borrower both present and future 3. Extension of second ranking charge over existing primary and collateral securities created in favour of the bank (including but not limited to hypothecation on present and future stock, book debts and movable fixed assets of the company and assets of the borrower created out of this Facility	Repayable in 48 Monthly installments beginning from April 2022
Hire Purchase loans	7.70%	0.98	0.87	Secured by hypothecation of related vehicles	Monthly payment of Equated Monthly Installments beginning from the month subsequent to taking the loans.

Notes to the Standalone Financial Statements

(₹in Crores)

(b) Short term

Particulars	Rate of interest	As at March 31, 2022	As at March 31, 2021	Security	Terms of repayment
Working Capital loans	7.30% to 8.20%	26.62	35.43	First pari passu charge on entire Stock and Receivables of the Company both present and future.	Secured against Pledge 175,82,539 shares of Arvind Youth Brands Private Limited.
Working Capital loans	6.75%	15.00	6.00	First pari passu charge on entire Stock and Receivables of the Company both present and future.	
Working Capital loans	8.20%	-	28.89	First pari passu charge on entire Stock and Receivables of the Company both present and future.	Secured against Pledge of 43,75,000 shares of Arvind Lifestyle Brands Limited and 81,15,018 shares of Arvind Youth Brands Private Limited (AYBPL).

2. All necessary charges or satisfaction are registered with ROC within the statutory period.
3. The Company has Fund based and Non-fund based limits of working capital from Banks and Financial Institutions. For the said facility, the revised submissions made by the Company to its lead bankers based on closure of book of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.
4. The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

5. Unsecured Borrowings
(a) Short term

Particulars	Rate of interest	As at March 31, 2022	As at March 31, 2021
Intercorporate Deposits	8.50%	-	0.05

13 (b) Trade payable

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Acceptances	**46.29**	16.04
Other Trade Payables (Refer Note a below)		
-Total outstanding dues of micro enterprises and small enterprises	**8.28**	17.65
-Total outstanding dues other than micro enterprises and small enterprises	**116.71**	183.44
Total	**171.28**	217.13

Trade Receivables Ageing Schedule:
As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Micro enterprises and small enterprises	8.24	0.04	-	-	-	8.28
Other than micro enterprises and small enterprises	140.22	20.53	1.43	-	0.82	163.00
Total	**148.46**	**20.57**	**1.43**	**-**	**0.82**	**171.28**

Notes to the Standalone Financial Statements

(₹in Crores)

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Micro enterprises and small enterprises	16.49	0.99	-	0.17	-	17.65
Other than micro enterprises and small enterprises	157.73	37.82	2.62	1.09	0.22	199.48
Total	**174.22**	**38.81**	**2.62**	**1.26**	**0.22**	**217.13**

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

Particulars	As at March 31, 2022	As at March 31, 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
i) Principal	**6.16**	16.54
ii) Interest	**2.13**	1.11
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**-**	8.68
(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 MSMEDAct, 2006;	**2.13**	1.11
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	**2.13**	1.11
(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 MSMED Act, 2006	**2.13**	1.11

13 (c) Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security Deposit	**2.13**	1.67
Financial Guarantee Contract	**0.19**	0.27
	2.32	1.94
Current		
Security Deposit	**-**	0.42
Interest accrued and due on others	**-**	1.86
Interest accrued but not due on borrowings	**2.34**	3.83
Payable to employees	**8.71**	1.26
Payable for capital goods	**0.59**	0.62
Financial Guarantee Contract	**0.14**	0.35
Others*	**1.05**	-
	12.83	8.34
Total	**15.15**	10.28

Notes :

1) The Company has given the financial guarantee to Banks on behalf of Subsidiary Company.

* This includes Unpaid Fractional Shares Amount of Rs.1.04 Crores and refund due for excess money received on Right Issue of Rs.0.01 Crores.

Notes to the Standalone Financial Statements

(₹in Crores)

13 (d) Financial liabilities by category

Particulars	FVOCI	FVTPL	Amortised cost
March 31, 2022			
Borrowings	-	-	91.67
Trade payables	-	-	171.28
Security Deposits	-	-	2.13
Payable to employees	-	-	8.71
Financial Guarantee Contract	-	0.33	-
Interest accrued but not due	-	-	2.34
Payable in respect of Capital goods	-	-	0.59
Others	-	-	1.05
Total Financial liabilities	**-**	**0.33**	**277.77**

Particulars	FVOCI	FVTPL	Amortised cost
March 31, 2021			
Borrowings	-	-	123.30
Trade payables	-	-	217.13
Security Deposits	-	-	2.09
Financial Guarantee Contract	-	0.62	-
Payable to employees	-	-	1.26
Interest accrued but not due	-	-	3.83
Interest accrued and due	-	-	1.86
Payable in respect of Capital goods	-	-	0.62
Total Financial liabilities	**-**	**0.62**	**350.09**

For Financial instruments risk management objectives and policies, refer Note 39

Fair value disclosure for financial assets and liabilities are in Note 37 and fair value hierarchy disclosures are in Note 38

Note 14: Provisions

Particulars	**As at March 31, 2022**	As at March 31, 2021
Long-term		
Provision for employee benefits (refer Note 31)		
Provision for leave encashment	**1.01**	1.02
Provision for Gratuity	**2.31**	2.41
	3.32	3.43
Short-term		
Provision for employee benefits (refer Note 31)		
Provision for leave encashment	**0.49**	0.38
Provision for Gratuity	**0.66**	0.18
	1.15	0.56
Total	**4.47**	3.99

Notes to the Standalone Financial Statements

(₹in Crores)

Note 15 : Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Advance from customers	**7.31**	4.15
Statutory dues including provident fund and tax deducted at source etc	**12.10**	1.74
Deferred income of loyalty program reward points (Refer note (a) below)	**0.38**	0.35
Deferred Revenue	**0.03**	0.03
Total	**19.82**	6.27

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
Balance as per last financial statements	**0.35**	0.67
Add: Provision made during the year (Net of Expiry) (Refer Note 16)	**0.45**	0.14
Less: Redemption made during the year	**0.42**	0.46
Balance at the end of the year	**0.38**	0.35

Note 16 : Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products	**513.60**	297.46
	513.60	297.46
Operating income		
Export incentives	**-**	0.19
Foreign Exchange fluctuation on Vendors and Customers (Net)	**0.25**	0.65
Royalty Income	**0.16**	-
	0.41	0.84
Total	**514.01**	298.30

I. Disaggregation of revenue from contracts with customers

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Revenue based on Geography		
i. Domestic	**502.59**	294.06
ii. Export	**11.42**	4.24
	514.01	298.30
B. Revenue based on Business Segment		
Branded Apparels and accessories	**514.01**	298.30

Revenue from operations is shown net of schemes and discounts, Customer loyalty program and sales returns amounting to Rs. 50.37 crores, Rs. 0.45 crores and Rs. 340.30 crores (March 31, 2021 Rs. 55.80 crores, Rs .14 crores and Rs. 269.85 crores) respectively, as per the terms of contracts with its various customers.

Notes to the Standalone Financial Statements

(₹in Crores)

Note 17 : Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on financial assets recognised at amortised cost	**4.05**	10.20
Financial Guarantee Commission (Refer Note 1 below)	**4.44**	3.98
Profit on sale of Property, Plant & Equipment (Net)	**0.72**	0.01
Foreign Exchange Difference (Net)	**-**	0.36
Miscellaneous income	**0.23**	0.19
Total	**9.44**	14.74

Notes

1. The Company has given financial guarantee to Banks on behalf of the subsidiary. Fair value of the financial guarantee has been accounted as liability and amortised over the period of loan as commission income.

Note 18 : Purchases of stock-in-trade

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Garments and accessories	**247.57**	55.96
Cost of Trims and accessories	**6.70**	8.37
Less: Adjustment due to Business Transfer (Refer note 47) -	**-**	30.08
Total	**254.27**	34.25

Cost of Trims and Accessories consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Stock at the beginning of the year	**2.04**	5.38
Add : Purchases	**7.04**	5.03
	9.08	10.41
Less : Inventory at the end of the year	**2.38**	2.04
Total	**6.70**	8.37

Note 19 : Changes in inventories of stock-in-trade

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Stock at the end of the year		
Stock-in-trade	**38.52**	106.04
Stock at the beginning of the year		
Stock-in-trade	**106.04**	240.29
Total	**67.52**	134.25

Notes to the Standalone Financial Statements

(₹in Crores)

Note 20 : Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 31)	**41.64**	29.07
Contribution to provident and other funds (Refer Note 31)	**2.61**	2.85
Welfare and training expenses	**2.31**	1.29
Share based payment to employees (Refer Note 34)	**4.16**	2.20
Total	**50.72**	35.41

Note 21 : Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Interest Expenses on financial liabilities measured at amortised cost		
Loans	**9.69**	14.24
Others	**1.54**	10.89
B. Other borrowing cost	**1.13**	6.30
Total	**12.36**	31.43

Note 22 : Depreciation and amortization expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation and Amortization on Property, Plant & Equipment (Refer Note 5)	**7.82**	8.94
Amortization on Intangible assets (Refer Note 6)	**10.25**	8.60
Total	**18.07**	17.54

Notes to the Standalone Financial Statements

Note 23 : Other expenses

(₹in Crores)

Particulars	**Year ended March 31, 2022**	Year ended March 31, 2021
Power and fuel	**0.27**	0.21
Insurance	**0.48**	0.78
Processing charges	**0.81**	1.00
Printing, stationery & communication	**1.13**	0.36
Rent :		
Short Term leases and leases of low-value assets (Refer Note 35)	**4.79**	5.63
Commission & Brokerage	**2.18**	1.67
Rates and taxes	**4.29**	1.14
Repairs :		
To Building	**0.16**	0.14
To Others	**0.52**	0.33
Royalty on Sales	**33.00**	20.11
Freight, insurance & clearing charge	**5.62**	3.98
Legal & Professional charges	**6.07**	1.31
Housekeeping Charges	**0.24**	0.45
Security Charges	**0.51**	0.86
Computer Expenses	**1.31**	0.30
Conveyance & Travelling expense	**2.59**	0.75
Advertisement and Publicity	**20.20**	10.74
Charges for Credit Card Transactions	**0.02**	0.01
Packing Materials Expenses	**3.01**	2.86
Contract Labour Charges	**13.70**	17.82
Sundry debits written off	**-**	0.03
Allowance for doubtful debts (Refer Note 7b)	**6.37**	-
Sampling and Testing Expenses	**1.71**	0.48
Director's sitting fees	**0.02**	0.08
Auditor's remuneration (Refer Note 24 below)	**1.11**	0.87
Business Conducting Fees	**0.02**	-
Bank charges	**0.15**	0.43
Warehouse Charges	**0.24**	0.80
Spend on CSR activities (Refer Note 36)	**0.43**	0.89
Miscellaneous expenses	**0.68**	0.09
Total	**111.63**	74.12

Notes to the Standalone Financial Statements

(₹in Crores)

Note 24 : Break up of Auditor's Remuneration

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Payment to Auditors as :		
Statutory auditor Fees	**0.72**	0.30
Taxation matters	**0.13**	0.18
Corporate law matters	**0.15**	0.15
Certification fee	**0.05**	0.19
For reimbursement of expenses	**0.06**	0.05
Total	**1.11**	0.87

Note 25 : Exceptional Items

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Impact due to COVID-19		
Margin on Sales Return Provision	**-**	(7.29)
Inventory Dormancy Provision	**-**	(32.44)
Allowance for Doubtful Debtors	**-**	(6.00)
Total	**-**	(45.73)

Note 26 : Income tax

The major component of income tax expense:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statement of Profit and Loss		
Current tax		
Current income tax	**-**	-
Excess provision related to earlier years	**1.20**	-
Deferred Tax		
Deferred tax Charge/(Credit)	**0.24**	(0.28)
Income tax expense reported in the statement of standalone profit & loss	**1.44**	(0.28)

OCI section

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statement to Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	**(0.24)**	-
Deferred tax charged to OCI	**(0.24)**	-

Notes to the Standalone Financial Statements

(₹in Crores)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate:

A) Current tax

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit/(loss) before tax	**8.88**	(59.69)
Tax Rate	**34.944%**	34.944%
Current Tax Expenses on Profit before tax at the enacted income tax rate in India	**3.10**	(20.86)
Adjustments		
Expenditure not deductible for Tax	**0.14**	1.06
Share based Payment Expense	**(1.23)**	-
Guarantee Commission Income	**(1.55)**	(1.39)
Non-recognition of deferred taxes due to absence of probable certainty of reversal in future	**(0.62)**	18.86
Other non deductible expense	**0.16**	2.05
Provision related to earlier years	**1.20**	-
At the effective income tax	**1.20**	(0.28)
Effective Income Tax Rate %	**13.55%**	0.47%

B) Deferred tax

Particulars	Standalone Balance Sheet	Statement of Standalone Profit & Loss and Other Comprehensive Income	Standalone Balance Sheet	Statement of Standalone Profit & Loss and Other Comprehensive Income
	As at March 31, 2022	Year Ended March 31, 2022	As at March 31, 2021	Year Ended March 31, 2021
Accelerated depreciation for tax purposes	5.01	-	5.01	0.28
Accelerated depreciation for tax purposes	5.01	-	5.01	0.28
Expenditure allowable on payment basis over the period	2.12	0.14	1.98	0.19
Expenses on Employee Stock Option	0.87	-	0.87	(0.40)
Allowance for Doubtful Receivables/Advances	2.54	-	2.54	-
Amortisation of Preliminary Expenses	-	(0.13)	0.13	(0.13)
Unused tax credit available for offsetting against future taxable income (MAT credit entitlement)	6.35	-	6.35	-
Unabsorbed Depreciation and Business Loss	2.46	-	2.46	-
Others	-	(0.01)	0.01	0.51
Net deferred tax assets/(liabilities)	**19.35**	**-**	**19.35**	**0.45**

Note :

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

(ii) The Company has unused carried forward losses of Rs. 41.78 Crores as at March 31, 2022 (March 31, 2021: Rs. Rs. 61.87 Crores). Out of the same, tax credits on losses of Rs. 34.75 Crores (March 31, 2021: Rs. 54.84 Crores) have not been recognized on the basis that recovery is not probable in the foreseeable future. The Company has stopped recognizing additional deferred tax asset on all the components mentioned above, until it becomes probable that sufficient taxable profits will be available.

Notes to the Standalone Financial Statements

(₹in Crores)

Reconciliation of deferred tax assets / (liabilities), net

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance as at April 1	**19.35**	19.80
Deferred Tax (Assets)/Liability transferred during the year as per Business Transfer	**-**	(0.73)
Deferred Tax income/(expense) during the period recognised in profit or loss	**(0.24)**	0.28
Deferred Tax income/(expense) during the period recognised in OCI	**0.24**	-
Closing balance as at March 31	**19.35**	19.35

Note 27 : Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent liabilities not provided for		
a. Disputed demands in respect of (Refer Notes below)		
VAT/CST	**1.48**	8.53
Income Tax	**7.52**	0.30

Notes :

(a) It is not practical for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company does not expect any reimbursements in respect of the above Contingent liabilities.

(c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of the operations.

Note 28 : Capital commitment

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of Contracts remaining to be executed on capital account and not provided for	**0.19**	0.25

Note 29 : Foreign Exchange Exposures not hedged

Nature of exposure	In FC USD In Crores	₹ In Crores
Receivables		
As at March 31, 2022	0.06	4.31
As at March 31, 2021	0.04	2.79
Payable to creditors		
As at March 31, 2022	0.23	17.65
As at March 31, 2021	0.17	12.32

Notes to the Standalone Financial Statements

(₹in Crores)

Note 30 : Segment Reporting

Operating segment have 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).

Geographical segment

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

Particulars	Year Ended / As at March 31, 2022	Year Ended / As at March 31, 2021
Segment Revenue*		
a) In India	**502.59**	294.06
b) Rest of the world	**11.42**	4.24
Total Sales	**514.01**	298.30
Carrying Cost of Segment Assets**		
a) In India	**2,600.35**	2,153.16
b) Rest of the world	**4.31**	2.79
Total	**2,604.66**	2,155.95
Carrying Cost of Segment Non Current Assets@**		
a) In India	**55.37**	48.25
b) Rest of the world	**-**	-
Total	**55.37**	48.25

* Based on location of Customers

** Based on location of Assets

@ Excluding Financial Assets and Deferred Tax Assets

Information about major customers (revenues from single external customer more than 10% of total revenue):

The Company has one customer contributing Rs. 200.40 Crores (March 31, 2021 : Rs. 77.95 Crores) to the revenue of the Company.

Note 31 : Disclosure pursuant to Employee benefits

A. Defined Contribution Plans

The following amounts are recognised as expense and included in Note 20 "Employee benefit expenses"

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Contribution to Provident Fund	**1.84**	1.79
Contribution to Gratuity	**0.53**	0.87
Contribution to National Pension Scheme	**0.17**	0.09
Contribution to ESI	**0.07**	0.11
Contribution to Labour Welfare Fund	**(Rs.25,999/-)**	(Rs.37,258/-)
Total	**2.61**	2.86

Note

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

Notes to the Standalone Financial Statements

Note

B Defined Benefit Plans

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

Gratuity

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

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

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

Notes to the Standalone Financial Statements

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

(₹in Crores)

2021-22	April 1, 2021	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Increase (decrease) due to effect of business combination/ transfer	Contributions by employer	March 31, 2022
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 20)		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	(3.11)	(0.40)	(0.16)	(0.56)	1.01	-	0.07	(0.21)	(0.52)	(0.67)	0.11	-	(3.21)
Fair value of plan assets	0.52	-	0.03	0.03	(1.01)	(0.01)	-	-		(0.01)		0.70	0.24
Total benefit liability	**(2.59)**	**(0.40)**	**(0.13)**	**(0.53)**	**-**	**(0.01)**	**0.07**	**(0.21)**	**(0.52)**	**(0.67)**	**0.11**	**0.70**	**(2.97)**

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

2020-21	April 1, 2020	Cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Increase (decrease) due to effect of business combination/ transfer	Contributions by employer	March 31, 2021
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 21)		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	(4.55)	(0.68)	(0.26)	(0.94)	1.02	-	0.10	0.20	(0.31)	(0.01)	1.35	-	(3.11)
Fair value of plan assets	1.48	-	0.06	0.06	(1.02)	(Rs 20,984)	-	-	-	-	-	-	0.52
Total benefit liability	**(3.07)**	**(0.68)**	**(0.20)**	**(0.88)**	**-**	**-**	**0.10**	**0.20**	**(0.31)**	**(0.01)**	**1.35**	**-**	**(2.59)**

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**	Year ended March 31, 2021
Others (Insurance company Products)	100%	100%
(%) of total plan assets	**100%**	**100%**

Notes to the Standalone Financial Statements

(₹in Crores)

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

Particulars	Year ended March31, 2022	Year ended March31, 2021
Discount rate	5.70%	5.70%
Future salary increase	6.48% for Front End Employees 8.33% for others	4.65% for Front End Employees 4.90% for others
Expected rate of return on plan assets	5.70%	5.70%
Attrition rate	41.10% for Front End Employees 30.20% for Others	34.50% for Front End Employees 21.50% for Others
Morality 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:

Gratuity

Particulars	Sensitivity level	increase / (decrease) in defined benefit obligation (Impact)	
		Year ended March31, 2022	Year ended March31, 2021
Gratuity			
Discount rate	50 basis points increase	(0.04)	(0.05)
	50 basis points decrease	0.04	0.05
Salary increase	50 basis points increase	0.04	0.05
	50 basis points decrease	(0.03)	(0.04)
Attrition rate	50 basis points increase	(0.01)	(Rs. 33,029)
	50 basis points decrease	0.01	Rs. 32,824

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

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

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

Particulars	Year ended March31, 2022	Year ended March31, 2021
Gratuity		
Within the next 12 months (next annual reporting period)	0.90	0.70
Between 2 and 5 years	2.72	2.52
Beyond 5 years	1.65	2.11
Total expected payments	5.27	5.33

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

Particulars	Year ended March31, 2022	Year ended March31, 2021
Gratuity	3 Years	4 Years

C. Leave encashment

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

Particulars	Year ended March31, 2022	Year ended March31, 2021
Leave encashment	0.57	0.55
	0.57	0.55

Notes to Standalone Financial Statements

Note 32 : Related Party Transactions

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

Name of Related Parties	Nature of Relationship
Arvind Limited	Enterprise having significant influence by Non-Executive Director
Arvind Lifestyle Brand Limited	Subsidiary Company
Arvind Beauty Brands Retail Private Limited	Subsidiary Company
PVH Arvind Fashion Private Limited (previously known as Calvin Klein Arvind Fashion Pvt Ltd)	Subsidiary Company
Value Fashion Retail Limited	Subsidiary Company
Arvind Youth Brands Private Limited	Subsidiary Company of Arvind Lifestyle Brands Limited
Arvind Ruf & Tuf Private Limited	Enterprise having significant influence by Key Management Personnel
Arvind True Blue Limited	Enterprise having significant influence by Key Management Personnel
Arvind Premium Retail Limited	Enterprise having significant influence by Key Management Personnel
Arvind Goodhill Suit Manufacturing Private Limited	Enterprise having significant influence by Non-Executive Director
Aura Securities Private Limited	Enterprise having significant influence by Non-Executive Director
Multiples Private Equity Fund II LLP	Enterprise having significant influence by Non-Executive Director
Suresh Jayaraman	Key Management Personnel , Managing Director and CEO (up to February 1, 2021) and Additional Director of the Company (w.e.f. February 02, 2021)
Shailesh Shyam Chaturvedi	Key Management Personnel, Additional Director of the Company (w.e.f. November 12, 2020 till January 31, 2021) and Managing Director & CEO (w.e.f. February 01, 2021)
Pramod Kumar Gupta, Chief Financial Officer	Key Management Personnel, (Up to February 11, 2022)
Vijay Kumar BS , Company Secretary	Key Management Personnel, (Up to March 31, 2022)
Piyush Gupta, Chief Financial Officer	Key Management Personnel, (w.e.f. February 12, 2022)
Lipi Jha, Company Secretary	Key Management Personnel, (w.e.f. May 27, 2022)
Sanjaybhai S. Lalbhai	Non Executive Director
Nithya Easwaran	Non Executive Director
Kulin S. Lalbhai	Non Executive Director
Punit S. Lalbhai	Non Executive Director
Nilesh D. Shah	Non Executive Director
Abanti Sankaranarayanan	Non Executive Director
Vallabh R. Bhanshali	Non Executive Director
Nagesh D. Pinge	Non Executive Director
Achal A. Bakeri	Non Executive Director
Vani Kola	Non Executive Director

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

Notes to Standalone Financial Statements

(₹in Crores)

a. Transactions with related parties for the years ended March 31, 2022 and years ended March 31, 2021.

Particulars	Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise having significant influence by Key Management Personnel and Non-Executive Director
Purchase of Goods and Materials			
March 31, 2022	11.07	-	31.00
March 31, 2021	-	-	-
Net Sales of Goods and Materials			
March 31, 2022	200.40	-	0.20
March 31, 2021	77.28	-	4.97
Receiving of Services-Royalty			
March 31, 2022	4.17	-	-
March 31, 2021	5.14	-	-
Receiving of Services-Shared services			
March 31, 2022	0.73	-	0.45
March 31, 2021	2.65	-	-
Guarantee Commission Income/(Expenses)			
March 31, 2022	4.44	-	-
March 31, 2021	3.98	-	(0.40)
Rendering of Services-Shared service and Other Income			
March 31, 2022	11.77	-	-
March 31, 2021	14.52	-	-
Interest Income			
March 31, 2022	4.05	-	-
March 31, 2021	10.08	-	-
Interest Expenses			
March 31, 2022	-	-	-
March 31, 2021	-	-	1.34
Remuneration			
March 31, 2022	-	10.85	-
March 31, 2021	-	4.90	-
Directors' Commission and Sitting Fees			
March 31, 2022	-	0.37	-
March 31, 2021	-	0.11	-
Loan Given			
March 31, 2022	42.70	-	-
March 31, 2021	-	-	-
Repayment of Loan Given			
March 31, 2022	42.18	-	-
March 31, 2021	76.98	-	-
Repayment of Loan Taken			
March 31, 2022	-	-	-
March 31, 2021	-	-	(50.00)
Business Transfer			
March 31, 2022	-	-	-
March 31, 2021	52.00	-	-
Investments made including share application money			
March 31, 2022	253.44	-	-
March 31, 2021	395.71	-	-

Notes to Standalone Financial Statements

(₹in Crores)

b Balances

Particulars	Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise having significant influence by Key Management Personnel and Non-Executive Director
Guarantee Given			
March 31, 2022	1,068.90	-	-
March 31, 2021	1,223.26	-	-
Trade and Other Receivable			
March 31, 2022	137.53	-	0.14
March 31, 2021	34.89	-	1.13
Trade and Other Payable			
March 31, 2022	16.43	-	0.69
March 31, 2021	0.03	-	-
Payable in respect of Loans			
March 31, 2022	-	-	-
March 31, 2021	-	-	-
Receivable in respect of Loans			
March 31, 2022	43.29	-	-
March 31, 2021	42.77	-	-
Investment			
March 31, 2022	2,108.26	-	-
March 31, 2021	1,754.30	-	-

c Terms and conditions of transactions with related parties

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

2) Loans given by related party carries interest rate of 8.5% (March 31, 2021 : 8.5%).

d Commitments with related parties

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

e Transactions with key management personnel

Compensation of key management personnel of the company

Particulars	**Year Ended March 31, 2022**	Year Ended March 31, 2021
Short-term employee benefits	**7.94**	4.19
Termination benefits	**-**	0.10
Share based payments	**2.91**	0.61
Total compensation paid to key management personnel	**10.85**	4.90

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

The amount recognised as an expense during the year for share based payment in respect of key management personnel is Rs 2.96 Crores (March 31, 2021 Rs. 1.57 Crores).

Notes to Standalone Financial Statements

(₹in Crores)

f Disclosure pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with section 186 (4) of the Companies Act, 2013

Loans and Advances in the nature of loans

Name of Related Party	Purpose	Balance as at March 31, 2022	Balance as at March 31, 2021	Maximum Outstanding during March 31, 2022	Maximum Outstanding during March 31, 2021
Loans and Advances					
Arvind Lifestyle Brands Limited	General Business	43.29	40.22	43.29	157.52
Arvind Beauty Brands Retail Private Limited	General Business	-	2.36	41.36	57.08
Arvind Youth Fashions Private Limited	General Business	-	0.19	0.19	7.36
Corporate Guarantee given on behalf of					
Arvind Lifestyle Brands Limited	Facilitate Trade Finance	802.40	984.26	984.26	984.26
Arvind Youth Fashions Private Limited	Facilitate Trade Finance	97.50	70.00	97.50	70.00
Arvind Beauty Brands Retail Private Limited	Facilitate Trade Finance	30.00	30.00	30.00	30.00
PVH Arvind Fashion Private Limited	Facilitate Trade Finance	139.00	139.00	139.00	139.00

Note 33 : Earnings per share - EPS (Basic and Diluted)

Particulars		Year Ended March 31, 2022	Year Ended March 31, 2021
Profit/(Loss) for the year		**7.44**	(59.41)
Less: Right Issue Expenses Debited to Securities Premium		**0.00**	(4.22)
Adjusted Profit for the year for EPS Calculation		**7.44**	(63.63)
Total no. of equity shares at the end of the year		**13,24,61,813**	11,34,87,487
Weighted average number of equity shares			
For basic EPS	No.	**12,20,97,731**	9,28,38,211
For diluted EPS	No.	**12,25,66,776**	9,29,00,936
Nominal value of equity shares	Rs.	**4**	4
Basic earnings per share	Rs.	**0.61**	(6.85)
Diluted earnings per share	Rs.	**0.61**	(6.85)
Weighted average number of equity shares			
Weighted average number of equity shares for basic EPS		**12,20,97,731**	9,28,38,211
Effect of dilution: Share options		**4,69,045**	62,725
Weighted average number of equity shares adjusted for the effect of dilution		**12,25,66,776**	9,29,00,936

Pursuant to IND AS 33 - Earnings Per Share, basic and diluted earnings per share for the previous year have been restated for the bonus element in respect of Right Issue.

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

Notes to Standalone Financial Statements

(₹in Crores)

Note 34 : Share based payments

The Company 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 Company has granted 39,48,049 options under ESOP 2016 and issued 3,15,200 options under ESOS 2018 in lieu of demerger under the Scheme and convertible into equal number of Equity Shares of face value of Rs. 4 each. The following table sets forth the particulars of the options granted during the year ended 31st March 2021 under ESOS 2016 and ESOS 2018

The following table sets forth the particulars of ESOP 2016 :

Scheme	ESOP 2016	
Date of grant	03-Jun-21	05-Oct-21
Number of options granted	2,50,000	4,50,000
Exercise price per option	Rs. 148.20	Rs. 286.70
Vesting period	Up to 5 years from the date of grant	
Vesting requirements	Time based vesting	Time based vesting
Exercise period	5 years from the date of vesting	
Method of settlement	Equity	

The following tables set forth a summary of the activity of options:

Particulars	ESOP 2016			
	March 31, 2022	Weighted average exercise price per option (Rs.) #	March 31, 2021	Weighted average exercise price per option (Rs.)
Options				
Outstanding at the beginning of the year	19,85,522	302.64	11,57,445	415.04
Issued during the year	7,00,000	237.17	8,85,000	142.05
Vested but not exercised at the beginning of the year				
Granted during the year	-		-	
Forfeited during the year	(1,48,546)	137.5	(29,923)	134.82
Exercised during the year	(6,67,702)	123.93	(27,000)	43.27
Reduction in options due to consolidation of shares	-		-	
Outstanding at the end of the year	18,69,274	302.64	19,85,522	302.64
Exercisable at the end of the year	7,44,674	466.01	5,69,835	409.01

Price adjusted due to Right Issue bonus factor of Rs. 56.73 per option outstanding

Notes to the Standalone Financial Statements

(₹in Crores)

Note 34 : Share based payments (Contd.)

Particulars	ESOP 2018			
	March 31, 2022	Weighted average exercise price per option (Rs.) #	March 31, 2021	Weighted average exercise price per option (Rs.)
Options				
Outstanding at the beginning of the year	3,15,200	834.13	3,15,200	890.86
Issued during the year	-		-	
Vested but not exercised at the beginning of the year	-		-	
Granted during the year	-		-	
Forfeited during the year	-		-	
Exercised during the year	-		-	
Outstanding at the end of the year	3,15,200	834.13	3,15,200	890.86
Exercisable at the end of the year	3,15,200	834.13	1,80,000	890.86

Price adjusted due to Right Issue bonus factor of Rs. 56.73 per option outstanding

Share Options Exercised Year ending March 31, 2022

Option Series	No. of Options	Exercise Date	Weighted Average Share Price
ESOS 2016*	18,000	26-Oct-21	39.29
ESOS 2016*	1,279	26-Oct-21	128.93
ESOS 2016*	1,279	26-Oct-21	128.93
ESOS 2016*	1,279	26-Oct-21	128.93
ESOS 2016*	78,750	26-Oct-21	137.32
ESOS 2016*	8,000	26-Oct-21	137.32
ESOS 2016*	20,000	30-Sep-21	39.29
ESOS 2016*	11,250	30-Sep-21	46.02
ESOS 2016	2,82,348	30-Sep-21	128.93
ESOS 2016	90,632	30-Sep-21	128.93
ESOS 2016	35,165	30-Sep-21	128.93
ESOS 2016	1,279	30-Sep-21	128.93
ESOS 2016	78,750	30-Sep-21	136.02
ESOS 2016	30,000	30-Sep-21	137.32
ESOS 2016	6,000	09-Feb-22	39.29
ESOS 2016	3,691	09-Feb-22	128.93

Share Options Exercised Year ending March 31, 2021

Option Series	No. of Options	Exercise Date	Weighted Average Share Price
ESOS 2016	27,000	29-Dec-20	43.27

The share options outstanding at the end of the year under ESOP 2016 have a weighted average remaining contractual life of 6.68 years (March 31, 2021: 6.87 years). The range of exercise price is from Rs. 39.29 to Rs. 1320.37

The share options outstanding at the end of the period under ESOP 2018 have a weighted average remaining contractual life of 0.26 years (March 31, 2021: 1.26 years). The range of exercise price is from Rs. 608.80 to Rs. 996.40

Notes to the Standalone Financial Statements

(₹in Crores)

Note 34 : Share based payments (Contd.)

Particulars	ESOP 2016	ESOP 2018
Share price as at measurement date	Rs. 115.06	
Expected volatility	56.06%	
Expected life (years)	2.11years	No grants made during the period
Dividend yield	0%	
Risk-free interest rate (%)	4.44%	

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	Year Ended March 31, 2022	Year Ended March 31, 2021
Employee option plan	**4.16**	2.20
Total employee share based payment expense	**4.16**	2.20

Note 35 : Leases

The amount recognised in the statement of profit or loss are as follows:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Rent expense - short-term lease and leases of low value assets	**4.79**	5.63
Total	**4.79**	5.63

Note 36 : Corporate Social Responsibility (CSR) Activities

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	0.43	0.89
b) Amount spent during the year on,		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above including Rs 0.89 Crores pertaining to previous year	0.43	1.78
c) Amount unspent during the year	-	-
d) Total of previous years shortfall	-	-
e) Reasons for shortfall	-	-
f) Details of related party transactions		
Name		
Relationship		
Amount	-	-
g) Movement of CSR Provision		
Balance as per last financial statements	-	-
Add: Provision made during the year	-	-
(Less): Utilised during the year	-	-
Balance at the end of the year	-	-

Notes to the Standalone Financial Statements

(₹in Crores)

Note 37 : 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	As at March 31,2022	As at March 31,2021
Financial liabilities		
Investments measured at fair value through OCI		
Carrying Amount	**2,108.26**	1,754.30
Fair Value	**2,108.26**	1,754.30
Financial liabilities		
Borrowings		
Carrying Amount	**91.67**	123.30
Fair Value	**91.67**	123.30

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

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

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

Note 38 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the company's assets and liabilities:

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair Value					
Financial Guarantee Contract	March 31, 2022	0.33	-	-	0.33
	March 31, 2021	0.62	-	-	0.62

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.

Notes to the Standalone Financial Statements

(₹in Crores)

Note 39 : Financial instruments risk management objectives and policies

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

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

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

(a) Market risk

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

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

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

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

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

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

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

Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2022, approximately 1% of the Company's Borrowings are at fixed rate of interest (March 31, 2021: 1%)

Interest rate sensitivity

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

Particulars	Effect on profit before tax
March 31, 2022	
Increase in 50 basis points	**(0.42)**
Decrease in 50 basis points	**0.42**
March 31, 2021	**(0.61)**
Increase in 50 basis points	**0.61**
Decrease in 50 basis points	

Notes to the Standalone Financial Statements

(₹in Crores)

Exclusion from this analysis are as follows:

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

Foreign currency risk

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

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Company given in Note 29.

Foreign currency sensitivity

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

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2022	+2%	(0.27)
	-2%	0.27
March 31, 2021	+2%	(0.19)
	-2%	0.19

Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Group periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous group 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(b). The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as is the carrying amount as disclosed in Note 37.

Notes to the Standalone Financial Statements

(₹in Crores)

(c) Liquidity risk

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as is the carrying amount as disclosed in Note 37.

Particulars	Less than 1 year	1 year or More
March 31, 2022		
Interest bearing borrowings	54.34	37.33
Trade payables	171.28	-
Other financial liabilities#	12.83	2.32
	238.45	**39.65**
March 31, 2021		
Interest bearing borrowings	73.91	49.39
Trade payables	217.13	-
Other financial liabilities#	8.34	1.94
	299.38	**51.33**

Other financial liabilities includes interest accrued but not due of Rs. 2.34 Crores (March 31, 2021 : Rs. 3.83 Crores)

Excessive risk concentration

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

Note 40 : 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. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Interest-bearing loans and borrowings (Note 13)	**91.67**	123.30
Less: Cash and Bank Balances (including other bank balance) (Note 7(d) and 7(e))	**(2.22)**	(0.72)
Net debt	**89.45**	122.58
Equity share capital (Note 11)	**52.97**	42.43
Other equity (Note 12)	**2,249.30**	1,752.54
Total capital	**2,302.27**	1,794.97
Capital and net debt	**2,391.72**	1,917.55
Gearing ratio	**3.74%**	6.39%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements and other ratios. Breaches in meeting the financial covenants would permit the bank to charge penal interest. There is no possible obligations that bank will demand penal interest. Accordingly, the company has not created provision for penal interest

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Notes to the Standalone Financial Statements

(₹in Crores)

Note 41 : Additional Regulatory Disclosures as per Schedule III of the Companies Act, 2013

(i) The Company does not have any benami property held in their name. No proceedings have been initiated on or are pending against the Parent and Indian subsidiaries for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

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

(iii) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(iv) Utilisation of borrowed funds and share premium

I. The Company has 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 Parent Company (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

II. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) 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 b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries except as mentioned below.

a) The Company (Intermediary) has received a sum of Rs. 100 Crore by way of final call on the rights issue on May 11, 2022 and the Company (Intermediary) in turn, had invested Rs. 48 Crore on June 21, 2021 towards subscription to equity share capital in Arvind Lifestyle Brands Limited (100% subsidiary). The Company had complied with the relevant provisions of Foreign Exchange Management Act 1999 (42 of 1999), to the extent applicable, the Companies Act 2013 for such transaction and this transaction is not violative of provisions of the Prevention of Money Laundering Act 2002 (15 of 2002).

b. The Company (Intermediary) has received a sum of Rs. 400 Crore by way of private placement of equity shares on September 30, 2021 and the Company (Intermediary) in turn, had invested Rs. 200 Crore on October 01, 2021 towards subscription to equity share capital in Arvind Lifestyle Brands Limited (100% subsidiary) and Rs. 100 Crore on March 29, 2022 towards subscription to Non-convertible debentures in Arvind Lifestyle Brands Limited (100% subsidiary). The Company had complied with the relevant provisions of Foreign Exchange Management Act 1999 (42 of 1999), to the extent applicable, the Companies Act 2013 for such transaction and this transaction is not violative of provisions of the Prevention of Money Laundering Act 2002 (15 of 2002).

Name of the entity	Registered Address	Relationship with the Company
Arvind Lifestyle Brands Limited	Arvind Mills Premises Naroda Road Ahmedabad Gujarat - 380025	Wholly Owned Subsidiary

(v) The Company has not invested or traded in Crypto Currency or Virtual Currency during the year.

(vi) The Company has no income surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(vii) The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

Note 42 : COVID-19

Given the COVID-19 pandemic, the Company has considered relevant internal and external information for evaluating the financial statements and recoverability and carrying values of its particularly property, plant and equipment, investments and deferred tax assets. With a large section of the population being vaccinated, the Company has concluded that the pandemic is not likely to materially impact on the future operations of the Company and the recoverability of carrying value of these assets. However, in an unlikely situation of reoccurrence of COVID the eventful impact may differ from these estimates as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions and will recognise the impact, if any, prospectively in future periods.

Given the pandemic, for the year ended March 31, 2021, the Company decided to offer higher discounts to liquidate old inventory rapidly and take back goods sold from the customers where collection of funds was getting delayed to sell it through other channels for faster liquidation. In order to achieve these objectives, for the year ended March 31, 2021, the Company had made additional provisions arising out of COVID of Rs.45.73 Crores consisting of Rs.7.29 Crores for Margin on Sales Return, Rs.32.44 Crores for Inventory Dormancy and Rs.6.00 Crores for Allowance for Doubtful Debtors which are disclosed under Exceptional Items.

Notes to the Standalone Financial Statements

Note 43 : Code of Social Security, 2020

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

Note 44 : New Accounting Pronouncements to be adopted after March 31, 2022

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any material impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any material impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any material impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any material impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any material impact in its financial statements.

Note 45 : Regrouped, Recast, Reclassified

Previous period figures have been re-grouped/ re-classified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from April 1, 2021.

Note 46 : 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 August 18, 2022, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

Notes to the Standalone Financial Statements

Note 47 : Business Combination

Summary of business combination

During the Previous year ended March 31 2021, the Company has transferred by way of sale, the wholesale trading business of ""Flying Machine"" (""FM"") brand as a going concern to Arvind Youth Brands Private Limited (AYBPL), a step down subsidiary company on a slump sale basis for a lump sum net cash consideration of Rs. 52.00 Crores.

Following are the details of net assets transferred:

Particulars	Rs. In Crores
Assets:	
Property, plant and equipment	3.47
Inventories	44.74
Other Current assets	6.24
Trade receivables	65.23
Deferred Tax Assets	0.73
Total Assets	**120.41**
Liabilities	
Trade payables	66.38
Other Current Liabilities	2.03
Total Liabilities	**68.41**
Net Assets Transferred	**52.00**

Note 48 : Ratio Analysis

Sl No	Particulars	Numerator	Denominator	For the year ended 31st March, 2022	For the year ended 31st March, 2021	% Variance	Reason for Variance
1	Current Ratio (In times)	Current Assets	Current Liabilities	1.60	1.05	53%	Note (a) below
2	Debt-Equity Ratio (In times)	Total Debt	Total Equity	0.04	0.07	-42%	Note (b) below
3	Debt Service Coverage Ratio (In times)	Earnings before Interest, Tax, Depreciation and amortisation	Debt Service	0.86	(0.32)	-371%	Note (c) below
4	Return on Equity Ratio (%)	Net Profit after Tax	Total Equity	0.36%	(3.38%)	-111%	Note (d) below
5	Inventory turnover Ratio (In times)	Revenue from Operations	Average Inventories	6.84	1.67	310%	Note (e) below
6	Trade Receivables turnover Ratio (In times)	Revenue from Operations	Average Trade Receivables	2.63	1.95	35%	Note (e) below
7	Trade Payables turnover Ratio (In times)	Purchase of Goods	Average Trade Payables	1.66	1.10	51%	Note (e) below
8	Net capital turnover Ratio (In times)	Revenue from Operations	Working Capital	3.28	21.05	-84%	Note (e) below
9	Net profit Ratio (%)	Net Profit after Tax	Revenue from Operations	1.36%	-19.97%	-107%	Note (f) below
10	Return on Capital employed (%)	Profit before Interest, Exceptional Items and Tax	Total Capital Employed	0.88%	0.90%	-2%	Not Applicable
11	Return on investment (%)	Refer (g) below		138%	85%	62%	Note (h) below

Notes to the Standalone Financial Statements

Note 48 : Ratio Analysis (Contd.)

Notes

(a) There was impact due to Covid during previous year which resulted in loss. However, business returned to normalcy during current year resulting in improved current ratio.

(b) Rights issue and Preferential Issue during current year and repayment of term loan on account of normal business lead to improved Debt-Equity Ratio

(c) There was impact due to Covid during previous year which resulted in loss. However, business returned to normalcy during current year resulting in improved Debt Service Coverage Ratio.

(d) There was impact due to Covid during previous year which resulted in loss. However, business returned to normalcy during current year resulting in material change in the Return on Equity Ratio

(e) There was impact due to Covid during previous year which resulted in lower sales. However, business returned to normalcy during current year which lead to improved turnover.

(f) There was impact due to Covid during previous year which resulted in loss. However, business returned to normalcy during current year resulting in improved margins

(g) Return on Investment

$$\frac{(MV(T1)-MV(To)-Sum[C(t)])}{(MV(To)+Sum[W(t)*C(t)])}$$

Where,

T1 = End of time period

To = Begning of time period

t = Specific date falling between T1 and To

MV(T1) = Market Value at T1

MV(To) = Market Value at To

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cashflow (i.e. either net inflow or net outflow) on day 't', calculated as (T1-t)/T1

(h) The impact is due to market dynamics and price movements.

For and on behalf of the board of directors of
Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
(DIN: 00008329)

Place: Ahmedabad
Date: August 18, 2022

Shailesh Chaturvedi
Managing Director &CEO
(DIN - 03023079)

Place: Bengaluru
Date: August 18, 2022

Piyush Gupta
Chief Financial Officer

Place: Bengaluru
Date: August 18, 2022

Lipi Jha
Company Secretary

Place: Bengaluru
Date: August 18, 2022

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Independent Auditor's Report

To The Members of Arvind Fashions Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Arvind Fashions Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of 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, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 42 of the consolidated financial statements, which describes the uncertainties and the impact of COVID 19 pandemic on the Group's operations and financial statements as assessed by the Management.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
1	**Revenue Recognition: [Assertion- Cut off and Occurrence] and provision for sales return** Revenue recognition involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point of time and provision for sales return. Cut-off and Occurrence is the key assertion in so far as revenue recognition is concerned. There is a risk that revenue is recognized on sale of goods around the year end without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers". Additionally, there is risk that revenue recorded at point of sale did not occur and due to this revenue is overstated in the books. Also, Company has contracts with customers which entitles them to right of return. At year end, amount of expected returns that have not yet been settled with the customers are estimated and accrued. Estimating the amount of such accrual at year end is considered a key audit matter due to assumptions and judgments required to be made by management.	**Principal Audit Procedures Performed:** The details of audit procedure performed by us and Component auditors are as follows: • Selected a sample and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • We obtained an understanding of process and evaluated the design and operating effectiveness of key controls over timing of revenue recognition, control over occurrence of revenue and calculating, reviewing and approving sales returns. • Selected samples and performed the following procedures: - Read, analyzed and identified the distinct performance obligations in these contracts and compared these performance obligations with that identified and recorded by the Company. - For the selected samples, tested with the performance obligations specified in the underlying contracts.

Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
		- Performed analytical procedures for reasonableness of revenues with comparative period. - Analyzed historical trends for returns and held discussions with management to understand changes in provisioning norms/additional provisions made based on management's assessment of market conditions and based on that, we have tested the estimates of returns related accruals with underlying documentation such as management approved norms, customer agreements, sales data and customer reconciliations, as applicable. • At the year end, we have performed early and late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with proof of delivery (POD) to confirm the recognition of sales. • Performed substantive testing of samples for sales bookings from different stores and understanding the terms of contract for transfer of risk and rewards and verification of collection matching the collections.
2	**Recoverability of deferred tax assets** Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. The Component's ability to recover recognised deferred tax asset as well as previously un-recognised deferred tax assets is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the applicable tax laws. The recognition and measurement of deferred tax assets is a key audit matter as its recoverability within the allowed time frame involves estimate of financial projections, availability of sufficient taxable income in the future and judgments in the interpretation of tax regulations and tax positions adopted by the Company.	**Principal Audit Procedures Performed:** Audit procedures performed by us, are as follows: • Assessed the Group accounting policy with respect to recognition of deferred taxes in accordance with Ind AS 12 "Income Taxes". • Involved tax specialists who evaluated the Company's tax positions by assessing the prevalent tax laws. • Analyzed the performance of the component and assessed the reasonableness of assumptions used in forecast of future taxable profits, examined the consistency of projections used for assessing DTA and component's expected utilization of the unabsorbed business losses and unabsorbed depreciation, including understanding of management's estimate of business impact based on current market and economic conditions including that arising from the COVID 19 pandemic. • Assessed the disclosures in Note 26 (B) of the Consolidated Ind AS financial statements in accordance with the requirements of Ind AS 12 "Income Taxes". As informed to us by respective component auditors, following procedures are performed by them:– • Assessed the accounting policy with respect to recognition of deferred taxes in accordance with Ind AS 12 "Income Taxes". • Involved tax specialists who evaluated the component's tax positions by assessing the prevalent tax laws. • Analyzed the performance of the component and assessed the reasonableness of assumptions used in forecast of future taxable profits, examined the consistency of projections used for assessing DTA and component's expected utilization of the unabsorbed business losses and unabsorbed depreciation, including understanding of management's estimate of business impact based on current market and economic conditions including that arising from the COVID 19 pandemic.

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

- The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report of even date and annexures thereof, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) The financial statements of 5 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets of Rs. 3,137.71 crores as at March 31, 2022, total revenues of Rs. 2,793.30 crores and net cash inflows amounting to Rs. 82.01 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by either one of the joint auditors or other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of either one of the joint auditors or other auditors.

(b) The financial statements of the Company for the year ended March 31, 2021, were audited by one of the joint auditor, Sorab S. Engineer & Co., Chartered Accountants, who had expressed an unmodified opinion thereon as per their report dated June 03, 2021.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the one of the joint auditors and other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, 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 Parent or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the note 41(iv)(II) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries 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.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Parent has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements except for the following:

Name of the company	CIN	Nature of relationship	Clause Number of CARO report with qualification or adverse remark
PVH Arvind Fashion Private Limited (Previously known as Calvin Klein Arvind Fashion Pvt Ltd)	U52190GJ2011 PTC084513	Subsidiary	Clause (ii)(b)

For Sorab S. Engineer & Co.
Chartered Accountants
(Firm's Registration No. 110417W)

Chokshi Shreyas B
(Partner)
(Membership No.100892)
(UDIN: 22100892APIJFM3568)

Place : Ahmedabad
Date : August 18, 2022

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 117365W)

Kartikeya Raval
(Partner)
(Membership No.106189)
(UDIN: 22106189APVMLD7940)

Place : Ahmedabad
Date : August 18, 2022

Annexure "A" To The Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Arvind Fashions Limited (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 5 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Sorab S. Engineer & Co.	**For Deloitte Haskins & Sells**
Chartered Accountants	Chartered Accountants
(Firm's Registration No. 110417W)	(Firm's Registration No. 117365W)
Chokshi Shreyas B	**Kartikeya Raval**
(Partner)	(Partner)
(Membership No.100892)	(Membership No.106189)
(UDIN: 22100892APIJFM3568)	(UDIN: 22106189APVMLD7940)
Place : Ahmedabad	Place : Ahmedabad
Date : August 18, 2022	Date : August 18, 2022

Consolidated Balance Sheet as at March 31, 2022

(₹in Crores)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	5	**113.30**	199.26
(b) Capital work-in-progress	5(a)	**-**	0.40
(c) Right-of-use asset	35	**387.90**	664.54
(d) Goodwill on consolidation	6	**111.23**	111.23
(e) Intangible assets	6	**48.90**	69.84
(f) Financial assets			
(i) Loans	7 (b)	**0.80**	1.02
(ii) Other financial assets	7 (e)	**61.85**	149.76
(g) Deferred tax assets (net)	26	**410.97**	391.90
(i) Non-Current tax assets (net)	10	**28.85**	30.36
(h) Other non-current assets	8	**63.12**	27.06
Total non-current assets		**1,226.92**	1,645.37
II. Current assets			
(a) Inventories	9	**830.81**	810.01
(b) Financial assets			
(i) Trade receivables	7 (a)	**571.71**	625.61
(ii) Cash and cash equivalents	7 (c)	**86.67**	8.01
(iii) Bank balances other than (ii) above	7 (d)	**18.29**	10.85
(iv) Loans	7 (b)	**4.29**	3.81
(v) Others financial assets	7 (e)	**113.67**	58.32
(c) Other current assets	8	**405.51**	416.54
(d) Assets Held for Sale	43	**5.00**	122.71
Total current assets		**2,035.95**	2,055.86
Total Assets		**3,262.87**	3,701.23
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	**52.97**	42.43
(b) Other equity	12	**697.28**	479.55
Equity attributable to Equity holders of the Parent		**750.25**	521.98
Non controlling Interest		**100.16**	69.42
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	**71.71**	157.26
(ii) Lease Liabilities	35	**335.39**	651.61
(iii) Other financial liabilities	13 (c)	**238.10**	211.45
(b) Long-term provisions	14	**14.37**	18.83
(c) Other non current liabilities	15	**0.48**	0.07
Total non-current liabilities		**660.05**	1,039.22
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	**430.02**	785.78
(ii) Lease Liabilities	35	**120.74**	160.27
(iii) Trade payables	13 (b)		
- Total outstanding dues of micro enterprises and small enterprises		**74.01**	159.06
- Total outstanding dues of creditors other than micro enterprises and small enterprises		**973.86**	758.94
(iv) Other financial liabilities	13 (c)	**67.57**	94.09
(b) Other current liabilities	15	**71.07**	62.94
(c) Short-term provisions	14	**10.14**	7.74
(d) Liabilities directly associated with Assets classified as held for sale	43	**5.00**	41.79
Total current liabilities		**1,752.41**	2,070.61
Total Equity and Liabilities		**3,262.87**	3,701.23
Significant Accounting Policies	3		

The accompanying notes are an integral part of these Consolidated Financial Statements
In terms of our report attached

For Sorab S. Engineer & Co.
Chartered Accountants
Chokshi Shreyas B.
Partner

For Deloitte Haskins & Sells
Chartered Accountants
Kartikeya Raval
Partner

Place: Ahmedabad
Date: August 18, 2022

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru

Piyush Gupta
Chief Financial Officer
Place: Bengaluru
Date: August 18, 2022

Lipi Jha
Company Secretary
Place: Bengaluru

Consolidated Statement of profit and loss for the year ended March 31, 2022

(₹in Crores)

	Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
I	**Income**			
	Revenue from operations			
	Sale of Products	16	**3,025.30**	1,895.58
	Sale of Services	16	**27.10**	14.79
	Operating Income	16	**3.64**	1.54
	Revenue from operations		**3,056.04**	1,911.91
	Other income	17	**66.88**	108.74
	Total income (I)		**3,122.92**	2,020.65
II.	**Expenses**			
	Purchases of stock-in-trade	18	**1,764.09**	626.66
	Changes in inventories of stock-in-trade	20	**(54.28)**	491.56
	Employee benefits expense	21	**236.76**	204.72
	Finance costs	22	**123.92**	180.29
	Depreciation and amortisation expense	23	**233.00**	237.84
	Other expenses	24	**929.31**	590.56
	Total expenses (II)		**3,232.80**	2,331.63
III.	**Profit/(Loss) before exceptional items and tax (I-II)**		**(109.88)**	(310.98)
IV.	**Exceptional items**	25	**-**	(45.20)
V.	**Profit/(Loss) before tax (III+IV)**		**(109.88)**	(356.18)
VI.	**Tax expense**	26		
	Current tax		**11.27**	-
	(Excess)/short provision related to earlier years		**2.06**	-
	Deferred Tax charge / (credit)		**(19.13)**	41.86
	Total tax expense		**(5.80)**	41.86
VII.	**Profit/(Loss) for the year from Continuing Operations (V-VI)**		**(104.08)**	(398.04)
	Discontinuing Operations			
	A. Profit/(Loss) before tax for the year from Discontinuing Operations	43	**(132.62)**	(197.95)
	B. Tax expense/(Credit) on Discontinued Operations		**-**	-
VIII.	**Profit/(Loss) for the year from Discontinuing Operations (A-B)**		**(132.62)**	(197.95)
IX.	**Profit/(Loss) for the year from Continuing and Discontinuing Operations (VII+VIII)**		**(236.70)**	(595.99)
X.	**Other comprehensive income**			
	A. Items that will not to be reclassified to profit or loss:			
	Re-measurement gains / (losses) on defined benefit plans	31	**(0.98)**	1.64
	Income tax effect on above	26	**0.25**	(0.71)
	Net other comprehensive income/(loss) not to be reclassified to profit or loss (A)		**(0.73)**	0.93
	B. Items that will be reclassified to profit or loss:			
	Net gains / (loss) on hedging instruments in a cash flow hedge		**0.39**	(3.61)
	Income tax effect on above		**(0.09)**	-
	Net other comprehensive income/(loss) that will be reclassified to profit or loss (B)		**0.30**	(3.61)
	Total other comprehensive income/(loss) for the year, net of tax (A+B)		**(0.43)**	(2.68)
XI.	**Total comprehensive income for the year, net of tax (IX+X)**		**(237.13)**	(598.67)
	Profit / (Loss) for the year attributable to:			
	Equity holders of the parent		**(267.40)**	(579.78)
	Non-controlling interest		**30.70**	(16.21)
			(236.70)	(595.99)
	Other Comprehensive Income/(Loss) for the year attributable to:			
	Equity holders of the parent		**(0.47)**	(0.65)
	Non-controlling interest		**0.04**	(2.03)
			(0.43)	(2.68)
XII.	**Total comprehensive income/(loss) attributable to:**			
	Equity holders of the parent		**(267.87)**	(580.43)
	Non-controlling interest		**30.74**	(18.24)
			(237.13)	(598.67)
XIII.	**Earnings per equity share**	33		
	Nominal Value per share - Rs. 4 (Previous Year Rs. 4)			
	Continuing Operations			
	-Basic Rs.		**(11.04)**	(41.59)
	-Diluted Rs		**(11.04)**	(41.59)
	Discontinuing Operations			
	-Basic Rs.		**(10.86)**	(21.32)
	-Diluted Rs		**(10.86)**	(21.32)
	Continuing and Discontinuing Operations			
	-Basic Rs.		**(21.90)**	(62.91)
	-Diluted Rs		**(21.90)**	(62.91)
	Significant Accounting Policies	3		

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

In terms of our report attached

For Sorab S. Engineer & Co.
Chartered Accountants
Chokshi Shreyas B.
Partner

For Deloitte Haskins & Sells
Chartered Accountants
Kartikeya Raval
Partner

Place: Ahmedabad
Date: August 18, 2022

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru

Piyush Gupta
Chief Financial Officer
Place: Bengaluru
Date: August 18, 2022

Lipi Jha
Company Secretary
Place: Bengaluru

Consolidated Statement of cash flows for the year ended March 31, 2022

(₹in Crores)

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A	**Operating activities**		
	Profit/(Loss) Before taxation from		
	Continuing Operations	**(104.08)**	(398.04)
	Discontinued Operations	**(132.62)**	(197.95)
	Profit/(Loss) for the year from Continuing and Discontinued Operations	**(236.70)**	(595.99)
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation /Amortization	**260.92**	334.05
	Interest Income	**(6.99)**	(2.36)
	Tax Expenses/(Credit)	**(5.80)**	41.86
	Interest and Other Borrowing Cost	**136.93**	235.68
	Advances written off	**-**	1.30
	Bad Debt written off	**6.37**	-
	Allowance for doubtful debts	**2.32**	-
	Provisions of doubtful debts written back	**(6.30)**	28.80
	Provision no longer required	**(4.08)**	-
	Provision of doubtful advances	**-**	0.24
	Sundry debit balances written off	**0.27**	-
	Gain on Reassessment of Lease and Lease Concessions	**(110.72)**	(123.55)
	Stamp Duty on Demerger	**(5.50)**	-
	Foreign Exchange Difference	**-**	(1.79)
	Adjustment on Consolidation	**1.07**	-
	Property, Plant & Equipment written off	**1.08**	-
	Gain on sale of Shares (Net)	**-**	(111.91)
	(Profit)/Loss on Sale of Property, Plant & Equipment /Intangible assets	**(5.05)**	(0.81)
	Share based payment expense	**5.97**	5.82
	Operating Profit before Working Capital Changes	**33.79**	(188.66)
	Working Capital Changes:		
	(Increase)/Decrease in Inventories	**43.77**	426.26
	(Increase)/Decrease in trade receivables	**81.17**	97.03
	(Increase)/Decrease in other assets	**(0.65)**	(81.29)
	(Increase)/Decrease in other financial assets	**46.82**	28.05
	Increase/(Decrease) in trade payables	**97.17**	(353.49)
	Increase/(Decrease) in other liabilities	**8.54**	15.07
	Increase/(Decrease) in other financial liabilities	**4.37**	(26.08)
	Increase/(Decrease) in provisions	**(3.04)**	2.24
	Net Changes in Working Capital	**278.15**	107.79
	Cash Generated from Operations	**311.94**	(80.87)
	Direct Taxes paid (Net of Income Tax refund)	**(11.82)**	11.22
	Net Cash flow received/ (used in)Operating Activities	**300.12**	(69.65)
B	**Cash Flow from Investing Activities**		
	Purchase/(Proceeds) of Property, Plant & Equipment /Intangible assets (Net)	**16.60**	(46.36)
	Changes in Capital Advances and payable in respect of capital goods	**(25.56)**	0.25
	Changes in other bank balances not considered as cash and cash equivalents	**(6.32)**	(8.47)
	Loans (given)/received back (net)	**(0.28)**	3.77
	Interest Received	**7.05**	2.01
	Net Cash flow received/ (used in) Investing Activities	**(8.51)**	(48.80)
C	**Cash Flow from Financing Activities**		
	Proceeds from Issue of share capital	**494.82**	499.30
	Proceeds from Sales of shares of Subsidiary	**-**	254.86
	Repayment of long term borrowings	**(85.55)**	0.66
	Repayment of short term borrowings	**(355.75)**	(299.67)
	Repayment of lease liabilities	**(175.13)**	(93.13)
	Interest and Other Borrowing Cost Paid	**(87.60)**	(249.24)
	Net Cash flow received/ (used in) Financing Activities	**(209.21)**	112.78
	Net Increase/(Decrease) in cash & cash equivalents	**82.40**	(5.67)
	Cash & Cash equivalent at the beginning of the year	**4.27**	9.94
	Cash & Cash equivalent at the end of the year	**86.67**	4.27
	Figures in brackets indicate outflows.		

Consolidated Statement of cash flows for the year ended March 31, 2022

(₹in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cash and cash equivalents comprise of:		
Cash on Hand	**0.01**	0.01
Balances with Banks	**86.66**	8.00
Cash and cash equivalents as per Balance Sheet (Note 7c)	**86.67**	8.01
Less: Book Overdraft (Note 13c)	**-**	3.74
Cash and cash equivalents	**86.67**	4.27

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

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2021	Net cash flows	Non Cash Changes		As at March 31, 2022
				Effect of change in Foreign Currency Rates	Other changes *	
As at March 31, 2022						
Borrowings:						
Long term borrowings	13 (a)	157.26	(85.55)	-	-	71.71
Short term borrowings (including current maturities of long-term borrowings)	13 (a)	785.78	(355.76)	-	-	430.02
Lease Liability	35	811.88	(175.13)	-	(180.62)	456.13
Interest accrued on borrowings	13 (c)	11.34	(11.34)	-	11.62	11.62
Total		**1,766.26**	**(627.78)**	**-**	**(169.00)**	**969.48**

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2020	Net cash flows	Non Cash Changes		As at March 31, 2021
				Effect of change in Foreign Currency Rates	Other changes *	
As at March 31, 2021						
Borrowings:						
Long term borrowings	13 (a)	196.23	0.66	-	-	157.26
Short term borrowings (including current maturities of long-term borrowings)	13 (a)	1,047.61	(299.67)	-	-	785.78
Lease Liability	35	918.32	(93.13)	-	(13.31)	811.88
Interest accrued on borrowings	13 (c)	12.72	(12.72)	-	11.34	11.34
Total		**2,174.88**	**(404.86)**	**-**	**(1.97)**	**1,766.26**

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

Notes:

1) The consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) "Statement of cash flows".
2) Purchase of property plant and equipment/Intangible Assets include movement of Capital work-in-progress during the year.

In terms of our report attached
For Sorab S. Engineer & Co.
Chartered Accountants

Chokshi Shreyas B.
Partner

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad

Shailesh Chaturvedi
Managing Director &CEO
DIN - 03023079
Place: Bengaluru

Piyush Gupta
Chief Financial Officer
Place: Bengaluru
Date: August 18, 2022

Lipi Jha
Company Secretary
Place: Bengaluru

Place: Ahmedabad
Date: August 18, 2022

Consolidated Statement of changes in equity for the year ended March 31, 2021

₹ in Crores

Consolidated Statement of Changes in Equity

A. Equity share capital

Balance	Amount Note 11
As at April 1, 2020	**23.20**
Add: Issue of fully paid up shares (Refer Note 11.5)	15.99
Add: Issue of partly paid up shares (Refer Note 11.6)	2.96
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 34)	0.01
As at March 31, 2021	**42.43**
Add: Issue of fully paid up shares (Refer Note 11.5)	7.32
Add: Issue of partly paid up shares (Refer Note 11.6)	2.95
Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 34)	0.27
As at March 31, 2022	**52.97**

B. Other equity

Particulars	Attributable to the equity holders of Parent									
	Reserves and Surplus					Items of Other Comprehensive income		Total Other Equity (A)	Non Controlling interest (B)	Total equity
	Share based payment reserve	Securities premium	Retained Earnings	Capital Reserve	Capital Reserve on Consolidation	Cash Flow hedge Reserve	Net gain / (loss) on FVOCI equity instruments			
	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12	Note 12			
Balance as at April 1, 2020	**6.43**	**1,170.52**	**(503.18)**	**45.39**	**(237.08)**	**1.59**	**90.16**	**573.83**	**87.66**	**661.49**
Profit/ (Loss) for the year	-	-	(579.78)	-	-	-	-	(579.78)	(16.21)	(595.99)
Other comprehensive income for the year	-	-	1.15	-	-	-	-	1.15	(2.03)	(0.88)
Total Comprehensive income for the year	**6.43**	**1,170.52**	**(1,081.81)**	**45.39**	**(237.08)**	**1.59**	**90.16**	**(4.80)**	**69.42**	**64.62**
Addition during the year	5.82	484.56	-	-	-	(3.61)	-	486.77	-	486.77
Share of Non Controlling Interest	-	-	-	-	-	1.80	-	1.80	-	1.80
Transfer to securities premium	(1.02)	-	-	-	-	-	-	(1.02)	-	(1.02)
Transfer from share based payment reserve	-	1.02	-	-	-	-	-	1.02	-	1.02
Equity Issue expenses adjusted during the year (Refer Note 11.6)		(4.22)						(4.22)	-	(4.22)
Balance as at March 31, 2021	**11.23**	**1,651.88**	**(1,081.81)**	**45.39**	**(237.08)**	**(0.22)**	**90.16**	**479.55**	**69.42**	**548.97**
Balance as at April 1, 2021	**11.23**	**1,651.88**	**(1,081.81)**	**45.39**	**(237.08)**	**(0.22)**	**90.16**	**479.55**	**69.42**	**548.97**
Profit/ (Loss) for the year	-	-	(267.40)	-	-	-	-	(267.40)	30.70	(236.70)
Other comprehensive income for the year	-	-	(0.56)	-	-	-	-	(0.56)	0.04	(0.52)
Total Comprehensive income for the year	**11.23**	**1,651.88**	**(1,349.77)**	**45.39**	**(237.08)**	**(0.22)**	**90.16**	**211.59**	**100.16**	**311.75**
Addition during the year	5.95	493.62	-	-	-	0.28	-	499.85	-	499.85
Utilisation during the year (refer note 12 b)	-	-	-	(5.50)	-	-	-	(5.50)		(5.50)
Share of Non Controlling Interest	-	-	-	-	-	(0.19)	-	(0.19)	-	(0.19)
Adjustment on Consolidation	-	-	0.86	-	-	-	-	0.86	-	0.86
Equity issue expenses adjusted during the year (Refer Note 11.6)	-	(9.33)	-	-	-	-	-	(9.33)	-	(9.33)
Transfer to securities premium	(4.36)	-	-	-	-	-	-	(4.36)	-	(4.36)
Transfer from share based payment reserve	-	4.36	-	-	-	-	-	4.36	-	4.36
Balance as at March 31, 2022	**12.82**	**2,140.53**	**(1,348.91)**	**39.89**	**(237.08)**	**(0.13)**	**90.16**	**697.28**	**100.16**	**797.44**

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

In terms of our report attached

For Sorab S. Engineer & Co.
Chartered Accountants

C.A. Chokshi Shreyas B.
Partner

Place: Ahmedabad
Date: August 18, 2022

For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval
Partner

For and on behalf of the board of directors of Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
DIN: 00008329
Place: Ahmedabad
Date: August 18, 2022

Shailesh Chaturvedi
Managing Director & CEO
DIN :03023079
Place: Bengaluru
Date: August 18, 2022

Piyush Gupta
Chief Financial Officer
Place: Bengaluru
Date: August 18, 2022

Lipi Jha
Company Secretary
Place: Bengaluru
Date: August 18, 2022

Notes to the Consolidated Financial Statements For The Year Ended March 31, 2022

1. Corporate Information

Arvind Fashions Limited ("the Company" or "the Parent Company") is a public limited company incorporated in India under the provisions of the Companies Act, 2013 and has its registered office at Arvind Limited Premises, Naroda Road, Ahmedabad – 380025 having CIN L52399GJ2016PLC085595. The Company has its primary listings on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited ("the Stock Exchanges").

Arvind Fashions Limited together with its consolidated Subsidiaries is herein referred to as "the Group".

The Group is operating in branded apparels, beauty and accessories. The Group is having a portfolio of owned and licensed international brands including US Polo, Arrow, Flying Machine, Tommy Hilfiger, Calvin Klein, Sephora and others.

The Group has diversified business by brands (power, emerging and specialty retail), gender (menswear, womenswear and kidswear), categories (denims, topwear, trousers, innerwear, footwear, beauty etc.) and sales channels (retail, distribution, departmental stores and online).

The Group's Consolidated Financial Statements have been approved by Board of Directors in the meeting held on August 18, 2022.

2. Statement of Compliance and Basis of Preparation

2.1 Basis of Preparation and Presentation and Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention, except certain assets and liabilities, which have been measured at fair value as required by the relevant Ind AS.

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

The consolidated Financial Statements comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows as at March 31, 2022 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III of the Companies Act, 2013 (Ind AS compliant schedule III) as applicable to Consolidated Financial Statement.

The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Previous year numbers are regrouped or reclassified, where necessary to comply with the amendment. The Group has evaluated the effect of the amendments on its financial statements and complied with the same.

2.2 Historical Cost Convention

The Consolidated Financial Statements have been prepared on a historical cost basis, except for the followings:

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

2.3 Rounding off

The Consolidated Financials Statement are prepared in Indian Rupees (INR) and all the values are rounded to nearest crores as per the requirement of Schedule III, except when otherwise indicated. Figures less than Rs.50,000 which are required to be shown separately, have been shown in actual brackets.

2.4 Principles of Consolidation of Subsidiaries

The Group consolidates entities which it owns or controls. The Consolidated Financial Statement comprise the financial statements of the Group and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses including unrealized gain /loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Group in preparing its Consolidated Financial Statements consistently to all the periods presented:

3.1 Current versus non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

Operating cycle

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. For the purpose of current/non-current classification of assets, the Group has ascertained its normal operating cycle as twelve months.

3.2 Non-Current Assets classified as held for sale

The Group classifies non-current assets as held for sale if their carrying amounts are recoverable principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

Discontinued operation

A discontinued operation is a business of the entity that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

3.3 Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

3.4 Business combinations and goodwill

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

Business combinations are accounted for using the acquisition method. At the acquisition date, identifiable assets acquired and liabilities assumed are measured at fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition date fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. The consideration transferred is measured at fair value at acquisition date and includes the fair value of any contingent consideration. However, deferred tax asset or liability and any liability or asset relating to employee benefit arrangements arising from a business combination are measured and recognized in accordance with the requirements of Ind AS 12, Income Taxes and Ind AS 19, Employee Benefits, respectively. Where the consideration transferred exceeds the fair value of the net identifiable assets acquired and liabilities assumed, the excess is recorded as goodwill. Alternatively, in case of a bargain purchase wherein the consideration transferred is lower than the fair value of the net identifiable assets acquired and liabilities assumed, the Group after assessing fair value of all identified assets and liabilities, record the difference as a gain in other comprehensive income and accumulate the gain in equity as capital reserve. The costs of acquisition excluding those relating to issue of equity or debt securities are charged to the Statement of Profit and Loss in the period in which they are incurred.

In case of business combinations involving entities under common control, the above policy does not apply. Business combinations involving entities under common control are accounted for using the pooling of interest method. The net assets of the transferor entity or business are accounted at their carrying amounts on the date of the acquisition subject to necessary adjustments required to harmonise accounting policies. Any excess or shortfall of the consideration paid over the share capital of transferor entity or business is recognised as capital reserve under equity.

3.5 Foreign currencies

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

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

3.6 Fair value measurement

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

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

- In the principal market for the asset or liability

Or

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the 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 Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

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 Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management 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 Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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

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

3.7 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.When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Derecognition

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

Depreciation

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

Asset	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

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

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013. Any change in useful file are being applied prospectively in accordance with Ind AS 8 – "Accounting Policies, Changes in Accounting Estimates and Errors".

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

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

3.8 Leases

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

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

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

Covid-19-Related Rent Concessions

The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116 - Leases, by inserting a practical expedient w.r.t. “Covid-19- Related Rent Concessions” effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient upto June 30, 2022.

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

(i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.

(ii) any reduction in lease payments affect only payments originally due on or before June 30, 2022.

(ii) There is no substantive change to other terms and conditions of the lease

Pursuant to the above amendment, the Group has applied the practical expedient with effect from April 01, 2020. The Group has accounted the unconditional rent concessions in “Other Income” in the Standalone Statement of Profit and Loss.

3.9 Borrowing cost

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

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

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

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

3.10 Intangible Assets

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

The useful lives of intangible assets are assessed as finite.

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

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Job Workers' Network Value, Vendors' Network Value and Distribution Network Value have been amortized on Straight Line basis over the period of 5 years.

Value of License Brands/License fees acquired under demerger scheme has been amortized on Straight Line basis over the period of 10 years (in Calvin Klein Arvind Fashion Private Limited – the value of License Brands/License Fees has been amortised over the remaining term of license period or 15 years whichever is less).

Technical Process Development has been amortized on Straight Line basis over the period of 5 years and Product Development has been amortized on Straight Line basis over the period of 3-5 years.

Software and Website are depreciated over management estimate of its useful life of 5 years (over a term of 3-5 years in Tommy Hilfiger Arvind Fashion Private Limited).

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

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

3.12 Impairment of non-financial assets

The Group 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 Group 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 Group. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

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 Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation

increase.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.13 Revenue Recognition

The Group derives revenues primarily from sale of traded goods and related services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements except for the agency services because it typically controls the goods before transferring them to the customer and sales under sale or return basis arrangements.

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer.

Variable consideration

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

i. Rights of return

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

ii. Discounts

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

b) Contract balances

i. Contract assets

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

ii. Trade receivables

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

iii. Contract liabilities

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

c) Assets and liabilities arising from returns

i. Returnable Asset

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

ii. Refund liabilities

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

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

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

e) Rendering of services

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

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

f) Gift Vouchers

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

g) Interest income

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

h) Profit or loss on sale of Investments

Profit or Loss on sale of investments is recorded on transfer of title from the Group and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

i) Insurance claims

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

j) Export Incentive

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

3.14 Financial instruments – initial recognition and subsequent measurement

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

a) Financial assets

(i) Initial recognition and measurement of financial assets

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(ii) Subsequent measurement of financial assets

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

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

A financial asset is measured at amortised cost if:

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

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

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

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

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

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

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

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

In addition, the Group 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 Group 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.

b) Equity instruments:

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L

(iii) Derecognition of financial assets

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or

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

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

In that case, the Group 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 Group 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 Group could be required to repay.

(iv) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(v) Impairment of financial assets

a) Financial Assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 109 and Ind AS 115

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

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and Ind AS 115, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and Ind AS 115 that contain a significant financing component, if the Group applies practical expedient to ignore separation of time value of money, and
- Right Of Use Assets resulting from transactions within the scope of Ind AS 116

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

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

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

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

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

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

c) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

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

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

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

(ii) Subsequent measurement of financial liabilities

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

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group 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 Group 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 Group has not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings**

This is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

(iii) Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

d) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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

(i) Fair value hedges

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

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

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

(ii) Cash flow hedges

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

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

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

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

e) Offsetting of financial instruments

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

3.15 Cash and cash equivalents

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

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

3.16 Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

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

Deferred tax

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

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

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

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent ate and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

3.17 Employee Benefit

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

(ii) Defined benefit plan

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

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

c) Other long term employment benefits:

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

d) Termination Benefits :

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

3.18 Share-based payments

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

Equity-settled transactions

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

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

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

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

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

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

3.19 Earnings per share

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

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

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.

3.20 Provisions and Contingencies

Provisions are recognised when the Group 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 Group 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 Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

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

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

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

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

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

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

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

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

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

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

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

3.22 Segment Reporting

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

3.23 Events after the reporting period

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

3.24 Exceptional Items

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

Critical accounting Judgements and key source of estimation uncertainty

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

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

Revenue recognition

The Group 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 Group has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Group has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

Customer loyalty program reward points

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

Provision for discount and sales return

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

Defined benefit plans

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

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

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

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

Fair value measurement of financial instruments

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

Allowance for uncollectible trade receivables

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

Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant. The expenses recognised for share-based payment transactions are disclosed in Note 34.

Taxes

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

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

Further details on taxes are disclosed in Note 26.

Inventories

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

Useful lives of Property, Plant and Equipment and Intangible assets

The Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended March 31, 2022, there were no changes in useful lives of property plant and equipment and intangible assets other than (a) useful lives of leasehold improvements which have been considered lower of the lease term or useful life and (b) those resulting from store closures / shifting of premises.

Impairment of non-financial assets

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

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

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

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

Lease Term

The Group 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.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 5 : Property, plant and equipment

Particulars	Buildings	Plant & machinery	Furniture & fixture	Vehicles	Leasehold Improve-ments	Office Equipment	Computer, server & network	Total
Gross Carrying Value*								
As at April 1, 2020	**6.94**	**124.11**	**289.52**	**5.58**	**339.65**	**47.96**	**66.84**	**880.60**
Additions	-	2.46	16.28	1.63	12.64	1.03	4.90	38.94
Deductions	-	5.04	24.15	1.63	14.37	1.27	2.90	49.36
Deductions due to Discontinued Operation (Refer Note 43)	-	10.02	43.16		42.56	6.25	4.35	106.34
As at March 31, 2021	**6.94**	**111.51**	**238.49**	**5.58**	**295.36**	**41.47**	**64.49**	**763.84**
Additions	-	1.62	10.35	1.16	14.16	0.57	5.15	33.01
Deductions due to Discontinued Operation (Refer Note 43)	-	77.42	86.54	-	105.36	20.95	11.30	301.57
Deductions	-	6.12	16.21	2.19	30.05	4.25	31.74	90.56
As at March 31, 2022	**6.94**	**29.59**	**146.09**	**4.55**	**174.11**	**16.84**	**26.60**	**404.72**
Accumulated Depreciation								
As at April 1, 2020	**0.26**	**94.55**	**195.89**	**2.67**	**206.11**	**34.66**	**47.59**	**581.73**
Depreciation for the year	0.21	13.08	45.53	1.10	51.46	5.53	9.58	126.49
Deductions	-	5.04	23.46	1.06	13.12	1.26	2.45	46.39
Deductions due to Discontinued Operation (Refer Note 43)	-	9.20	41.42		36.62	5.72	4.29	97.25
As at March 31, 2021	**0.47**	**93.39**	**176.54**	**2.71**	**207.83**	**33.21**	**50.43**	**564.58**
Depreciation for the year	0.21	4.04	13.22	1.09	28.58	2.67	7.59	57.40
Depreciation for the year Discontinued Operation (Refer Note 43)		1.77	10.37		5.80	0.48	0.36	18.78
Deductions	-	5.87	15.42	1.26	28.63	4.15	31.65	86.98
Deductions due to Discontinued Operation (Refer Note 43)	-	69.04	77.82	-	86.34	18.85	10.31	262.36
As at March 31, 2022	**0.68**	**24.29**	**106.89**	**2.54**	**127.24**	**13.36**	**16.42**	**291.42**
Net Carrying Value								
As at March 31, 2022	**6.26**	**5.30**	**39.20**	**2.01**	**46.87**	**3.48**	**10.18**	**113.30**
As at March 31, 2021	**6.47**	**18.12**	**61.95**	**2.87**	**87.53**	**8.26**	**14.06**	**199.26**

Notes:

n respect of Building, registration is pending in favour of the Holding Company.

No Borrowing costs are capitalised on property plant and equipment during the year

For Properties pledge as security Refer Note 13(a).

Refer Note 28 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

During the year ended 31 March 2022 and 31 March 2021, there are no impairment loss determined at each level of Cash Generating Unit (CGU).

The recoverable amount was based on value in use and was determined at the level of CGU.

Title deeds of Immovable Properties not held in name of the Company (Other than properties where the Company is Lessee and where the lease agreements are duly executed in favour of the Company)

Following is the details of immovable property not held in the name of the Company

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held	Reason for not being held in the name of the company
Property, plant and equipment	Building	6.94	Arvind Limited (formerly known as Arvind Mills Limited)	No	Since November 05, 2018.	The Transfer is in process

*Refer Note 45.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note 5 (a) : Capital work-in-progress ageing schedule:

As at March 31, 2022

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

As at March 31, 2021

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in progress	0.08	0.18	0.13	-	0.40
Projects temporarily suspended	-	-	-	-	-
Total	**0.08**	**0.18**	**0.13**	**-**	**0.40**

Note 6: Intangible assets

Particulars	Computer Software	Brand Value & License Brands	Distribution Network	Technical Process development	Product Devel-opment	Trademark License Fee	Website	Total Intangible Assets	Goodwill on Conso-lidation
Gross Carrying Value									
As at April 1, 2020	**67.23**	**20.75**	**2.09**	**40.21**	**18.60**	**36.89**	**2.46**	**188.23**	**111.23**
Additions (Refer Note 3 below)	7.65	-	-	-	-	-	-	7.65	-
Deductions	0.15	-	-	-	-	-	-	0.15	-
Deductions due to Discontinued Brand (Refer Note 43)	1.03	-	-	-	-	-	-	1.03	-
As at March 31, 2021	**73.70**	**20.75**	**2.09**	**40.21**	**18.60**	**36.89**	**2.46**	**194.70**	**111.23**
Additions	6.68	-	-	-	-	-	-	6.68	-
Deductions	33.89	-	-	8.00	7.75	-	-	49.64	-
Deductions due to Discontinued Brand (Refer Note 43)	0.82	-	2.09	-	1.27	-	-	4.18	
As at March 31, 2022	**45.67**	**20.75**	**-**	**32.21**	**9.58**	**36.89**	**2.46**	**147.56**	**111.23**
Amortisation									
As at April 1, 2020	**34.03**	**20.46**	**2.09**	**24.70**	**0.39**	**13.98**	**1.38**	**97.03**	**-**
Amortisation for the Year	11.35	0.29	-	6.56	6.22	3.08	0.68	28.18	-
Deductions	0.15	-	-	-	-	-	-	0.15	-
Deductions due to Discontinued Brand (Refer Note 43)	0.20	-	-	-	-	-	-	0.20	
As at March 31, 2021	**45.03**	**20.75**	**2.09**	**31.26**	**6.61**	**17.06**	**2.06**	**124.86**	**-**
Amortisation for the Year	12.07		-	5.24	6.72	3.08	0.40	27.51	-
Deductions	33.89	-	-	8.00	7.75	-	-	49.64	-
Deductions due to Discontinued Brand (Refer Note 43)	1.22	-	2.09	-	0.76	-	-	4.07	-
As at March 31, 2022	**21.99**	**20.75**	**-**	**28.50**	**4.82**	**20.14**	**2.46**	**98.66**	**-**
Net Carrying Value									
As at March 31, 2022	**23.68**	**-**	**-**	**3.71**	**4.76**	**16.75**	**-**	**48.90**	**111.23**
As at March 31, 2021	**28.67**	**-**	**-**	**8.95**	**11.99**	**19.83**	**0.40**	**69.84**	**111.23**

Notes to the Consolidated Financial Statements

(₹ in Crores)

Note:

1. On March 23, 2018, one of the Group Company has entered into an addendum to the license agreements dated December 1, 2015 and March 19, 2014 with Calvin Klein Inc., to add certain product categories to licensed products for a consideration of Rs. 7.14 Crores (equivalent to USD 1.1 Million), which has been capitalised as an intangible asset, in accordance with Ind AS 38, ""Intangible Assets"".

   The initial term of license shall end on December 31, 2023. However, the same can be renewed for a further period of 10 years without any additional consideration, subject to compliance with certain terms and conditions under the aforesaid agreement. Management has determined that it is virtually certain that the Group would renew the license agreement for a further period of 10 years. Accordingly, the Group is amortising the trademark license fee over remaining term of license agreement (including renewal period) till December 31, 2033.

2. On September 7, 2011, one of the Group Company has entered into a License Agreement with Tommy Hilfiger Europe BV and obtained an exclusive and assignable license to use the Trademark Tommy Hilfiger, in connection with the manufacture, import, distribution, promotion, advertising and sale of Tommy Hilfiger products in India for a consideration of Rs. 37.80 Crores (equivalent to USD 7.5 Million), which has been capitalised as an intangible asset, in accordance with Ind AS 38, "Intangible Assets". The ownership of aforesaid Trademark rests with Tommy Hilfiger Europe BV.

   Under the aforesaid agreement, that Company must achieve certain minimum sales level with respect to the licensed products and pay royalty on higher of the actual and minimum sales value of license products. As per the agreements entered by the Company with sub-franchisees, certain minimum sales level with respect to the licensed products must be achieved by the sub-franchisees and royalty is earned on the higher of the actual and minimum sales value of the licensed products.

   The initial term of license is for a period of 10 years. However, the same can be renewed for a further period of 5 years without any additional consideration, subject to compliance with certain terms and conditions under the aforesaid agreement. Management has determined that it is virtually certain that the Company would renew the license agreement for a further period of 5 years. Accordingly, the Company has amortised the trademark over a period of 15 years.

3. Product Developments, Software and Intangible Assets under development includes development cost being internally generated intangible assets.

Note 7 : Financial assets

7 (a) Trade receivables - Current

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	**917.50**	836.89
Credit Impaired	**52.14**	52.07
Less : Allowance for doubtful debts	**(52.14)**	(52.07)
	917.50	836.89
Less: Refundable Liability - (Refer Note 3 below)	**(345.79)**	(211.28)
Total Trade receivables	**571.71**	625.61

Note :

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

   Allowance for doubtful debts

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

   Movement in allowance for doubtful debt :

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	**52.07**	23.27
Add : Allowance for the year (Refer Note 24 and 25)	**6.37**	28.80
Less : Provision for doubtful debts written back (Refer Note 17)	**(6.30)**	-
Balance at the end of the year	**52.14**	52.07

Notes to the Consolidated Financial Statements

(₹ in Crores)

Trade Receivables Ageing Schedule:
As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade receivables - Considered Good	665.74	230.33	18.17	3.23	0.03	0.00	917.50
Undisputed Trade receivables - credit impaired	0.90	1.17	3.47	20.70	5.86	13.79	45.89
Disputed Trade receivables - credit impaired	-	-	-	3.53	2.53	0.19	6.25
Total	**666.64**	**231.50**	**21.64**	**27.46**	**8.42**	**13.98**	**969.64**
Less: Allowance for doubtful debts							(52.14)
Less: Refundable Liability							(345.79)
Net Trade Receivables							**571.71**

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	
Undisputed Trade receivables - Considered Good	478.85	323.16	28.68	5.42	0.78	-	836.89
Undisputed Trade receivables - credit impaired	-	-	15.14	12.18	7.14	11.39	45.85
Disputed Trade receivables - credit impaired -	-	-	5.26	0.06	0.89	-	6.22
Total	**478.85**	**323.16**	**49.09**	**17.66**	**8.81**	**11.39**	**888.96**
Less: Allowance for doubtful debts							(52.07)
Less: Refundable Liability							(211.28)
Net Trade Receivables							**625.61**

7 (b) Loans

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good unless otherwise stated)		
Non-current		
Loans to employees	**0.80**	1.02
	0.80	1.02
Current		
Loans to employees	**4.29**	3.81
	4.29	3.81
Total Loans	**5.09**	4.83

Note : 1) No loans are due from directors or promotors of the Group either severally or jointly with any person.

Notes to the Consolidated Financial Statements

(₹ in Crores)

7 (c) Cash and cash equivalent

Particulars	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.01	0.01
Balances with Bank		
In Current accounts and debit balance in cash credit accounts	31.66	8.00
In Fixed Deposits - with maturity of less than 3 months	55.00	-
Total cash and cash equivalents	86.67	8.01

7 (d) Other bank balance

Particulars	As at March 31, 2022	As at March 31, 2021
In Deposit Account		
Held as Margin Money*	17.22	10.83
Lodged with Sales Tax Department	0.02	0.02
Earmarked Balance - Unpaid Fractional Shares and Rights Issue	1.05	-
Total other bank balances	18.29	10.85

* Under lien with bank as Security for Guarantee Facility given by the bankers.

7 (e) Other financial assets

(Unsecured, considered good unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits	61.15	148.98
Bank deposits with maturity of more than 12 months	0.70	0.78
	61.85	149.76
Current		
Security deposits	60.59	26.78
Security deposits - considered doubtful	2.63	0.55
Less: Allowance for doubtful deposits	(2.63)	(0.55)
	60.59	26.78
Income receivable	0.81	5.04
Accrued Interest	0.45	0.50
Insurance claim receivable	0.31	0.22
Other Receivables	51.51	25.78
	113.67	58.32
Total other financial assets	175.52	208.08

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

Allowance for doubtful deposits

Movement in allowance for doubtful advances:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	0.55	0.66
Add : Allowance for the year (Refer note 24)	2.08	-
Less : Write off (Net of recovery)	-	0.11
Balance at the end of the year	2.63	0.55

Notes to the Consolidated Financial Statements

7 (f) Financial assets by category

(₹in Crores)

Particulars	FVTPL	FVOCI	Amortised cost
March 31, 2022			
Trade Receivables	-	-	571.71
Loans	-	-	5.09
Cash & Bank balance	-	-	104.96
Other financial assets	-	-	175.52
Total Financial Assets	**-**	**-**	**857.28**
March 31, 2021			
Trade Receivables	-	-	625.61
Loans	-	-	4.83
Cash & Bank balance	-		18.86
Other financial assets	-	-	208.08
Total Financial Assets	**-**	**-**	**857.38**

Notes :

1) Financial instruments risk management objectives and policies, refer Note 39.

2) Fair value disclosure for financial assets and liabilities, refer note 37 and for fair value hierarchy disclosures refer note 38.

Note 8 : Other current

(Unsecured, consiered good unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital advances	**25.94**	1.20
Sales tax paid under protest	**34.74**	23.22
GST/Sales tax / VAT / service tax receivable (net)	**1.98**	2.11
Prepaid expenses	**0.46**	0.53
	63.12	27.06
Current		
Advance to suppliers		
Considered Good	**33.16**	59.61
Considered doubtful	**2.11**	1.85
Less : Provision for doubtful advances	**(2.11)**	(1.85)
	33.16	59.61
Balance with Government Authorities (Refer Note 1 below)	**166.54**	141.43
Export incentive receivable	**0.70**	0.54
Returnable Asset (Refer Note 3 below)	**134.31**	89.79
Prepaid expenses	**8.68**	12.67
Foreign Exchange Forward contracts (Cash flow hedge)	**0.36**	-
Other Current Assets	**61.76**	112.50
	405.51	416.54
Total	**468.63**	443.60

Note

1. Balance with Government Authorities mainly consist of input credit availed.
2. Other current assets are given as security for borrowings as disclosed under Note 13(a).
3. Returnable Asset are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers.
4. Advance to directors or to firm/private company where director is interested.
5. Returnable Asset are accounted, considering the nature of inventory, ageing and net realisable value and Rs. 19.36 Crores (March 31, 2021 Rs. 9.43 Crores) has been provided. The changes in write downs are recognised as an expense in the Statement.

Notes to the Consolidated Financial Statements

6. Other current assets includes Goods and Service Tax paid on primary sales / stock transfer of traded goods amounting Rs 61.46 Crores (March 31, 2021 Rs. 112.50 crores) 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.

Provision for Doubtful Advances

Movement in provision for doubtful advances:

(₹in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	**1.85**	1.66
Add: Provision Made during the year (Refer Note 24)	**0.26**	0.24
Less : Write off of doubtful advances	**-**	(0.05)
Balance at the end of the year	**2.11**	1.85

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

Particulars	As at March 31, 2022	As at March 31, 2021
Trims and Accessories	**17.15**	36.57
Stock-in-trade	**808.02**	758.74
Stock-in-trade in transit	**-**	3.42
Packing materials	**5.64**	11.28
Total	**830.81**	810.01

1) Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for Rs. 174.91 Crores (March 31, 2021 Rs. 149.27 Crores). The changes in write downs are recognised as an expense in the Statement of Profit and Loss.

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

Note 10 : Current Tax Assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax Paid in Advance (Net of Provision)	**28.85**	30.36
Total	**28.85**	30.36

Note 11 : Equity share capital:

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹in Crores	No. of shares	₹in Crores
Authorised share capital Equity shares of Rs. 4 each (March 31, 2021: Rs. 4 each)	**18,75,00,000**	**75.00**	18,75,00,000	75.00
Issued and subscribed share capital Equity shares of Rs. 4 each (March 31, 2021: Rs. 4 each)	**13,24,61,813**	**52.98**	11,34,87,487	42.43
Subscribed and fully paid up Equity shares of Rs. 4 each (March 31, 2021: Rs. 4 each)	**13,24,10,948**	**52.96**	9,86,85,711	39.47
Subscribed and Partly paid up Equity shares of Rs. 2 each (March 31, 2021: Rs. 2 each)	**50,865**	**0.01**	1,48,01,776	2.96
Total	**13,24,61,813**	**52.97**	11,34,87,487	42.43

Notes to the Consolidated Financial Statements

(₹in Crores)

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	₹in Crores	No. of shares	₹in Crores
At the beginning of the period	**11,34,87,487**	**42.43**	5,86,79,364	23.47
Add: Issue of fully paid up shares (Refer Note 11.5 below)	**1,83,06,624**	**7.32**	3,99,79,347	15.99
Add: Issue of partly paid up shares (Refer Note 11.6)	**-**	**2.95**	1,48,01,776	2.96
Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 34)	**6,67,702**	**0.27**	27,000	0.01
Outstanding at the end of the year	**13,24,61,813**	**52.97**	11,34,87,487	42.43

11.2. Rights, Preferences and Restrictions attached to the equity shares:

The Company has one class of shares referred to as equity shares having a par value of Rs. 4 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after distribution of all preferential amounts, in proportion to their shareholding.

11.3. 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
Aura Securities Private Limited	**4,36,18,605**	**32.93%**	4,31,18,605	37.99%
Icici Prudential Long Term Equity Fund Tax Savings	**97,83,459**	**7.39%**	46,79,842	4.12%
Plenty Private Equity Fund I Limited	**75,10,649**	**5.67%**	75,10,649	6.62%
Akash Bhanshali	**80,09,153**	**6.05%**	-	-

11.4. Shareholding of Promoters

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	No. of shares	% of shares	'% change during the year	No. of shares	% of shares	% change during the year
Aura Securities Private Limited	**4,36,18,605**	**32.93%**	**1%**	4,31,18,605	37.99%	126%
Aura Merchandise Private Limited	**18,30,701**	**1.38%**	**4817534%**	38	0.00%	90%
Atul Limited	**15,96,105**	**1.20%**	**0%**	15,96,105	1.41%	93%
Aura Business Ventures LLP	**10,36,706**	**0.78%**	**231%**	3,13,229	0.28%	93%
Aagam Holdings Private Limited	**7,25,553**	**0.55%**	**0%**	7,25,553	0.64%	93%
Anusandhan Investments Limited	**44,470**	**0.03%**	**0%**	44,470	0.04%	93%
Aayojan Resources Private Limited	**35,190**	**0.03%**	**0%**	35,190	0.03%	93%
Adhinami Investment Private Limited	**7,153**	**0.01%**	**0%**	7,153	0.01%	93%
Swati S Lalbhai	**3,754**	**0.00%**	**0%**	3,754	0.00%	93%
Hansa Niranjanbhai	**2,279**	**0.00%**	**0%**	2,279	0.00%	0%
Sunil Siddharth Lalbhai	**2,101**	**0.00%**	**0%**	2,101	0.00%	93%
Badlani Manini Rajiv	**1,644**	**0.00%**	**0%**	1,644	0.00%	15%
Vimla S Lalbhai	**1,593**	**0.00%**	**0%**	1,593	0.00%	74%
Taral S Lalbhai	**1,573**	**0.00%**	**0%**	1,573	0.00%	93%
Punit Sanjaybhai	**1,544**	**0.00%**	**0%**	1,544	0.00%	108%

Notes to the Consolidated Financial Statements

(₹in Crores)

11.4. Shareholding of Promoters (Contd.)

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	No. of shares	% of shares	'% change during the year	No. of shares	% of shares	% change during the year
Sanjaybhai Shrenikbhai Lalbhai	641	0.00%	-1%	649	0.00%	109%
Astha Lalbhai	385	0.00%	0%	385	0.00%	0%
Vandana Gupta	302	0.00%	0%	302	0.00%	92%
Jayshreeben Sanjaybhai Lalbhai	152	0.00%	0%	152	0.00%	124%
Utkarsh Bhikoobhai Shah	96	0.00%	0%	96	0.00%	92%
Akshita Holdings Private Limited	51	0.00%	0%	51	0.00%	89%
Amit Gupta	40	0.00%	-87%	307	0.00%	339%
Aura Business Enterprise Private Limited	38	0.00%	0%	38	0.00%	90%
Aura Securities Private Limited	38	0.00%	0%	38	0.00%	90%
Kalpanaben Shripalbhai Morakhia	3	0.00%	0%	3	0.00%	50%
Sunil Siddharth HUF	3	0.00%	0%	3	0.00%	0%
Total	**4,89,10,720**	**36.92%**		4,58,56,855	40.41%	

11.5. Issue of Equity Shares on preferential basis

On 21st August 2021, the Board of Directors approved issuance of equity shares on a preferential basis to various investors. The Company received the approval of shareholders in the extra ordinary general meeting held on 16th September 2021. The Board of Directors approved allotment of 1,83,06,624 fully paid equity shares to various investors at Rs.218.50 per equity share (of which Rs.4/- is towards face value and Rs.214.50 towards premium) on receipt of consideration. There has been no deviation in the use of proceeds of the Preferential Issue, from the Objects stated in the Offer Letter.

11.6. Issue of Shares under Right Issue

On June 21, 2020, the Board of Directors of the Company had approved the revised size of Rights Issue of 3,99,79,347 shares of face value of Rs. 4 each (the "Rights Issue Shares") at a price of Rs. 100 per Rights Equity Shares (including premium of Rs. 96 per Rights Equity Share) in the ratio of 62:91, i.e. 62 Rights Equity Shares for every 91 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. March 18, 2020. On July 24, 2020, the Company has approved the allotment of 3,99,79,347 equity shares of face value Rs. 4/- each to the eligible equity shareholders as fully paid up.

On February 03, 2021, the Board of Directors of the Company and subsequently on February 18, 2021, the Committee of Directors had approved the Rights Issue of 1,48,02,856 equity shares of face value of Rs. 4 each (the "Rights Issue Shares") at a price of Rs. 135 per Rights Equity Shares (including premium of Rs. 131 per Rights Equity Share) in the ratio of 3:20, i.e. 3 Rights Equity Shares for every 20 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. February 24, 2021. On March 25, 2021, the Company has approved the allotment of 1,48,01,776 equity shares of face value Rs. 4/- each to the eligible equity shareholders as partly paid up for an amount of Rs. 70/- per Rights Issue Share received on application (of which Rs. 2/- was towards face value and Rs. 68/- towards premium). The allotment of 1,080 Rights Equity Shares has been kept in abeyance pending regulatory/other clearance. The first and final call of Rs. 65/- and received on First and Final Call (of which Rs. 2/- was towards face value and Rs. 63/- towards premium) per Rights Issue Share was made in the month of May 2021. The Final call is not received on 50865 shares amounting to Rs.33.06 Lakh.

Equity Issue expenses of Rs. 9.33 Crores (PY - Rs. 4.22 Crores) has been adjusted against Securities Premium.

11.7. Shares allotted as fully paid up without payment being received in cash during the period of five years immediately preceding the reporting date:

1) The Company has allotted 26,04,676 Equity Shares as bonus shares by capitalization of Securities Premium during the year 2017-18 in the ratio of 0.023 equity shares for 1 existing equity share held.

2) The Company has allotted 5,17,23,414 Equity Shares pursuant to the scheme of arrangement during the year 2018-19.

11.8. Shares reserved for issue under options and contracts

Refer Note 34 for details of shares to be issued under Employee Stock Option Schemes (ESOPs).

11.9. Objective, policy and procedure of capital management,

refer Note 40

Notes to the Consolidated Financial Statements

Note 12 : Other Equity

(₹in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Note 12.1 Reserves & Surplus		
Capital reserve on Consolidation		
Balance as per last financial statements	**(237.08)**	(237.08)
Balance at the end of the year	**(237.08)**	(237.08)
Capital reserve		
Balance as per last financial statements	**45.39**	45.39
Less: Utilised during the year (refer note b below)	**(5.50)**	-
Balance at the end of the year	**39.89**	45.39
Securities premium		
Balance as per last financial statements	**1,651.88**	1,170.52
Add: Addition during the year	**493.62**	484.56
Add: Transfer from share based payment reserve	**4.36**	1.02
Less: Equity issue expenses adjusted during the year	**(9.33)**	(4.22)
Balance at the end of the year	**2,140.53**	1,651.88
Share based payment reserve (Refer Note 34)		
Balance as per last financial statements	**11.23**	6.43
Add: Addition during the year	**5.95**	5.82
Less: Transfer to Securities Premium Account	**(4.36)**	(1.02)
Balance at the end of the year	**12.82**	11.23
Surplus in statement of profit and loss		
Balance as per last financial statements	**(1,081.81)**	(503.18)
Add: Profit/ (Loss) for the year	**(267.40)**	(579.78)
Adjustment on consolidation	**0.86**	-
Add / (Less): OCI for the year	**(0.56)**	1.15
	(1,348.91)	(1,081.81)
Total reserves & surplus	**607.25**	389.61
Note 12.2 Other comprehensive income		
Net Gain/(Loss) on FVOCI Equity Instruments		
Balance as per last financial statements	**90.16**	90.16
Balance at the end of the year	**90.16**	90.16
Cash Flow Hedge reserve		
Balance as per last financial statements	**(0.22)**	1.59
Add: Gain /(Loss) for the year	**0.39**	(3.61)
Add/(Less): Tax impact	**(0.11)**	-
Less: Share of Non Controling Interest	**(0.19)**	1.80
Balance at the end of the year	**(0.13)**	(0.22)
Total Other comprehensive income	**90.03**	89.94
Total Other equity	**697.28**	479.55

Notes to the Consolidated Financial Statements

Note :

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

a Capital reserve on consolidation

Gain on purchase, i.e. excess of fair value of net assets acquired over the fair value of consideration in a business combination or on acquisition of interest in subsidiary is recognised as capital reserve on Consolidation.

b Capital reserve

Capital reserve represents capital reserve on amalgamation/business combination. This reserve arose pursuant to scheme of arrangement and shall not be considered to be reserve created by the Group. Utilisation during the year represents the stamp duty paid which is accounted as per the Composite scheme of arrangement for demerger of branded apparel undertaking.

c Securities premium

Securities premium is created due to premium on issue of shares. This reserve is utilised in accordance with the provisions of the Companies, Act.

d Share based payment reserve

This reserve relates to share options granted by the Group to its and erstwhile Holding Company's employee share option plan. Further information about share-based payments to employees is set out in Note 34.

e Net Gain/(Loss) on FVOCI Equity Instruments

The Group has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

f Cash Flow Hedge Reserve

The hedge reserve represents the cumulative effect portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when he hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Note 13 : Financial liabilities

13 (a) Borrowings

(₹in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Long-term Borrowings (Refer Note 1(a) below)		
Secured (At amortised cost		
Term loan from Banks	**71.71**	157.26
Total long-term borrowings	**71.71**	157.26
Short-term Borrowings (Refer Note 1(b) below)		
Secured (At amortised cost)		
Current maturities of Long-Term borrowings	**40.47**	39.63
Working Capital Loans repayable on demand from Banks	**389.55**	745.95
Unsecured		
From Related Parties (Refer Note 32)	**-**	0.20
Total short-term borrowings	**430.02**	785.78
Total borrowings	**501.73**	943.04

Notes to the Consolidated Financial Statements

(₹in Crores)

I Secured Borrowings

a Long term

Particulars	Rate of interest	As at March 31, 2022	As at March 31, 2021	Security	Terms of repayment
Rupee Loans	7.80%	14.69	17.68	Secured against first pari passu charge over the entire fixed assets of the Company both present and future, and second charge is created over the entire stock, receivables and other current assets of the Company both present and future.	Repayable in 22 quarterly installments beginning from September 2019
Rupee Loans	7.80% to 8.15%	34.38	34.38	1. Guaranteed By National Credit Guarantee Trustee Company Ltd. 2. Second Charge on all current assets of borrower both present and future. 3. Extension of second ranking charge over existing primary and collateral securities created in favour of the bank (including but not limited to hypothecation on present and future stock, book debts and movable fixed assets of the company and assets of the borrower created out of this Facility	Repayable in 48 Monthly installments beginning from April 2022
Rupee Loans	4.37%	25.26	57.65	1.First Pari-passu charge over the entire fixed assets (present and future) of the Company and proposed project, comprising electrical, data processing, furniture & fixture, office equipments, plant & machineries, other leasehold improvements with other term lenders. 2. Second Charge over entire stock of raw material, stock in process, finished goods, stores & spares, goods in transit, receivable and other current assets of the company with other WC lenders. 3.Corporate Guarantee given by Holding Company	Repayable in 22 instalments in 5 years beginning from December, 2019
Rupee Loans	8.95%	35.71	84.11	1.First Pari-passu charge over the entire fixed assets of the Borrower (both present and future) 2. Second Charge over current assets of the Borrower 3.Corporate Guarantee given by Holding Company	Repayable in 17 quarterly installments starting from March 31,2020
Hire Purchase loans	7.70% to 9.25%	2.14	3.08	Secured by hypothecation of related vehicles	Payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans

Notes to the Consolidated Financial Statements

(b) Short term

Particulars	Rate of interest	As at March 31, 2022	As at March 31, 2021	Security	Pledge of shares
Working Capital loans	7.30% to 8.20%	26.62	35.43	First pari passu charge on entire Stock and Receivables of the Company both present and future.	Secured against Pledge 175,82,539 shares of Arvind Youth Brands Private Limited.
Working Capital loans	6.75%	15.00	6.00	First pari passu charge on entire Stock and Receivables of the Company both present and future.	
Working Capital loans	8.20%	-	28.89	First pari passu charge on entire Stock and Receivables of the Company both present and future.	Secured against Pledge of 43,75,000 shares of Arvind Lifestyle Brands Limited and 81,15,018 shares of Arvind Youth Brands Private Limited (AYBPL).
Working Capital loans	7.50%	10.06	10.00	1. a. First and pari passu charge by way of Hypothecation of current assets of the borrowing Company to be shared with other lenders. b. First and pari passu charge on all intangible, fixed assets of the borrower to be shared with other lenders 2. Corporate Guarantee given by Arvind Fashions Limited and Arvind Lifestyle Brands Ltd to the extend of Rs. 25.00 Crores	
Working Capital loans	7.26% - 8.20%	33.54	120.62	1. First and charge over entire stocks, receivables and other current assets excluding the stocks of Nautica Brand and Second Charge over the entire fixed assets of the company both present and future of the Borrowing Company. 2. Corporate Guarantee given by Holding Company	Pledge of 1,09,60,183 equity shares of Arvind Youth Brands Private Limited ('AYBPL') owned by the Borrowing Company.
Working Capital loans	7.26% - 8.20%	33.54	120.62		Pledge of 1,09,60,183 equity shares of Arvind Youth Brands Private Limited ('AYBPL') owned by the Borrowing Company.
Working Capital loans	6.25%	175.73	177.44		Pledge of 1. 3,25,57,884 equity shares of AYBPL owned by the Borrowing Company. 2. 4,91,64,090 equity shares of the Company held by Holding Company
Working Capital loans	5.75%	40.00	51.90		Pledge of 43,84,074 equity shares of AYBPL owned by the Borrowing Company.
Working Capital loans	6.29%	22.00	31.00		61,37,703 equity shares of AYBPL owned by the Borrowing Company.
Working Capital loans	8.40%	36.60	114.00		
Working Capital loans	7.25%	30.00	30.00	1. First charge on entire current assets of Borrowing Company. 2. Corporate guarantee by Arvind Fashions Limited (Ultimate Holding Company)	
Working Capital loans	7.95% to 8.50%	-	141.67	Secured by (i) first exclusive charge over current assets of the borrower for Rs. 280 Crore, both present & future of Borrowing Company; (ii) Corporate Guarantee from (a) PVH Corp., USA for Rs. 100 Crore and (b) Arvind Fashion Limited for Rs. 100 Crore, of the exposure, and (iii) letter of comfort from PVH Corp., USA.	

Notes to the Consolidated Financial Statements

2. All necessary charges or satisfaction are registered with ROC within the statutory period.

3. The Group has Fund based and Non-fund based limits of working capital from Banks and Financial Institutions. For the said facility, the revised submissions made by the group to its lead bankers based on closure of book of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed, except for one of the subsidary. Below tables show the current assets as per the statements filed with the banks by one of the subsidary and as per books of account of that subsidiary, along with summary of reconciliation and reasons of material discrepancies, if any.

Details of current assets as per the statements filed with the banks for the year ended March 31, 2022

Name of Bank(s)	Quarter ended	Particulars of securities provided	Amount as per statement filed by one of the subsidary	Amount as per books of account of one of the subsidary	Variance	Reasons of material discrepancies
HSBC and HDFC Bank	March 31, 2022	Trade receivables	67.50	67.50	-	
		Inventory	150.04	150.04	-	
HSBC and HDFC Bank	December 31, 2021	Trade receivables	234.94	114.78	120.17	Refer note a
		Inventory	118.97	136.29	(17.32)	Refer note b
HSBC and HDFC Bank	September 30, 2021	Trade receivables	307.12	147.02	160.10	Refer note a
		Inventory	108.61	157.81	(49.19)	Refer note b
HSBC and HDFC Bank	June 30, 2021	Trade receivables	238.34	151.39	86.95	Refer note a
		Inventory	128.58	151.40	(22.82)	Refer note b

Details of current assets as per the statements filed with the banks for the year ended March 31, 2021

Name of Bank(s)	Quarter ended	Particulars of securities provided	Amount as per statement filed by one of the subsidary	Amount as per books of account of one of the subsidary	Variance	Reasons of material discrepancies
HSBC and HDFC Bank	March 31, 2021	Trade receivables	213.24	158.71	54.54	Refer note a
		Inventory	151.64	147.87	3.77	Refer note b
HSBC and HDFC Bank	December 31, 2020	Trade receivables	234.94	173.29	61.66	Refer note a
		Inventory	118.97	184.31	(65.34)	Refer note b
HSBC and HDFC Bank	September 30, 2020	Trade receivables	258.31	199.52	58.80	Refer note a
		Inventory	231.47	233.10	(1.63)	Refer note b
HSBC and HDFC Bank	June 30, 2020	Trade receivables	225.52	160.25	65.27	Refer note a
		Inventory	217.51	231.72	(14.22)	Refer note b

5. Unsecured Borrowings
(a) Short Term

Particulars	Rate of interest	As at March 31, 2022	As at March 31, 2021
Intercorporate Deposits	8.50%	-	0.20

Notes to the Consolidated Financial Statements

(₹in Crores)

13 (b) Trade payable

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Acceptances	**177.73**	152.07
Other Trade Payables		
-Total outstanding dues of micro enterprises and small enterprises (Refer Note a below)	**74.01**	159.06
-Total outstanding dues other than micro enterprises and small enterprises	**796.13**	606.87
Total	**1,047.87**	918.00

Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2022. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Particulars	As at March 31, 2022	As at March 31, 2021
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
i) Principal	**57.32**	141.83
ii) Interest	**16.69**	17.23
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**5.41**	27.04
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	**16.69**	17.23
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	**16.69**	17.23
(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 MSMED Act, 2006	**16.69**	17.23

Trade Receivables Ageing Schedule:
As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
MSME	39.99	34.02	-	-	-	74.01
Others	590.43	343.08	14.01	13.24	13.10	973.86
Total	**630.42**	**377.10**	**14.01**	**13.24**	**13.10**	**1,047.87**

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	more than 3 years	
MSME	114.08	42.21	0.72	0.18	1.87	159.06
Others	578.13	152.35	15.29	3.24	9.93	758.94
Total	**692.22**	**194.57**	**16.00**	**3.42**	**11.80**	**918.00**

Notes to the Consolidated Financial Statements

13 (c) Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Compulsory Convertible Preference Shares classified as debt (Refer Note 2 below)	**145.23**	142.95
Security Deposit	**92.87**	68.50
	238.10	211.45
Current		
Security Deposit	**2.94**	13.87
Interest accrued and due on others	**3.89**	6.69
Interest accrued but not due on borrowings	**11.62**	11.34
Payable to employees	**40.27**	49.40
Book overdraft	**-**	3.74
Payable for capital goods	**7.74**	8.56
Deposits from customers and others	**0.06**	-
Foreign Exchange Forward contracts (Cash flow hedge)	**-**	0.49
Others (Refer Note 3)	**1.05**	-
	67.57	94.09
Total	**305.67**	305.54

Note 1: There is no amount due and outstanding to be transfer to the Investor Education and Protection Fund (IEPF).

Note 2: **Terms of Conversion / Redemption of Compulsory Convertible Preference Shares (CCPS):**

During the previous year ended 31 March 2021, one of the Group Company issued 58,95,852 Compulsorily Convertible Preference Shares ("CCPS") of Rs. 100 each fully paid-up. CCPS carry non cumulative dividend @ 0.001% p.a. The Preferential Dividend is non cumulative and which shall accrue but shall be payable annually prior to and in preference to any dividend or distribution payable upon equity shares in same financial years. In addition to and after payment of preferential dividend @ 0.001% p.a., each Series A CCPS would be entitled to participate pari passu in any cash or non-cash dividends paid to the equity shares on a pro-rata, as-if converted basis.

The above 10 CCPS shall be convertible to variable number of equity shares ranging from at least 6 equity shares up to 10 equity shares determinable on the Earnings before Interest, Depreciation, Tax and Amortisation for the financial year ending March 31, 2022. In line with Ind AS 109, the above CCPS doesn't meet the definition of equity and hence classified as financial liability at fair value. The Group expects that CCPS will be converted to equity shares after March 31, 2023 and hence it is classified as Non-Current.

Flipkart India Private Limited has purchased the above CCPS for Rs. 260 Crores. Rs. 111.91 crores, being the gain on sale of shares (net of adjustment due to fair value of CCPS) has been disclosed under Exceptional Items.

Note 3: This includes Unpaid Fractional Shares Amount of Rs.1.04 Crores and refund due for excess money received on Right Issue of Rs.0.01 Crores.

13 (d) Financial liabilities by category

Particulars	FVOCI	FVTPL	Amortised cost
March 31, 2022			
Borrowings	-	-	501.73
Trade payables	-	-	1,047.87
Compulsory Convertible Preference Shares classified as debt	-	145.23	-
Security Deposits	-	-	95.81
Payable to employees	-	-	40.27
Interest accrued but not due	-	-	11.62
Interest accrued and due	-	-	3.89
Payable in respect of Capital goods	-	-	7.74
Lease Liabilities	-	-	456.13
Deposits from customers and others	-	-	0.06
Others	-	-	1.05
Total Financial liabilities	**-**	**145.23**	**2,166.17**

Notes to the Consolidated Financial Statements

(₹in Crores)

Particulars	FVOCI	FVTPL	Amortised cost
March 31, 2021			
Borrowings	-	-	943.04
Trade payables	-	-	918.00
Compulsory Convertible Preference Shares classified as debt	-	142.95	-
Security Deposits	-	-	82.37
Payable to employees	-	-	49.40
Interest accrued but not due	-	-	11.34
Interest accrued and due	-	-	6.69
Payable in respect of Capital goods	-	-	8.56
Lease Liabilities	-	-	811.88
Foreign Exchange Forward contracts (Cash flow hedge)	0.49	-	
Book overdraft	-	-	3.74
Total Financial liabilities	**0.49**	**142.95**	**2,835.02**

1) Financial instruments risk management objectives and policies, refer Note 39.

2) Fair value disclosure for financial assets and liabilities, refer note 37 and for fair value hierarchy disclosures refer note 38.

Note 14: Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Long-term		
Provision for employee benefits (refer Note 31)		
Provision for leave encashment	**4.64**	6.15
Provision for Gratuity	**9.73**	12.68
	14.37	18.83
Short-term		
Provision for employee benefits (refer Note 31)		
Provision for leave encashment	**4.31**	4.83
Provision for Gratuity	**4.04**	0.79
Others		
Short term provision for litigation/disputed matters (Refer Note a below)	**1.79**	2.12
	10.14	7.74
Total	**24.51**	26.57

a. Provision for litigation/ disputed matters

The group has made provisions for pending disputed matters in respect of Indirect taxes like GST, Sales tax, Excise duty and Customs duty, the liability which may arise in the future, the quantum whereof will be determined as and when the matters are disposed off.

The movement in the provision account is as under :

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as per last financial statements	**2.12**	1.86
Less: Adjusted during the year	**(0.33)**	0.26
Balance as at the end of the year	**1.79**	2.12

Notes to the Consolidated Financial Statements

Note 15 : Other current liabilities

(₹in Crores)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
Fair valuation of security deposits from customers	0.48	0.07
	0.48	0.07
Current		
Advance from customers	37.56	31.18
Statutory dues including provident fund and tax deducted at source etc	28.75	21.71
Fair valuation of security deposits from customers	0.24	0.15
Unaccrued Sale	1.31	7.21
Unaccrued Income On MEIS Certificate	0.01	-
Deferred income of loyalty program reward points (Refer note (a) below)	3.20	2.69
	71.07	62.94
Total	71.55	63.01

a Deferred income of Loyalty Program Reward Points

The Group 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
Balance as per last financial statements	2.69	4.89
Add : Provision Made during the year (Net of expiry) (Refer Note 16)	5.31	3.66
Less : Deferment/Redeemed during the year (Net)	(4.80)	(5.86)
Balance at the end of the year	3.20	2.69

Note 16 : Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products	3,025.30	1,895.58
Sale of services	27.10	14.79
	3,052.40	1,910.37
Operating income		
Export incentives	0.14	0.25
Foreign Exchange fluctuation on Vendors and Customers (Net)	2.68	0.90
Royalty	0.17	-
Miscellaneous receipts	0.65	0.39
	3.64	1.54
Total	3,056.04	1,911.91

Note:

1) Revenue from operations is shown net of schemes and discounts, Customer loyalty program and sales returns amounting to Rs. 277.61 crores, Rs. 5.31 crores and Rs. 546.96 crores (March 31, 2021 Rs. 268.10 crores, Rs. 3.66 crores and Rs. 323.40 crores) respectively, as per the terms of contracts with its various customers

Notes to the Consolidated Financial Statements

(₹in Crores)

Note 16 : Revenue from operations (Contd.)

I. Disaggregation of revenue from contracts with customers

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
A.	**Revenue based on Geography**		
	i. Domestic	**3,033.47**	1,899.60
	ii. Export	**22.57**	12.31
		3,056.04	1,911.91
B.	**Revenue based on Business Segment**		
	Branded Apparels, Cosmetics and Accessories	**3,056.04**	1,911.91

Revenue from operations is shown net of schemes and discounts, Customer loyalty program and sales returns amounting to Rs. 277.61 crores, Rs. 5.31 crores and Rs. 546.96 crores (March 31, 2021 Rs. 268.10 crores, Rs. 3.66 crores and Rs. 323.40 crores) respectively, as per the terms of contracts with its various customers.

Note 17 : Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on financial assets recognised at amortised cost	**6.99**	2.36
Gain on Reassessment of Lease (Refer Note 35)	**5.20**	24.80
Income due to Rent Waivers (Refer Note 35)	**38.20**	79.17
Profit on sale of Property, Plant & Equipment (Net)	**5.05**	0.83
Exchange Difference	**-**	0.47
Miscellaneous income	**1.06**	1.11
Provision for doubt-ful debts written back	**6.30**	-
Provision no longer required	**4.08**	-
Total	**66.88**	108.74

Note 18 : Purchases of stock-in-trade

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Garments, Cosmetics & Accessories	**1,710.50**	583.06
Cost of Trims and accessories consumed (Refer note 19)	**53.59**	43.60
Total	**1,764.09**	626.66

Note 19 :Cost of Trims and accessories consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Stock at the beginning of the year	**36.57**	37.34
Add : Purchases	**34.17**	42.83
	70.74	80.17
Less : Inventory at the end of the year	**17.15**	36.57
Total	**53.59**	43.60

Notes to the Consolidated Financial Statements

(₹in Crores)

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Stock at the end of the year		
Stock-in-trade	**830.81**	776.53
Stock at the beginning of the year		
Stock-in-trade	**776.53**	1,268.09
Total	**(54.28)**	491.56

Note 21 : Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 31)	**202.52**	170.59
Contribution to provident and other funds (Refer Note 31)	**14.75**	16.42
Welfare and training expenses	**13.52**	11.89
Share based payment to employees (Refer Note 34)	**5.97**	5.82
Total	**236.76**	204.72

Note 22 : Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest Expenses on financial liabilities measured at amortised cost		
Loans	**45.56**	87.73
Lease Liabilities (Refer Note 35)	**43.09**	27.28
Others	**19.52**	45.01
Change in Fair Value of Financial liability of CCPS	**2.28**	-
Exchange differences regarded as adjustment to borrowing cost	**0.50**	-
Other borrowing cost	**12.97**	20.27
Total	**123.92**	180.29

Note 23 : Depreciation and amortization expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation and Amortization on Property, Plant & Equipment (Refer Note 5)	**57.40**	95.89
Depreciation on Right-of-use Assets (Refer Note 35)	**148.00**	114.53
Amortization on Intangible assets (Refer Note 6)	**27.60**	27.42
Total	**233.00**	237.84

Notes to the Consolidated Financial Statements

Note 24 : Other expenses

(₹in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and fuel	**7.66**	8.19
Insurance	**5.15**	2.73
Processing charges	**4.29**	3.66
Printing, stationery & communication	**6.18**	3.13
Rent :		
Short Term leases and leases of low-value assets (Refer Note 35)	**29.14**	20.50
Commission & Brokerage	**238.71**	143.28
Rates and taxes	**11.45**	5.67
Repairs :		
To Building	**5.44**	1.15
To Others	**28.86**	34.33
Royalty on Sales	**139.56**	83.55
Freight, insurance & clearing charge	**70.56**	48.15
Legal & Professional charges	**26.63**	9.79
Housekeeping Charges	**2.29**	2.19
Security Charges	**3.76**	2.89
Computer Expenses	**12.63**	1.51
Conveyance & Travelling expense	**11.22**	3.51
Advertisement and Publicity	**107.03**	60.16
Charges for Credit Card Transactions	**4.79**	2.77
Packing Materials Expenses	**14.09**	12.18
Contract Labour Charges	**141.09**	108.01
Sundry debit balances written off	**0.05**	1.30
Sales Promotion	**0.35**	-
Allowance for doubtful debts (Refer Note 7a)	**6.37**	3.26
Allowance for Doubtful Deposits (Refer Note 7e)	**2.08**	-
Provision for Doubtful Advances (Refer Note 8)	**0.27**	0.24
Sampling and Testing Expenses	**3.24**	1.09
Director's sitting fees	**0.03**	0.09
Auditor's remuneration (Refer Note a below)	**2.43**	1.83
Business Conducting Fees	**0.14**	0.09
Bank charges	**5.82**	2.37
Warehouse Charges	**12.68**	8.03
Spend on CSR activities (Refer Note 36)	**0.46**	0.92
HVAC Charges	**2.93**	2.06
Property, Plant & Equipment written off	**1.08**	0.02
Miscellaneous expenses	**20.85**	11.91
Total	**929.31**	590.56

a. Break up of Auditor's Remuneration

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Payment to Auditors as		
Statutory auditor Fees	**1.25**	0.41
Taxation matters	**0.46**	0.58
Corporate law matters	**0.34**	0.34
Certification fee	**0.32**	0.42
For reimbursement of expenses	**0.06**	0.08
Total	**2.43**	1.83

This is excluding payment of Rs Nil (Rs. 0.33 Crores for March 31, 2021) is respect of Rights Issues which has been charged to securities premium

Notes to the Consolidated Financial Statements

(₹in Crores)

Note 25 : Exceptional Items

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Margin on Sales Return Provision	-	34.74
Inventory Dormancy Provision	-	96.83
Allowance for Doubtful Debtors	-	25.54
Gain on Sale of Shares (Refer Note 13c)	-	(111.91)
Total	-	45.20

Note 26 : Income tax

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
IIncome Tax Expenses recognised in Statement of Profit & Loss from Continuing Operation		
Current Tax		
Current tax	11.27	-
Excess provision related to earlier years	2.06	-
Deferred Tax		
Deferred tax Charge/(Credit)	(19.13)	41.86
Income Tax Expenses recognised in Statement of Profit & Loss from Discontinuing Operation		
Deferred Tax		
Deferred tax Charge/(Credit)	-	-
Income tax expense reported in the statement of consolidated profit & loss	(5.80)	41.86

OCI section

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statement to Other comprehensive income (OCI)		
Deferred tax Charge/(Credit)	(0.16)	0.71
Deferred tax charged to OCI	(0.16)	0.71

Reconciliation of tax expense and the accounting profit multiplied by Company's tax rate:

A) Current tax

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Accounting profit/(loss) before tax from Continuing and discontinuing operations	(242.50)	(554.13)
Tax Rate	34.944%	34.944%
Current Tax Expenses on Profit before tax at the enacted income tax rate in India	(84.74)	(193.64)
Adjustments		
Difference in Tax Rates for certain entities of the Group	12.47	3.40
Expenditure not deductible for Tax	-	0.29
Share based payment expense	0.37	-
Deferred tax assets not recognised as realisation is not probable	62.31	220.03
Others	3.79	11.78
At the effective income tax	(5.80)	41.86
Effective Income Tax Rate %	2.39%	-7.56%

Notes to the Consolidated Financial Statements

B) Deferred tax

(₹in Crores)

Particulars	**Consolidated Balance Sheet As at March 31, 2022**	**Consolidated Statement of Profit & Loss and Other Comprehensive Income Year Ended March 31, 2022**	**Adjustment on Consolidation Year Ended March 31, 2022**	**Consolidated Balance Sheet As at March 31, 2021**	**Consolidated Statement of Profit & Loss and Other Comprehensive Income Year Ended March 31, 2021**
Accelerated depreciation for tax purposes	135.58	9.47	0.13	125.98	9.69
Expenditure allowable on payment basis/ over the period	12.19	(0.10)	-	12.29	(0.41)
Expenses on Employee Stock Option	2.18	1.31	-	0.87	0.40
Unused losses available for offsetting against future taxable income	176.14	20.39	-	155.75	-
Allowance for Doubtful Receivables/Advances	4.74	2.20	-	2.54	-
Unused tax credit available for offsetting against future taxable income (MAT credit entitlement)	15.79	-	-	15.79	-
Deferred Tax on unrealised profit	30.95	7.86	-	23.09	(43.09)
Impact on adoption of Ind AS 116	26.03	(21.63)	(0.34)	48.00	(9.72)
Others	7.37	(0.21)	(0.01)	7.59	0.56
Net deferred tax assets/(liabilities)	**410.97**	**19.29**	**(0.22)**	**391.90**	**(42.57)**

Note:

(i) Some of the group companies have stopped recognizing additional deferred tax asset until it becomes probable that sufficient taxable profits will be available.

(ii) The Group has unused carried forward losses of Rs. 1303.86 Crores as at March 31, 2022 (March 31, 2021: Rs. 1111.08 Crores). Out of the same, tax credits on losses of Rs. 852.44 Crores (March 31, 2021: Rs. 695.66 Crores) have not been recognized on the basis that recovery is not probable in the foreseeable future. The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Particulars	**Year ended March 31, 2022**	Year ended March 31, 2021
Opening balance as at April 1	**391.90**	434.47
Adjustment on Consolidation	**(0.22)**	-
Deferred Tax income/(expense) during the period recognised in profit or loss for Continuing Operations	**19.13**	(41.86)
Deferred Tax income/(expense) during the period recognised in profit or loss for Discontinuing Operations	**-**	-
Deferred Tax income/(expense) during the period recognised in OCI	**0.16**	(0.71)
Closing balance as at March 31	**410.97**	391.90

Note 27 : Contingent liabilities

Particulars	**As at March 31, 2022**	As at March 31, 2021
Contingent liabilities not provided for		
a. Claims against the Group not acknowledged as debts	**5.63**	10.65
b. Disputed demands in respect of		
Excise/Customs duty (Refer Note d below)	**38.98**	50.03
Sales tax/ GST (Refer Note e below)	**58.39**	60.89
Income tax	**34.00**	5.49
Textile Committee Cess	**-**	0.11
Provident Fund	**-**	0.76
Labour regulation	**0.22**	0.22
c. Guarantee given by bank on behalf of the group	**1.41**	2.11

Notes to the Consolidated Financial Statements

(₹in Crores)

Notes :

(a) It is not practical for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Group does not expect any reimbursements in respect of the above Contingent liabilities.

(c) The Group believes that the ultimate outcome of these proceedings will not have a material adverse effect on is considered necessary for the same.

d) Two of the Group companies had received demand cum show cause notice under section 28(4) read with section 124 of the Customs Act, 1962 from the Directorate of Revenue Intelligence ('DRI'), for short payment of duty due to non-inclusion of certain payments to vendors for determining assessable value for payment of Custom Duty. The Group is confident that it's position will likely be upheld in the appellate process against the above demand. However, the Group had deposited Rs.1.69 Crores under protest in previous year.

(e) Disputed demand for Sales Tax and VAT includes demand raised mainly due to non-submission of various statutory forms to appropriate authority. Subsequent to the demand, the company has collected forms covering substantial amount of demand. The company is in the process of collecting balance forms and hence no provision is considered necessary for the same.

f) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund dated February 28, 2019. The Group will make provision, on receiving further clarity on the subject.

Note 28 : Capital commitment and other commitments

Particulars	As at March 31, 2022	As at March 31, 2021
Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for	**0.19**	3.38

Note 29 : Foreign Exchange Derivatives and Exposures not hedged

A. Foreign Exchange Derivatives

Nature of Instrument	Average Exchange rate (in equivalent Rs.)	In FC	₹ In Crores
Forward contracts - Purchase		**USD**	
As at March 31, 2022	75.92	0.86	65.29
As at March 31, 2021	73.11	0.93	67.74

All derivative contracts stated above are for the purpose of hedging the underlying foreign currency exposure.

B. Exposure Not Hedged

Nature of Instrument	In FC USD	₹ in Crores	In FC EURO	₹ in Crores	In FC SEK	₹ in Crores	In FC AED	₹ in Crores
Receivables								
As at March 31, 2022	0.11	7.90	-	-	-	-	-	-
As at March 31, 2021	0.07	4.68	-	-	-	-	-	-
Payable to creditors								
As at March 31, 2022	1.24	94.69	0.05	4.11	0.05	0.44	-	0.10
As at March 31, 2021	0.91	66.67	0.01	1.05	0.05	0.45	-	0.10

Notes to the Consolidated Financial Statements

(₹in Crores)

Note 30 : Segment Reporting

Operating segment have 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 Group.

The Group's business activity falls within a single operating business segment of Branded Apparels (Garments, Cosmetics 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	Year Ended / As at March 31, 2022	Year Ended / As at March 31, 2021
Segment Revenue*		
a) In India	**3,033.47**	1,899.60
b) Rest of the world	**22.57**	12.31
Total Sales	**3,056.04**	1,911.91
Carrying Cost of Segment Assets**		
a) In India	**3,254.97**	3,696.55
b) Rest of the world	**7.90**	4.68
Total	**3,262.87**	3,701.23
Carrying Cost of Segment Non-Current Assets@**		
a) In India	**753.30**	1,102.69
b) Rest of the world	**-**	-
Total	**753.30**	1,102.69

* Based on location of Customers

** Based on location of Assets

@ Excluding Financial Assets and Deferred Tax Assets

Information about major customers (revenues from single external customer more than 10% of total revenue):

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

Note 31 : 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	Year Ended March 31, 2022	Year Ended March 31, 2021
Contribution to Provident Fund	**10.59**	12.72
Contribution to Gratuity	**3.34**	2.23
Contribution to National Pension Scheme	**0.26**	0.23
Contribution to ESI	**0.55**	1.21
Contribution to Labour Welfare Fund	**0.02**	0.03
	14.75	16.42

Note

(a) Employees of the Group receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Group receive benefits from a government administered provident fund, which is a defined contribution plan. The Group 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.

Notes to the Consolidated Financial Statements

(₹in Crores)

B Defined Benefit Plans

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

Gratuity

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

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Group make annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India.

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

Notes to the Consolidated Financial Statements

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

(₹in Crores)

2021-22	April 1, 2021	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Increase (decrease) due to effect of business combination/ transfer	Contributions by employer	March 31, 2022
		Service cost	Net interest expense	Sub-total included in statement of profit and loss		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	(19.45)	(2.61)	(0.93)	(3.53)	6.85	-	(0.19)	(0.84)	0.13	(0.90)	0.50	-	(16.53)
Fair value of plan assets	5.97	-	0.34	0.34	(6.77)	(0.08)	-	-	-	(0.08)	-	3.30	2.76
Total benefit liability	**(13.48)**	**(2.61)**	**(0.59)**	**(3.19)**	**0.08**	**(0.08)**	**(0.19)**	**(0.84)**	**0.13**	**(0.98)**	**0.50**	**3.30**	**(13.77)**

March 31,2020: Changes in defined benefit obligation and plan assets

2020-21	April 1, 2020	Cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Increase (decrease) due to effect of business combination/ transfer	Contributions by employer	March 31, 2021
		Service cost	Net interest expense	Sub-total included in statement of profit and loss		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	(20.03)	(3.51)	(1.12)	(4.63)	3.62	-	0.53	0.58	0.50	1.61	-	-	(19.43)
Fair value of plan assets	8.32	-	0.42	0.42	(3.44)	0.04	-	(0.01)		0.03	-	0.63	5.96
Fair value of plan assets	**(11.71)**	**(3.51)**	**(0.70)**	**(4.21)**	**0.18**	**0.04**	**0.53**	**0.57**	**0.50**	**1.64**	**-**	**0.63**	**(13.47)**

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**	Year ended March 31, 2021
Others (Insurance company Products)	100%	100%
(%) of total plan assets	**100%**	**100%**

Notes to the Consolidated Financial Statements

(₹in Crores)

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

Particulars	Year ended March31, 2022	Year ended March31, 2021
Discount rate	5.2% to 7.1%	5.2% to 6.8%
Future salary increase	4.32% to 12%	3.97% to 10%
Expected rate of return on plan assets	5.2% to 5.7%	6.2% to 6.8%
Attrition rate	13% to 48.6%	12.8% to 42.6%
Mortality rate during employment	Indian assured lives Mortality(2006-08)	Indian assured lives Mortality(2006-08)

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

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

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

Particulars	Sensitivity level	Increase / (decrease) in defined benefit obligation (Impact)	
		Year ended March 31, 2022	Year ended March 31, 2021
Gratuity			
Discount rate	50 basis points increase	**(0.18)**	(0.31)
	50 basis points decrease	**0.15**	0.32
Salary increase	50 basis points increase	**0.12**	0.25
	50 basis points decrease	**(0.13)**	(0.25)
Attrition rate	50 basis points increase	**(0.04)**	(0.03)
	50 basis points decrease	**0.01**	0.03

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

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

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

Particulars	Year ended March31, 2022	Year ended March31, 2021
Gratuity		
Within the next 12 months (next annual reporting period)	**4.90**	4.91
Between 2 and 5 years	**12.95**	16.13
Beyond 5 years	**7.73**	9.85
Total expected payments	**25.58**	30.89

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

Particulars	Year ended March31, 2022	Year ended March31, 2021
Gratuity	**2 years to 7 years**	3 years to 8 years

Notes to the Consolidated Financial Statements

C. Leave encashment

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

Particulars	Year ended March31, 2022	Year ended March31, 2021
Leave encashment	3.34	4.41
	3.34	4.41

Notes to the Consolidated Financial Statements

(₹in Crores)

Note 32 : Related Party Transactions

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

Name of Related Parties	Nature of Relationship
Arvind Limited	Enterprise having significant influence by Non-Executive Director
Arvind Ruf & Tuf Private Limited	Enterprise having significant influence by Key Management Personnel
Arvind True Blue Limited	Enterprise having significant influence by Key Management Personnel
Arvind Premium Retail Limited	Enterprise having significant influence by Key Management Personnel
Arvind Goodhill Suit Manufacturing Private Limited	Enterprise having significant influence by Non-Executive Director
Arvind Internet Limited	Enterprise having significant influence by Non-Executive Director
Arvind Envisol Limited	Enterprise having significant influence by Non-Executive Director
Aura Securities Private Limited	Enterprise having significant influence by Non-Executive Director
Multiples Private Equity Fund II LLP	Enterprise having significant influence by Non-Executive Director
Suresh Jayaraman	Key Management Personnel , Managing Director and CEO up to February 1, 2021, Additional Director of the Company w.e.f. February 02, 2021 up to August 22, 2021 and Non-executive director w.e.f August 23, 2021.
Shailesh Shyam Chaturvedi	Key Management Personnel, Additional Director of the Company (w.e.f. November 12, 2020 till January 31, 2021) and Managing Director & CEO (w.e.f. February 01, 2021)
Vijay Kumar BS , Company Secretary	Key Management Personnel up to March 31, 2022
Pramod Kumar Gupta, Chief Financial Officer	Key Management Personnel, (Up to February 11, 2022)
Piyush Gupta, Chief Financial Officer	Key Management Personnel, (w.e.f. February 12, 2022)
Lipi Jha, Company Secretary	Key Management Personnel, (w.e.f. May 27, 2022)
Sanjaybhai S. Lalbhai	Non Executive Director
Jayesh K. Shah	Non Executive Director up to November 12, 2020
Nithya Easwaran	Non Executive Director
Kulin S. Lalbhai	Non Executive Director
Punit S. Lalbhai	Non Executive Director
Nilesh D. Shah	Non Executive Director
Abanti Sankaranarayanan	Non Executive Director
Vallabh R. Bhanshali	Non Executive Director
Nagesh D. Pinge	Non Executive Director
Achal A. Bakeri	Non Executive Director
Vani Kola	Non Executive Director
Arvind Youth Brands Limited Employee Group Gratuity Trust	Trust

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

Notes to the Consolidated Financial Statements

(₹in Crores)

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

Particulars	Key Managerial Personnel and Non Executive Directors	Enterprise having significant influence by Key Management Personnel and Non-Executive Director	Trust
Purchase of Goods and Materials (Net)			
March 31, 2022	-	61.24	-
March 31, 2021	-	10.18	-
Purchase of Property, Plant & Equipment and Intangible Assets			
March 31, 2022	-	-	-
March 31, 2021	-	-	-
Sales of Goods and Materials			
March 31, 2022	-	(0.12)	-
March 31, 2021	-	0.24	-
Sales Return of Goods and Materials			
March 31, 2022	-	-	-
March 31, 2021	-	0.58	-
Sale of Property, Plant & Equipment			
March 31, 2022	-	-	-
March 31, 2021	-	0.45	-
Receipt of Services-Royalty			
March 31, 2022	-	-	-
March 31, 2021	-	-	-
Receipt of Services-Shared services and Others			
March 31, 2022	-	17.59	-
March 31, 2021	-	0.12	-
Receipt of Services-Commission			
March 31, 2022	-	-	-
March 31, 2021	-	1.66	-
Receipt of Services-Others			
March 31, 2022	-	-	-
March 31, 2021	-	9.41	-
Rendering of Services-Shared service			
March 31, 2022	-	1.85	-
March 31, 2021	-	1.14	-
Interest Expense			
March 31, 2022	-	-	-
March 31, 2021	-	1.34	-

Notes to the Consolidated Financial Statements

b Transactions with related parties for the year ended March 31, 2022 and years ended March 31, 2021.

(₹in Crores)

Particulars	Key Managerial Personnel and Non Executive Directors	Enterprise having significant influence by Key Management Personnel and Non-Executive Director	Trust
Remuneration			
March 31, 2022	13.82	-	-
March 31, 2021	3.00	-	-
Directors' Sitting Fees and Commission			
March 31, 2022	0.38	-	-
March 31, 2021	0.09	-	-
Contribution Given for Employee Benefit Plans			
March 31, 2022	-	-	-
March 31, 2021	-	-	0.48
Repayment of Loan taken			
March 31, 2022	-	-	-
March 31, 2021	-	(50.00)	-
Issue of Equity shares			
March 31, 2022	-	-	-
March 31, 2021	3.72	171.25	-

c Balances

Particulars	Key Managerial Personnel and Non Executive Directors	Enterprise having significant influence by Key Management Personnel and Non-Executive Director	Trust
Trade and Other Receivable			
March 31, 2022	-	2.54	-
March 31, 2021	-	1.84	-
Trade and Other Payable			
March 31, 2022	-	11.99	-
March 31, 2021	-	32.22	-
Payable in respect of advance from customers			
March 31, 2022	-	0.10	-
March 31, 2021	-	-	-

Notes to the Consolidated Financial Statements

(₹in Crores)

d Terms and conditions of transactions with related parties

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

2) Loans given by related party carries interest rate of 7.5% - 8.5% for year ending March 31, 2022

e Commitments with related parties

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

f Transactions with key management personnel

Compensation of key management personnel of the Group

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	**9.17**	4.78
Termination benefits	**0.09**	0.10
Share based payments	**6.25**	0.61
Total compensation paid to key management personnel	**15.51**	5.49

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel. The amount recognised as an expense during the year for share based payment in respect of Key Management Personnel is Rs 2.96 Crores (March 31, 2021 Rs. 1.57 Crores)

Note 33 : Earnings per share - EPS (Basic and Diluted)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total no. of equity shares at the end of the year	**13,24,61,813**	11,34,87,487
Nominal value of equity shares	**4**	4
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	**12,20,97,731**	9,28,38,211
Effect of dilution: Share options	**4,69,045**	62,725
Weighted average number of equity shares adjusted for the effect of dilution	**12,25,66,776**	9,29,00,936
A. EPS - Continuing Operations		
Profit/(Loss) attributable to ordinary equity holders	**(267.40)**	(579.78)
Add/Less: (Profit)/Loss before tax from Discontinuing Operations	**132.62**	197.95
Less: Amount Debited to Securities Premium	**-**	(4.22)
Adjusted Profit/(Loss) for the year for EPS Calculation	**(134.78)**	(386.05)
Weighted average number of equity shares		
For basic EPS	**12,20,97,731**	9,28,38,211
For diluted EPS	**12,25,66,776**	9,29,00,936
Basic earnings per share	**(11.04)**	(41.59)
Diluted earnings per share	**(11.04)**	(41.59)
B. EPS - Discontinuing Operations		
Profit/(Loss) before tax for the year from Discontinuing Operations	**(132.62)**	(197.95)
Weighted average number of equity shares		
For basic EPS	**12,20,97,731**	9,28,38,211
For diluted EPS	**12,25,66,776**	9,29,00,936
Basic earnings per share	**(10.86)**	(21.32)
Diluted earnings per share	**(10.86)**	(21.32)

Notes to the Consolidated Financial Statements

(₹in Crores)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. EPS - Continuing and Discontinuing Operations		
Total Profit/(Loss) attributable to ordinary equity holders	**(267.40)**	(579.78)
Less: Amount Debited to Securities Premium	**-**	(4.22)
Adjusted Profit/(Loss) for the year for EPS Calculation	**(267.40)**	(584.00)
Weighted average number of equity shares		
For basic EPS	**12,20,97,731**	9,28,38,211
For diluted EPS	**12,25,66,776**	9,29,00,936
Basic earnings per share	**(21.90)**	(62.91)
Diluted earnings per share	**(21.90)**	(62.91)

Pursuant to Ind AS 33 - Earnings Per Share, basic and diluted earnings per share for the previous year have been restated for the bonus element in respect of right issue.

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

Note 34 : Share based payments

Arvind Fashions Limited (AFL)

The Company has instituted Employee Stock Option Scheme 2016 (“ESOP 2016”) and Employee Stock Option Scheme 2018 (“ESOP 2018”), pursuant to the approval of the shareholders of the Company at their General Meeting held on October 15, 2016 and on May 12, 2018 respectively. Up to March 31, 2021, the Company has granted 32,48,049 options under ESOP 2016 and issued 3,15,200 options under ESOS 2018 in lieu of demerger under the Scheme and convertible into equal number of Equity Shares of face value of Rs. 4 each. The following table sets forth the particulars of the options granted during the year ended 31st March 2021 under ESOS 2016 and ESOS 2018

The following table sets forth the particulars of ESOP 2016 :

Scheme		ESOP 2016		
Date of grant	26-Jul-20	26-Jul-20	02-Sep-20	30-Dec-20
Number of options granted	1,75,000	25,000	4,85,000	2,00,000
Exercise price per option	Rs. 140	Rs. 50	Rs. 141.3	Rs. 157.15
Vesting period		Over a period of 4 years		
Vesting requirements	Time based vesting	Time based vesting	Time based vesting	Time based vesting
Exercise period		5 years from the date of vesting		
Method of settlement		Equity		

Notes to the Consolidated Financial Statements

(₹in Crores)

The following tables set forth a summary of the activity of options:

Particulars	ESOP 2016			
	March 31, 2022	Weighted average exercise price per option (Rs.) #	March 31, 2021	Weighted average exercise price per option (Rs.)
Options				
Outstanding at the beginning of the year	19,85,522	302.64	11,57,445	415.04
Issued during the year	7,00,000	237.17	8,85,000	142.05
Vested but not exercised at the beginning of the year				
Granted during the year	-		-	
Forfeited during the year	(1,48,546)	137.50	(29,923)	134.82
Exercised during the year	(6,67,702)	123.93	(27,000)	43.27
Outstanding at the end of the year	-		-	
Exercisable at the end of the year	18,69,274	302.64	19,85,522	302.64
	7,44,674	466.01	5,69,835	409.01

Price adjusted due to Right Issue bonus factor of Rs. 56.73 per option outstanding

Particulars	ESOP 2018			
	March 31, 2022	Weighted average exercise price per option (Rs.) #	March 31, 2021	Weighted average exercise price per option (Rs.)
Options				
Outstanding at the beginning of the year	3,15,200	834.13	3,15,200	890.86
Issued during the year	-		-	
Vested but not exercised at the beginning of the year	-		-	
Granted during the year	-		-	
Forfeited during the year	-		-	
Exercised during the year	-		-	
Outstanding at the end of the year	3,15,200	834.13	3,15,200	890.86
Exercisable at the end of the year	3,15,200	834.13	1,80,000	890.86

Price adjusted due to Right Issue bonus factor of Rs. 56.73 per option outstanding

Notes to the Consolidated Financial Statements

(₹in Crores)

Share Options Exercised Year ending March 31, 2022

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
ESOS 2016*	18,000	26-Oct-21	39.29
ESOS 2016*	1,279	26-Oct-21	128.93
ESOS 2016*	1,279	26-Oct-21	128.93
ESOS 2016*	1,279	26-Oct-21	128.93
ESOS 2016*	78,750	26-Oct-21	137.32
ESOS 2016*	8,000	26-Oct-21	137.32
ESOS 2016*	20,000	30-Sep-21	39.29
ESOS 2016*	11,250	30-Sep-21	46.02
ESOS 2016	2,82,348	30-Sep-21	128.93
ESOS 2016	90,632	30-Sep-21	128.93
ESOS 2016	35,165	30-Sep-21	128.93
ESOS 2016	1,279	30-Sep-21	128.93
ESOS 2016	78,750	30-Sep-21	136.02
ESOS 2016	30,000	30-Sep-21	137.32
ESOS 2016	6,000	09-Feb-22	39.29
ESOS 2016	3,691	09-Feb-22	128.93

Share Options Exercised Year ending March 31, 2021

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
ESOS 2016	27,000	29-Dec-20	43.27

The share options outstanding at the end of the year under ESOP 2016 have a weighted average remaining contractual life of 6.68 years (March 31, 2021: 6.87 years). The range of exercise price is from Rs. 39.29 to Rs. 1320.37

The share options outstanding at the end of the period under ESOP 2018 have a weighted average remaining contractual life of 0.26 years (March 31, 2021: 1.26 years). The range of exercise price is from Rs. 608.80 to Rs. 996.40

Particulars	ESOP 2016	ESOP 2018
Share price as at measurement date	Rs. 115.06	
Expected volatility	56.06%	
Expected life (years)	2.11 years	No grants were made during the period
Dividend yield	0%	
Risk-free interest rate (%)	4.44%	

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	Year Ended March 31, 2022	Year Ended March 31, 2021
Employee option plan	**5.97**	5.82
Total employee share based payment expense	**5.97**	5.82

Notes to the Consolidated Financial Statements

(₹in Crores)

Note 35 : Leases

A. The Group has taken Showrooms and other facilities on lease period of 1 to 9 years with option of renewal.

Disclosures as per Ind AS 116 - Leases are as follows:

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

Particulars	**Year Ended March 31, 2022**	Year Ended March 31, 2021
Balance at the beginning of the year	**664.54**	733.69
Fair valuation of Security Deposit	**18.46**	-
Additions	**115.63**	203.29
Deletions	**(253.58)**	(93.06)
Depreciation	**(148.01)**	(114.53)
Depreciation - Discontinued Operations	**(9.14)**	(64.85)
Balance at the end of the year	**387.90**	664.54

C. Movement in lease liabilities

Particulars	**Year Ended March 31, 2022**	Year Ended March 31, 2021
Balance at the beginning of the year	**811.88**	918.32
Additions	**115.63**	201.75
Deletions	**(317.68)**	(117.86)
Adjustment due to Rent Waivers (Refer Note a below)	**(38.20)**	(79.17)
Adjustment due to Rent Waivers - Discontinued Operations (Refer Note a below)	**(8.42)**	(19.58)
Finance cost accrued during the year	**43.09**	27.28
Finance cost accrued during the year - Discontinued Operations	**6.50**	44.61
Payment of lease liabilities	**(156.67)**	(163.47)
Balance at the end of the year	**456.13**	811.88

Note a: The Ministry of Corporate Affairs vide notification dated July 24, 2020, issued an amendment to Ind AS 116-Leases, by inserting a practical expedient w.r.t "Covid-19-Related Rent Concessions" effective from the period beginning on or after April 01, 2020 and vide notification dated June 18, 2021, extended practical expedient up to June 30, 2022. Pursuant to the above amendment, the Group has applied the practical expedient by accounting the unconditional rent concessions in "Other Income"

D. Contractual maturities of lease liabilities on discounted basis are as follows:

Particulars	**Year Ended March 31, 2022**	Year Ended March 31, 2021
Less than one year	**120.74**	160.27
One to five years	**245.01**	440.07
More than five years	**90.38**	211.54
Total	**456.13**	811.88

E. The group 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.

Notes to the Consolidated Financial Statements

(₹in Crores)

F. The amount recognised in the statement of profit or loss are as follows:

Particulars	**Year Ended March 31, 2022**	Year Ended March 31, 2021
Depreciation expense of right-of-use assets	**148.01**	114.53
Interest expense on lease liabilities	**43.09**	27.28
Rent expense - short-term lease and leases of low value assets	**29.14**	20.50
Total	**220.24**	162.31

Note 36 : Corporate Social Responsibility (CSR) Activities

Particulars	**Year Ended March 31, 2022**	Year Ended March 31, 2021
a) Gross amount required to be spent by the Company during the year	**0.46**	0.92
b) Amount spent during the year on,		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above including Rs 0.95 Crores pertaining to previous year	**0.46**	1.87
c) Amount unspent during the year	**-**	-
d) Total of previous years shortfall	**-**	-
e) Reasons for shortfall	**-**	-
f) Details of related party transactions	**-**	-
Name		- -
Relationship	**-**	-
Amount	**-**	-
g) Movement of CSR Provision	**-**	-
Balance as per last financial statements	**-**	-
Add: Provision made during the year	**-**	-
(Less): Utilised during the year	**-**	-
Balance at the end of the year	**-**	-

Note 37 : 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 Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	**As at March 31,2022**	As at March 31,2021
Financial liabilities		
Borrowings		
Carrying Amount	**501.73**	943.04
Fair Value	**501.73**	943.04
Compulsory Convertible Preference Shares classified as debt		
Carrying Amount	**145.23**	142.95
Fair Value	**145.23**	142.95

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

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

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

The fair value of Composability Convertible Preference Shares is calculated considering Monte Carlo Simulation to arrive at conversion ratio and discounted cashflow method to arrive at Equity Value.

Notes to the Consolidated Financial Statements

(₹in Crores)

Note 38 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at fair value					
Fair value through Other Comprehensive Income					
Foreign Exchange Forward Contracts (Cash Flow Hedge)	March 31, 2022	-	-	-	-
	March 31, 2021	0.49	-	0.49	-
Fair value through Statement of Profit and Loss					
Compulsory Convertible Preference Shares classified as debt	March 31, 2022	145.23	-	-	145.23
	March 31, 2021	142.95	-	-	142.95

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 31 March 2022 are as shown below:

Particulars	Significant unobservable inputs	Sensitivity Level	Increase / (Decrease)
	WACC Sensitivity	**0.50%**	(12.38)
Compulsory Convertible Preference Shares		**-0.50%**	13.87
	EBIDTA Margin	**0.50%**	12.48
		-0.50%	(12.87)

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

Note 39 : Financial instruments risk management objectives and policies

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

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

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

Notes to the Consolidated Financial Statements

(₹in Crores)

(a) Market risk

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

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

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

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

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

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

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

Interest rate risk

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

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2022, approximately 0.50% of the Group's Borrowings are at fixed rate of interest (March 31, 2021: 16%)

Interest rate sensitivity

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

Particulars	Effect on profit before tax
March 31, 2022	
Increase in 50 basis points	**(2.51)**
Decrease in 50 basis points	**2.51**
March 31, 2021	**(4.69)**
Increase in 50 basis points	**4.69**
Decrease in 50 basis points	

Exclusion from this analysis are as follows:

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

Foreign currency risk

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

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Group given in Note 29.

Notes to the Consolidated Financial Statements

(₹in Crores)

Foreign currency sensitivity

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

Particulars	Change in USD rate	Effect on profit before tax	Change in EUR rate	Effect on profit before tax
March 31, 2022	+2%	1.74	+2%	(0.08)
	-2%	(1.74)	-2%	0.08
March 31, 2021	+2%	(1.06)	+2%	(0.02)
	-2%	1.06	-2%	0.02

Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Group periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

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

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are 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 7a. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance sheet as is the carrying amount as disclosed in Note 37.

(c) Liquidity risk

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

Notes to the Consolidated Financial Statements

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

(₹in Crores)

Particulars	Less than 1 year	1 year or More
As at March 31, 2022		
Interest bearing borrowings	430.02	71.71
Lease Liabilities	120.74	335.39
Trade payables	1,047.87	-
Security deposits from customers	2.94	92.87
Compulsory Convertible Preference Shares classified as debt	-	145.23
Other financial liabilities#	64.63	-
	1,666.20	**645.20**
As at March 31, 2021		
Interest bearing borrowings	785.78	157.26
Lease Liabilities	160.27	651.61
Trade payables	918.00	-
Security deposits from customers	13.87	68.50
Compulsory Convertible Preference Shares classified as debt	-	142.95
Other financial liabilities#	80.22	-
	1,958.14	**1,020.32**

Other financial liabilities includes interest accrued but not due of Rs. 11.62 Crores (March 31, 2021: Rs. 11.34 Crores)

Excessive risk concentration

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

Note 40 : Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group'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 Group 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 Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Particulars	As at March 31, 2022	As at March 31, 2021
Interest-bearing loans and borrowings (Note 13)	**501.73**	943.04
Less: Cash and Cash equivalent (including other bank balance and Book Overdraft) (Refer Note 7(c), 7(d) and 13(c))	**(105.66)**	(15.90)
Net debt	**396.07**	927.14
Equity share capital (Note 11)	**52.97**	42.43
Other equity (Note 12)	**697.28**	479.55
Total capital	**750.25**	521.98
Capital and net debt	**1,146.32**	1,449.12
Gearing ratio	**34.55%**	63.98%

Notes to the Consolidated Financial Statements

(₹in Crores)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements and other ratios. Breaches in meeting the financial covenants would permit the bank to charge penal interest. There is no possible obligations that bank will demand penal interest. Accordingly, the company has not created provision for penal interest.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022, March 31, 2021.

Note 41 : Additional Regulatory Disclosures as per Schedule III of the Companies Act, 2013

(i) The Group do not have any benami property held in their name. No proceedings have been initiated on or are pending against the Parent and Indian subsidiaries for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) The Group have not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) The Group have complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

(iv) Utilisation of borrowed funds and share premium

I. The Group has 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 Group (Ultimate Beneficiaries) or

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

II. The Group Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) 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

b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries except as mentioned below.

i. The Parent (Intermediary) has received a sum of Rs. 100 Crore by way of final call on the rights issue in 11th May 2021 and the Holding Company (Intermediary) in turn, had invested Rs. 48 Crore on 21st June 2021 towards subscription to equity share capital in Arvind Lifestyle Brands Limited (100% subsidiary). The Group had complied with the relevant provisions of Foreign Exchange Management Act 1999 (42 of 1999), to the extent applicable, the Companies Act 2013 for such transaction and this transaction is not violative of provisions of the Prevention of Money Laundering Act 2002 (15 of 2002).

ii. The Parent (Intermediary) has received a sum of Rs. 400 Crore by way of private placement of equity shares on 30th September 2021 and the Parent (Intermediary) in turn, had invested Rs. 200 Crore on 1st October 2021 towards subscription to equity share capital in Arvind Lifestyle Brands Limited (100% subsidiary) and Rs. 100 Crore on 29th March 2022 towards subscription to Non-convertible debentures in Arvind Lifestyle Brands Limited (100% subsidiary). The Group had complied with the relevant provisions of Foreign Exchange Management Act 1999 (42 of 1999), to the extent applicable, the Companies Act 2013 for such transaction and this transaction is not violative of provisions of the Prevention of Money Laundering Act 2002 (15 of 2002).

Name of the entity	Registered Address	Relationship with the Company
Arvind Lifestyle Brands Limited	Arvind Mills Premises Naroda Road Ahmedabad Gujarat - 380025	Wholly Owned Subsidiary

(v) The Group has not invested or traded in Crypto Currency or Virtual Currency during the year.

(vi) The Group has not surrendered or disclosed as income any transactions not recorded in the books of accounts in the course of tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961) during the year

(vii) The Group does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.

Note 42 : COVID-19

Given the COVID-19 pandemic, the Group has considered relevant internal and external information for evaluating the financial statements and recoverability and carrying values of its particularly property plant and equipment, investments and deferred tax assets. With a large section of the population being vaccinated, the Group has concluded that the pandemic is not likely to materially impact on the future operations of the Group and the recoverability of the carrying value of these assets. However, in an unlikely situation of reoccurrence of COVID the eventual impact may differ from these estimates as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes to future economic conditions and will recognize the impact, if any, prospectively in future periods.

Given the pandemic, for the year ended March 31, 2021, the Group decided to offer higher discounts to liquidate old inventory rapidly and take back goods sold from customers where collection of funds was getting delayed to sell it through other channels for faster liquidation. In order

Notes to the Consolidated Financial Statements

(₹in Crores)

to achieve these objectives, for the year ended March 31, 2021, the Group has made additional provisions arising out of Covid of Rs. 157.11 Crores consisting of Rs. 34.74 Crores for Margin on Sales Return, Rs. 96.83 Crores for Inventory Dormancy and Rs. 25.54 Crores for Allowance for Doubtful Debtors which are disclosed under Exceptional Items.

Note 43 : Discontinued Operations

The Management of Arvind Lifestyle Brands Limited (ALBL), a wholly owned subsidiary of the Company has decided to discontinue Brands like GAP, Hanes, New Port, The Children's Place and Ruf & Tuf. ALBL has entered into definitive agreements for strategic sale of assets of the Unlimited Retail Business, consisting of fixed assets, lease deposits, identified inventory and other current assets of Unlimited Retail stores and warehouse, along with Unlimited brand to V-Mart at its book values. Accordingly, the activities of these brands business that are considered as disposal group are presented as a discontinued operation in accordance with the provisions of Indian Accounting Standard 105 – 'Non-current Assets Held for Sale and Discontinued Operations'. Consequently, Loss before tax and tax expenses relating to these brands business have been disclosed separately as discontinued operations as part of the above results. The previous years have been re-classified to give effect to the presentation requirements of Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations.

Details of Assets and liabilities related to discontinued brands classified as Held for Sale:

Particulars	As at March 31, 2022	As at March 31, 2021
Assets:		
Property, plant and equipment	-	9.09
Other financial assets	-	14.39
Inventories	**5.00**	69.56
Trade receivables	-	29.67
Total assets	**5.00**	122.71
Liabilities		
Trade payables	**5.00**	41.79
Total liabilities	**5.00**	41.79

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(₹in Crores)

Results of discontinued operations for the year are presented below:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue from operations		
Sale of products	**188.70**	423.42
Other operating income	**0.63**	0.50
Total revenue from operations	**189.33**	423.92
Other income	**67.32**	19.58
Total income	**256.65**	443.50
Expenses		
Changes in inventories of stock-in-trade	**163.78**	-
Purchases of stock-in-trade	**87.97**	258.86
Employee benefits expense	**23.16**	44.36
Finance costs	**13.01**	55.39
Depreciation and Amortisation	**27.92**	96.21
Other expenses	**73.43**	182.08
Total expenses	**389.27**	636.90
Profit/(Loss) before exceptional items and tax	**(132.62)**	(193.40)
Exceptional items	**-**	4.55
Profit before tax	**(132.62)**	(197.95)
Tax expense		
Deferred tax charge	**-**	-
Profit after tax	**(132.62)**	(197.95)

Details of Net Cash Flows of discontinued operations for the year are presented below:

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Net cashflows from operating activities	**(84.28)**	(172.82)
Net cashflows from investing activities	**-**	-
Net cashflows from financing activities	**(13.01)**	(55.39)
Net cash inflow / (outflow) from discontinued operations	**(97.29)**	(228.21)

Notes to the Consolidated Financial Statements

(₹in Crores)

Note 44 : Interest in Other Entities

(1) The Consolidated Financial Statements present the consolidated accounts of Arvind Fashions Limited with its subsidiaries

Sl. No.	Name of Entities	Country of Incorporation	Activities	Proportion of ownership of interest March 31, 32022	Proportion of ownership of interest March 31, 2021
	Subsidiaries				
1	Arvind Lifestyle Brands Limited	India	Branded Garments	100%	100%
2	Arvind Beauty Brands Retail Private Limited	India	Beauty Products	100%	100%
3	Arvind Youth Brands Private Limited *	India	Branded Garments	100%	100%
4	Value Fashion Retail Limited *	India	Branded Garments	100%	100%
5	PVH Arvind Fashion Private Limited (previously known as Calvin Klein Arvind Fashion Private Limited)	India	Branded Garments	50%	50%

*Held by Arvind Lifestyle Brands Limited

Note 45 : Disclosures Mandated by Schedule III of Companies Act 2013

Name of Entities	2021-22							
	Net Assets i.e. Total Assets minus Total Labilities		Share in Profit		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consoli-dation net assets	Rs. In Crores	As a % of consoli-dation net assets	Rs. In Crores	As a % of consoli-dation net assets	Rs. In Crores	As a % of consoli-dation net assets	Rs. In Crores
Parent :								
Arvind Fashions Limited	78%	2,302.27	-3%	7.44	133%	(0.43)	-3%	7.01
Subsidiaries :								
Arvind Beauty Brands Retail Private Limited	1%	15.45	12%	(26.50)	32%	(0.10)	12%	(26.60)
Arvind Lifestyle Brand Limited	16%	488.26	129%	(286.60)	-120%	0.39	129%	(286.21)
PVH Arvind Fashion Private Limited	7%	200.32	-28%	61.40	-25%	0.08	-28%	61.48
Value Fashion Retail Limited	0%	(0.05)	-5%	11.67	-1%	-	-5%	11.67
Arvind Youth Brands Private Limited	-1%	(37.87)	-5%	10.45	81%	(0.26)	-5%	10.19
Sub Total 100%	**2,968.38**	**100%**	**(222.14)**	**100%**	**(0.32)**	**100%**	**(222.46)**	
Inter Company Eliminations and Consolidations Adjustment		2,218.13		45.26		0.15		45.41
Total	**750.25**		**(267.40)**		**(0.47)**		**(267.87)**	
Non Controlling Interest in Subsidiaries		100.16		30.70		0.04		30.74
Grand Total	**850.41**		**(236.70)**		**(0.43)**		**(237.13)**	

Notes to the Consolidated Financial Statements

(₹in Crores)

Note 45 : Disclosures Mandated by Schedule III of Companies Act 2013 (Contd.)

Name of Entities	2020-21							
	Net Assets i.e. Total Assets minus Total Labilities		Share in Profit		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consoli-dation net assets	Rs. In Crores	As a % of consoli-dation net assets	Rs. In Crores	As a % of consoli-dation net assets	Rs. In Crores	As a % of consoli-dation net assets	Rs. In Crores
Parent :								
Arvind Fashions Limited	77%	1,794.98	12%	(59.41)	0%	0.01	11%	(59.40)
Subsidiaries :								
Arvind Beauty Brands Retail Private Limited	2%	40.98	6%	(31.21)	-1%	0.04	6%	(31.17)
Arvind Lifestyle Brand Limited	18%	411.12	73%	(375.73)	-47%	1.24	73%	(374.49)
PVH Arvind Fashion Private Limited (previously known as Calvin Klein Arvind Fashion Private Limited)	6%	138.84	6%	(32.42)	151%	(4.06)	7%	(36.48)
Value Fashion Retail Limited	-1%	(12.00)	2%	(12.01)	0%	-	2%	(12.01)
Arvind Youth Brands Private Limited	-2%	(49.00)	1%	(5.57)	-3%	0.08	1%	(5.49)
Sub Total 100%	**2,324.92**	**100%**	**(516.35)**	**100%**	**(2.69)**	**100%**	**(519.04)**	
Inter Company Eliminations and Consolidations Adjustment		1,802.94		63.43		(2.04)		61.39
Total		**521.98**		**(579.78)**		**(0.65)**		**(580.43)**
Non Controlling Interest in Subsidiaries		69.42		(16.21)		(2.03)		(18.24)
Grand Total		**591.40**		**(595.99)**		**(2.68)**		**(598.67)**

Note 46 : Code of Social Security, 2020

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

Note 47 : New Accounting Pronouncements to be adopted on March 31, 2022

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any material impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any material impact in its recognition of its property, plant and equipment in its financial statements.

Notes to the Consolidated Financial Statements

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any material impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the ‘10 percent’ test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any material impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any material impact in its financial statements.

Note 48 : Regrouped, Recast, Reclassified

Previous period figures have been re-grouped/ re-classified wherever necessary, to confirm to current period’s classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from April 1, 2021.

Note 49 : Events occurring after the reporting period

The Group 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 August 18, 2022, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

Notes to the Consolidated Financial Statements

Note 50 : Ratio Analysis

Sl No	Particulars	Numerator	Denominator	For the year ended 31st March, 2022	For the year ended 31st March, 2021	% Variance	Reason for Variance
1	Current Ratio (In times)	Current Assets	Current Liabilities	1.16	0.99	17%	Note (a) below
2	Debt-Equity Ratio (In times)	Total Debt	Total Equity	0.67	1.81	-63%	Note (b) below
3	Debt Service Coverage Ratio (In times)	Earnings before Interest, Tax, Depreciation and amortisation	Debt Service	0.45	0.04	897%	Note (c) below
4	Return on Equity Ratio (%)	Net Profit after Tax	Total Equity	-16.36%	-71.12%	-77%	Note (d) below
5	Inventory turnover Ratio (In times)	Revenue from Operations	Average Inventories	3.73	1.81	106%	Note (e) below
6	Trade Receivables turnover Ratio (In times)	Revenue from Operations	Average Trade Receivables	5.10	2.72	88%	Note (e) below
7	Trade Payables turnover Ratio (In times)	Purchase of Goods	Average Trade Payables	1.74	1.00	74%	Note (e) below
8	Net capital turnover Ratio (In times)	Revenue from Operations	Working Capital	1077.82%	-12962.10%	-108%	Note (e) below
9	Net profit Ratio (%)	Net Profit after Tax	Revenue from Operations	-3.41%	-20.82%	-84%	Note (f) below
10	Return on Capital employed (%)	Profit before Interest, Exceptional Items and Tax	Capital Employed	1.18%	-9.66%	-112%	Note (d) below
11	Return on investment (%)	Refer (g) below		138%	85%	62%	Note (f) below

Notes

(a) There was impact due to Covid during previous year which resulted in loss. However, business returned to normalcy during current year resulting in improved current ratio.

(b) Rights issue and Preferential Issue during current year and repayment of term loan on account of normal business lead to improved Debt-Equity Ratio

(c) There was impact due to Covid during previous year which resulted in loss. However, business returned to normalcy during current year resulting in improved Debt Service Coverage Ratio.

(d) There was impact due to Covid during previous year which resulted in loss. However, business returned to normalcy during current year resulting in material change in the Return on Equity Ratio

(e) There was impact due to Covid during previous year which resulted in lower sales. However, business returned to normalcy during current year which lead to improved turnover.

(f) The impact is due to market dynamics and price movements.

Notes to the Consolidated Financial Statements

(g) Return on Investment

$$\frac{(MV(T1)-MV(To)-Sum[C(t)])}{(MV(To)+Sum[W(t)*C(t)])}$$

Where,

T1 = End of time period

To = Begning of time period

t = Specific date falling between T1 and To

MV(T1) = Market Value at T1

MV(To) = Market Value at To

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cashflow (i.e. either net inflow or net outflow) on day 't', calculated as (T1-t)/T1

For and on behalf of the board of directors of
Arvind Fashions Limited

Sanjay S. Lalbhai
Chairman & Director
(DIN: 00008329)

Place: Ahmedabad
Date: August 18, 2022

Shailesh Chaturvedi
Managing Director &CEO
(DIN - 03023079)

Place: Bengaluru
Date: August 18, 2022

Piyush Gupta
Chief Financial Officer

Place: Bengaluru
Date: August 18, 2022

Lipi Jha
Company Secretary

Place: Bengaluru
Date: August 18, 2022

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries and Controlled Joint Ventures

(₹in Crores)

Sr. no.	Particulars	Name of the subsidiary				
		Arvind Lifestyle Brands Limited	**Arvind Beauty Brands Retail Private Limited**	**PVH Arvind Fashion Private Limited (Controlled Joint Venture)**	**Arvind Youth Brands Private Limited**	**Value Fashion Retail Limited**
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No	No	Yes	No
2.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR	INR	INR	INR
3.	Share capital	157.50	8.93	5.00	112.70	0.01
4.	Reserves & surplus	330.76 *	6.51	195.3	(150.57)	(0.06)
5.	Total assets	2040.81	250.93	476.06	493.19	0.03
6.	Total Liabilities	1552.55	230.18	275.74	531.06	0.08
7.	Investments	68.16	0.00	0.00	0.00	0
8.	Turnover (Total Income)	1703.70	242.52	673.17	423.53	0.00
9.	Profit/(Loss) before taxation	(282.96)	(26.46)	53.16	15.73	11.67
10.	Provision for taxation	3.63	0.03	(83.31)	5.28	-
11.	Profit/(Loss) after taxation	(286.60)	(26.49)	61.50	10.45	11.67
12.	Proposed Dividend and tax (including cess thereon)	Nil	Nil	Nil	Nil	Nil
13.	% of shareholding	100%	100%	50%	39.6%	100%

*Reserves & Surplus includes Rs. 100 Cr of non-convertible debentures where it is entirely equity in nature.

1. Names of subsidiaries which are yet to commence operations: Not Applicable
2. Names of subsidiaries which have been liquidated or sold during the year: Not Applicable

Part "B": Associates and Joint Ventures – Not Applicable

For and on behalf of Board of Directors

Sanjay S. Lalbhai	**Shailesh Chaturvedi**	**Piyush Gupta**	**Lipi Jha**
Director (DIN: 00008329)	MD &CEO (DIN: 03023079)	Chief Financial Officer	Company Secretary
Place : Ahmedabad	Place : Bangalore	Place : Bangalore	Place :Bangalore
Date : August 18, 2022			

Office Locations For The Year 2021-22

Office Locations

SOUTH	NORTH
Trinity Circle, 17, MG Road, Craig Park Layout, Ashok Nagar, Bengaluru, Karnataka – 560001	106, Sewa Corporate Park, MG Road Sector 25, Phase – 2, Gurgaon - 122001
EAST	**WEST**
Unit-1002, 10th Floor, DN-51 Merlin Infinite, Sector - 5, Salt Lake, Kolkata, West Bengal– 700091	Unit No. - A/402, Everest Chambers, Andheri Kurla Road, Andheri East, Mumbai, Maharashtra – 400059

Subsidiaries & Joint Ventures Corporate Office Locations

Arvind Lifestyle Brands Limited	Arvind Beauty Brands Retail Private Limited
Trinity Circle, 17, MG Road, Craig Park Layout, Ashok Nagar, Bengaluru, Karnataka - 560001	Trinity Circle, 17, MG Road, Craig Park Layout, Ashok Nagar, Bengaluru, Karnataka - 560001
PVH Arvind Fashion Private Limited	**Value Fashion Retail Limited**
No.4, 1st Cross, Brunton Road, Residency Road, Bengaluru, Karnataka - 560025, 9th Floor, Vayudooth Chambers, Trinity Circle, MG Road, Bangalore – 560001	Trinity Circle, 17, MG Road, Craig Park Layout, Ashok Nagar, Bengaluru, Karnataka - 560001
Arvind Youth Brands Private Limited	
Trinity Circle, 17, MG Road, Craig Park Layout, Ashok Nagar, Bengaluru, Karnataka - 560001	

Notes

If undelivered, please return to :
Arvind Fashions Limited
Main Building, Arvind Limited Premises,
Naroda Road, Ahmedabad – 380 025