

SORAB S. ENGINEER & CO. (Regd.)
CHARTERED ACCOUNTANTS

TELEPHONE : +91 79 29700466
FAX : +91 79 48006782
EMAIL : sseahm@sseco.in
sseahm@hotmail.com
WEB : www.sseco.in



804, SAKAR-IX,
BESIDES OLD RBI,
ASHRAM ROAD,
AHMEDABAD-380 009

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF ARVIND BEAUTY BRANDS RETAIL LIMITED (FORMERLY KNOWN AS ARVIND BEAUTY BRANDS RETAIL PRIVATE LIMITED)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Arvind Beauty Brands Retail Limited. (Formerly known as Arvind Beauty Brands Retail Private Limited) ("the Company"), which comprise the Balance Sheet as at November 2, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at November 2, 2023, the loss and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report, but does not include the financial statements and our auditor's report thereon.

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



Head Office : 902, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai-400 021.
Telephone : +91 22 2282 4811, 2204 0861 • **Email** : sorabsengineer@yahoo.com, ssemum@sseco.in

Bengaluru Branch : Purva Sunflower Apartment, Flat No. D-1303, 13th Floor, No. 236/4, Magadi Road, Bengaluru-560023.
Telephone : +91 9925879234 • **Email** : sseblr@sseco.in

Jamnagar Branch : Sagar-8, Kamdar Colony, Nr. Kamdar Colony Jain Derasar, Pethraj Raisi Marg, Jamnagar-361006.
Telephone : +91 8980212412

SORAB S. ENGINEER & CO. (Regd.)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



SORAB S. ENGINEER & CO. (Regd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) 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.



SORAB S. ENGINEER & CO. (Regd.)

- f) The provision of section 197 read with Schedule V of the Act are not applicable to the Company for the period ended November 2, 2023.
- g) 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:
- a) The Company does not have any pending litigation which would affect its financial position;
 - b) The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses;
 - c) There have been no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - d)
 - i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - ii. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, 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; and
 - iii. Based on the audit procedures conducted by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatements.
 - e) According to the information and explanations provided to us, the Company has not declared any dividend during the period.
 - f) Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.



SORAB S. ENGINEER & CO. (Regd.)

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.**

Chartered Accountants

Firm's Registration No. 110417W

Chokshi Shreyas B.



CA. Chokshi Shreyas B.

Partner

Membership No.100892

UDIN: 24100892BJZWYN7373

Ahmedabad

November 3, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Board of Directors of Arvind Beauty Brands Retail Limited. (Formerly known as Arvind Beauty Brands Retail Private Limited) of even date)

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

We have audited the internal financial controls over financial reporting of **Arvind Beauty Brands Retail Limited. (Formerly known as Arvind Beauty Brands Retail Private Limited)** ("the Company") as of November 2, 2023, in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at November 2, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sorab S. Engineer & Co.**

Chartered Accountants

Firm's Registration No. 110417W



CA. Chokshi Shreyas B.

Partner

Membership No.100892



Ahmedabad

November 3, 2023

SORAB S. ENGINEER & CO. (Regd.)

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Board of Directors of Arvind Beauty Brands Retail Limited. (Formerly known as Arvind Beauty Brands Retail Private Limited) of even date)

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - 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 to cover all the items of Property, Plant and Equipment in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the period. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and the records examined by us the Company does not have any immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee) which are held in the name of the Company.
 - d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the period.
 - e) According to the information and explanation given to us, the Company has no proceedings pending for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. In respect of the Company's Inventories:
 - a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification is appropriate, and no material discrepancies were noticed on verification between the physical stocks and the book records which were 10% or more in the aggregate for each class of inventory.
 - b) According to information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees from bank on the basis of security of current assets. In our opinion the revised quarterly returns or statements filed by the Company with such bank are in agreement with the books of accounts of the Company.
- iii. According to the information and explanations given to us, the Company has made not made investments in, not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships. Hence reporting under this clause is not applicable.



SORAB S. ENGINEER & CO. (Regd.)

- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and has not advanced loans or not given guarantees or not provided security or not made investments covered under section 186 of the Act. Hence reporting under this clause is not applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi. To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act in respect of the Company's product. Consequently, requirements of clause (vi) of paragraph 3 of the order are not applicable.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Goods and Service Tax, Duty of Custom, Cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at November 2, 2023 for a period of more than six months from the date they became payable.
(c) According to the information and explanations given to us, no disputed statutory dues are payable as at November 2, 2023.
- viii. To the best of our knowledge and belief and according to the information and explanations given to us, there were no transactions which are not recorded in the books of account that have been surrendered or disclosed as income during the period in the tax assessments under the Income Tax Act, 1961.
- ix. In our opinion and according to the information and explanations given to us, in respect of the Company's Borrowings:
 - a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - b) The Company is not a declared willful defaulter by any bank or financial institution or other lender.
 - c) The term loans of the company were applied for the purpose for which the loans were obtained.
 - d) The funds raised on short term basis have not been utilized for long term purposes.
 - e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.



SORAB S. ENGINEER & CO. (Regd.)

- f) The Company has not raised loans during the period on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. In our opinion and according to the information and explanations given to us, in respect of funds raised by the Company:
 - a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the period.
 - b) The Company has not made any preferential allotment during the period.
- xi. In respect of fraud by the Company or on the Company:
 - a) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period.
 - b) There has been no report under sub-section (12) of section 143 of the Companies Act filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - c) There have been no whistle-blower complaints received during the period by the company.
- xii. The Company is not a Nidhi Company. Consequently, the requirements of clause (xii) of paragraph 3 of the order are not applicable.
- xiii. To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and the details have been disclosed as required by the applicable Indian Accounting Standard (Ind AS)-24 Related Party Disclosures.
- xiv. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- xv. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the nature of business, the company is not required to be registered under section 45-IA of Reserve Bank of India, 1934.
- xvii. According to the information and explanations given to us, the company has incurred cash losses of Rs.1003.72 Lakhs during the period. It has not incurred cash losses in the immediately preceding financial year.
- xviii. According to the information and explanations given to us, there has been no resignation of the statutory auditors during the period.



SORAB S. ENGINEER & CO. (Regd.)

- xix. According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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 upto the date of the audit report and we neither give any guarantee nor any assurance that all the liabilities falling due within a period of one year from the balance sheet dates will get discharged by the Company as and when they fall due.
- xx. In respect of the Company's Corporate Social Responsibility, reporting under this clause is not applicable to the company.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No.100892



Ahmedabad
November 3, 2023

Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Balance Sheet as at November 2, 2023

		Rs. in Lakhs	
Particulars	Note	As at November 2, 2023	As at March 31, 2023
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	5	1,144.63	1,332.13
(b) Capital work-in-progress	5	105.38	105.38
(c) Intangible assets	6	-	-
(d) Right-of-use asset	31	7,808.97	9,187.54
(e) Financial assets			
(i) Other financial assets	7 (d)	1,259.35	1,337.58
(f) Deferred tax assets (net)		1,702.66	1,702.66
(g) Non-Current tax assets (net)	10	109.21	167.13
(h) Other non-current assets	8	3.46	8.09
Total non-current assets		12,133.67	13,840.51
II. Current assets			
(a) Inventories	9	10,706.97	10,976.94
(b) Financial assets			
(i) Cash and cash equivalents	7 (b)	126.07	1,004.92
(ii) Bank balance other than (i) above	7 (c)	13.30	118.42
(iii) Loans	7 (a)	4.32	8.79
(iv) Others financial assets	7 (d)	767.12	746.50
(c) Other current assets	8	793.84	2,582.75
Total current assets		12,411.63	15,438.32
Total Assets		24,545.30	29,278.83
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	893.95	893.95
Other equity	12	(4,168.84)	165.10
Total equity		(3,274.89)	1,059.05
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	31	6,369.08	7,819.87
(b) Long-term provisions	14	132.07	103.25
Total non-current liabilities		6,501.15	7,923.12
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(a)	11,988.51	10,182.78
(ii) Lease Liabilities	31	2,556.53	2,681.97
(iii) Trade payables	13(b)		
a) total outstanding dues of micro enterprises and small enterprises		514.76	-
b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,654.17	6,336.32
(iv) Other financial liabilities	13(c)	29.32	169.64
(b) Other current liabilities	15	550.17	900.64
(c) Short-term provisions	14	25.57	25.31
Total current liabilities		21,319.04	20,296.66
Total Equity and Liabilities		24,545.30	29,278.83
Summary of material accounting policies			
3			

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Sorab S. Engineer & Co.
Chartered Accountants
Firm's Registration No. 110417W

Amsh Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Place : Ahmedabad
Date : November 3, 2023



For and on behalf of the board of directors of
Arvind Beauty Brands Retail Limited

Alhar
Girdhar Kumar Chitlangia
Director
DIN: 00589412
Place : Bengaluru
Date : November 3, 2023

Vinayak
Vinayak Hegde
Director
DIN: 09612471
Place : Bengaluru
Date : November 3, 2023



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Statement of Profit and Loss for the period ended November 2, 2023

Rs. in Lakhs

Particulars	Notes	Period ended November 2, 2023	Year ended Mar 31, 2023
I. Income			
Revenue from operations			
Sale of Products	16	21,113.48	32,779.95
Sale of Services	16	327.51	878.71
Operating Income	16	10.90	12.07
Revenue from operations		21,451.88	33,670.73
Other income	17	182.43	216.57
Total income (I)		21,634.31	33,887.30
II. Expenses			
Purchase of stock-in-trade	18	13,132.24	22,149.76
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	269.97	(1,137.61)
Employee benefits expense	20	2,066.66	3,136.81
Finance costs	21	1,130.46	1,740.66
Depreciation and amortisation expense	22	1,835.96	3,428.58
Other expenses	23	6,009.60	6,554.92
Total expenses (II)		24,444.90	35,873.12
III. Profit / (Loss) before tax (I-II)		(2,810.58)	(1,985.82)
Tax expense			
Tax expense for the earlier years		17.53	-
Deferred tax	25	3.01	4.53
IV. Total tax expense		20.54	4.53
V. Profit / (Loss) for the year (III-IV)		(2,831.13)	(1,990.35)
VI. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit	12	(11.58)	(17.42)
Income tax effect	25	3.01	4.53
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(8.57)	(12.89)
Total other comprehensive income/(loss) for the year, net of tax		(8.57)	(12.89)
Total comprehensive income/(loss) for the year, net of tax (V+VI)		(2,839.70)	(2,003.24)
Earning per equity share [nominal value per share Rs.10/- (March 31, 2023: Rs.10/-)]	29		
Basic		(31.67)	(22.26)
Diluted		(31.67)	(22.26)

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Sorab S. Engineer & Co.
Chartered Accountants
Firm's Registration No. 110417W

CA. Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Place : Ahmedabad
Date : November 3, 2023



For and on behalf of the board of directors of
Arvind Beauty Brands Retail Limited

Girdhar Kumar Chitlangia
Girdhar Kumar Chitlangia
Director
DIN: 00589412
Place : Bengaluru
Date : November 3, 2023

Vinayak Hegde
Vinayak Hegde
Director
DIN: 09612471
Place : Bengaluru
Date : November 3, 2023



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Statement of changes in Equity for the year ended November 02, 2023

A. Equity share capital

Balance	No. of shares	Rs. in Lakhs
		Note 11
As at April 01, 2022	89,39,488	893.95
Issue of Equity Share capital	-	-
As at March 31, 2023	89,39,488	893.95
Issue of Equity Share capital	-	-
As at November 02, 2023	89,39,488	893.95

B. Other equity

Particulars	Reserves and Surplus					Rs. in Lakhs
	Instruments Entirely Equity in Nature	Share application money pending allotment	Securities premium	Contribution from Parent for ESOP	Retained Earnings	Total equity
	Note 12	Note 12	Note 12	Note 12	Note 12	
Balance as at April 1, 2022	-	-	10,707.05	605.42	(10,664.53)	647.94
Profit / (Loss) for the year	-	-	-	-	(1,990.35)	(1,990.35)
Addition during the year	-	-	-	16.86	-	16.86
Issued during the year	1,500.00	-	-	-	-	1,500.00
Other comprehensive income for the year	-	-	-	-	(12.89)	(12.89)
Total for the year	1,500.00	-	-	16.86	(2,003.24)	(486.38)
Balance as at March 31, 2023	1,500.00	-	10,707.05	622.28	(12,667.77)	161.56
Balance as at April 1, 2023	1,500.00	-	10,707.05	622.28	(12,667.77)	161.56
Profit / (Loss) for the year	-	-	-	-	(2,831.13)	(2,831.13)
Addition during the year	-	-	-	5.77	-	5.77
Issued during the year	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	(8.57)	(8.57)
Total for the year	-	-	-	5.77	(2,839.70)	(2,833.93)
Balance as at November 02, 2023	1,500.00	-	10,707.05	628.05	(15,507.47)	(2,672.37)

As per our report of even date
For Sorab S. Engineer & Co.
Chartered Accountants
Firm's Registration No. 110417W

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Place : Ahmedabad
Date : November 3, 2023



For and on behalf of the board of directors of
Arvind Beauty Brands Retail Limited

Girdhar Kumar Chitlangla

Girdhar Kumar Chitlangla
Director
DIN: 00589412
Place : Bengaluru
Date : November 3, 2023

Vinayak Hegde

Vinayak Hegde
Director
DIN: 09612471
Place : Bengaluru
Date : November 3, 2023



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Statement of Cash Flows for the year ended November 02, 2023

Particulars	Rs. in Lakhs	
	Year ended November 2, 2023	Year ended March 31, 2023
A Operating activities		
Profit/(Loss) Before taxation	(2,810.58)	(1,985.82)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation / Amortization	1,835.96	3,428.58
Interest Income	(98.31)	(164.75)
Interest and Other Borrowing Cost	1,130.46	1,740.66
Gain on reassessment of lease	-	(51.82)
Liability no longer required written back	79.76	-
Other assets written off (Net)	2,022.94	-
(Loss)/Profit on sale of property, plant and equipment	(4.36)	22.24
Share based payment expense	5.77	16.86
Operating Profit before Working Capital Changes	2,161.63	3,005.95
Working Capital Changes:		
(Increase) / Decrease in Inventories	269.97	(1,137.61)
(Increase) / Decrease in other assets	1,793.54	(454.45)
(Increase) / Decrease in other financial assets	(2,003.15)	(147.36)
(Increase) / Decrease in other bank balances	105.12	(3.30)
Increase / (Decrease) in trade payables	(167.38)	(576.41)
Increase / (Decrease) in other liabilities	(350.47)	436.37
Increase / (Decrease) in other financial liabilities	(223.45)	118.51
Increase / (Decrease) in provisions	17.50	(6.39)
Net Changes in Working Capital	(558.33)	(1,770.64)
Cash Generated from Operations	1,603.30	1,235.31
Direct Taxes paid (Net of Income Tax refund)	37.38	(1.16)
Net Cash flow received / (used in) Operating Activities	1,640.68	1,234.15
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment / Intangible assets	(59.61)	(700.22)
Sale of Property, Plant & Equipment / Intangible assets	17.49	0.90
Interest received	1.03	164.36
Net Cash flow received / (used in) Investing Activities	(41.09)	(534.96)
C Cash Flow from Financing Activities		
Changes in long term borrowings	-	(2.27)
Changes in short term borrowings	1,805.73	2,881.90
Issue of Non Convertible Debentures	-	1,500.00
Repayment of Non Convertible Debenture	(1,500.00)	-
Repayment of Lease Liabilities	(1,648.38)	(2,558.75)
Interest and Other Borrowing Cost Paid	(1,135.78)	(1,737.13)
Net Cash flow received / (used in) Financing Activities	(2,478.43)	83.75
Net Increase/(Decrease) in cash & cash equivalents	(878.84)	782.94
Cash & Cash equivalent at the beginning of the year	1,004.92	221.98
Cash & Cash equivalent at the end of the year	126.07	1,004.92
Figures in brackets indicate outflows.		

Particulars	Year ended	
	March 31, 2023	
Cash and cash equivalents comprise of:		
Cash on Hand	-	-
Balances with Banks	126.07	1,004.92
Cash and cash equivalents	126.07	1,004.92

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

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

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2023	Net cash flows	Adjustment on account of Business Combination	Non Cash Changes		As at November 02, 2023
					Effect of Change in Foreign Currency Rate	Other Changes	
Borrowings:							
Long term borrowings	13(a)	-	-	-	-	-	-
Short term borrowings	13(a)	10,182.78	1,805.73	-	-	-	11,988.51
Total		10,182.78	1,805.73	-	-	-	11,988.51

Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2022	Net cash flows	Adjustment on account of Business Combination	Non Cash Changes		As at March 31, 2023
					Effect of Change in Foreign Currency Rate	Other Changes	
Borrowings:							
Long term borrowings	13(a)	-	(2.27)	-	-	-	-
Short term borrowings	13(a)	7,303.15	2,879.63	-	-	-	10,182.78
Total		7,303.15	2,877.36	-	-	-	10,182.78

Notes:

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

In terms of our report attached
For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm Registration No. 110417W

CA. Chokshi Shreyas B.
Membership No. 100892
Partner
Place : Ahmedabad
Date : November 3, 2023



For and on behalf of the board of directors of
Arvind Beauty Brands Retail Limited

Girdhar Kumar Chitlangia
Director
DIN: 00589412
Place : Bengaluru
Date : November 3, 2023

Vinayak Hegde
Director
DIN: 09612471
Place : Bengaluru
Date : November 3, 2023



NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Corporate Information

Arvind Beauty Brands Retail Limited ('the Company') is engaged in the business of retailing of Cosmetic products and Accessories of SEPHORA and other Partner Brands. SEPHORA is a French Chain of Cosmetic stores which offers beauty products including make-up, fragrance and hair care. The Company has some of the best-known international brands apart from SEPHORA, like MUFE, BOSCHIA, DIOR, CLINIQUE, STILA, ESTEE LAUDER, LANCOME.

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

The interim financial statements were authorised for issue in accordance with a resolution of the directors on November 3, 2023.

2. Statement of Compliance and Basis of Preparation

2.1 Basis of Preparation and Presentation and Statement of Compliance

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

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

The Interim Financial Statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at November 02, 2023 has not 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) but has been complied with presentation requirements of Division II of schedule III of the Companies Act, 2013 (Ind AS compliant schedule III) as applicable to interim financial statement.

2.2 Historical Cost Convention

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

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



2.3 Rounding off

The Financials Statement are prepared in Indian Rupees (INR) and all the values are rounded to nearest lakhs as per the requirement of Schedule III, except when otherwise indicated. Figures less than Rs. 500 which are required to be shown separately, have been shown in actual brackets.

3. Summary of Material Accounting Policies

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

3.1. Current versus non-current classification

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

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

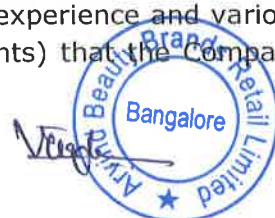
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

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

3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the interim 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.Foreign currencies

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

Transactions and balances

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

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

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

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

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

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.



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

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

3.5. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

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

Derecognition

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

Depreciation

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



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

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

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

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

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

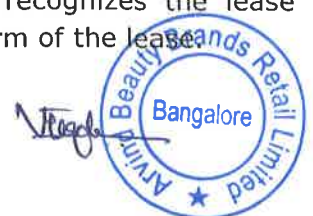
Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

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

3.6. Leases

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

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



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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

The Company as a lessor

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

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

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

3.7.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.

3.8.Intangible Assets

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

The useful lives of intangible assets are assessed as finite.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Value of License Brands acquired has been amortized on Straight Line basis over the period of five years.

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

3.9.Inventories

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



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

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

All other inventories are valued at cost.

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

3.10. Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

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

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that



would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.11. Revenue Recognition

The Company derives revenues primarily from sale of traded goods and related services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, except for the agency services below, because it typically controls the goods or services before transferring them to the customer.

a) Sale of goods

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

Variable consideration

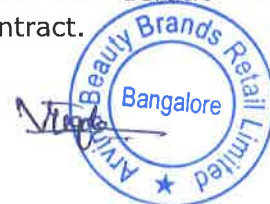
If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable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

i. Rights of return

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

ii. Discounts

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



b) 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.

c) 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 contracts on the basis of work performed.

d) 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

e) 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.

f) Insurance claims

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

3.12. Financial instruments – initial recognition and subsequent measurement

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



a) Financial assets

(i) Initial recognition and measurement of financial assets

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement of financial assets

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

- Financial assets at amortised cost
 - Financial assets at fair value through other comprehensive income (FVTOCI)
 - Financial assets at fair value through profit or loss (FVTPL)
 - Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- **Financial assets at amortised cost:**
A financial asset is measured at amortised cost if:
 - the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

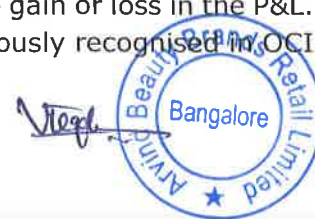
This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs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

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

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

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

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI



is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

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

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

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

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

(iii) Derecognition of financial assets

A financial asset is derecognised when:

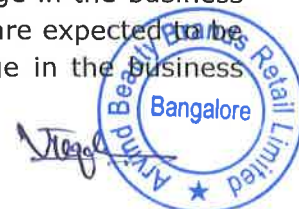
- the contractual rights to the cash flows from the financial asset expire, or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;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

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

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

(iv) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business



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

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

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

(v) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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



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

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

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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

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

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

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

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

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



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

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

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

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

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

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

(ii) Subsequent measurement of financial liabilities

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

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

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

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

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

- **Loans and Borrowings**

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



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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

(iii) Derecognition of financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

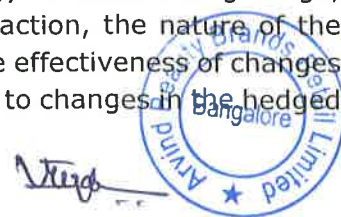
The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently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

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

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

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

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



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

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

(i) Fair value hedges

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

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

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

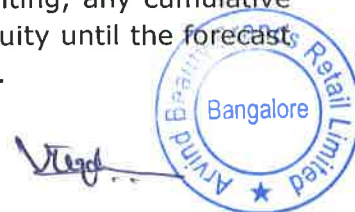
(ii) Cash flow hedges

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

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

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

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



d) Offsetting of financial instruments

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

3.13. 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.

3.14. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

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

Deferred tax

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

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

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



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

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

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

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

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

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

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

3.15. 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.

3.16. 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.

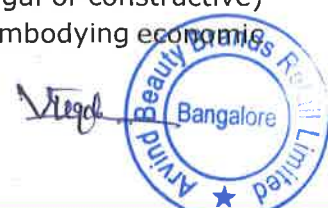
3.17. Earnings per share

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

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

3.18. 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 Interim Financial Statements.

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

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

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

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

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

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



An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an 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 Statement of Profit and Loss.

3.20. Segment Reporting

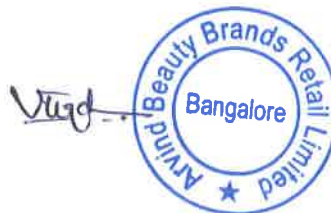
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

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 and the same is disclosed in the notes to accounts



4. Critical accounting Judgements and key source of estimation uncertainty

The preparation of the interim 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 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 interim financial statements and / or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

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

Customer loyalty program reward points

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

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 30.

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 36 for further disclosures.

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 33.

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 25.



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 expired / slow-moving inventory items.

Useful lives of Property, Plant and Equipment and Intangible assets

The Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. During the financial period ended November 2, 2023, there were no changes in useful lives of property plant and equipment and intangible assets other than (a) useful lives of leasehold improvements which have been considered lower of the lease term or useful life and (b) those resulting from store closures / shifting of premises.

Impairment of non-financial assets

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

Provisions and contingencies

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

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

There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the Interim 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 26).



Lease Term

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



Note 5 : Property, plant and equipment

Particulars	Plant & machinery	Furniture & fixture	Vehicles	Leasehold improvements	Office equipment	Computers, Servers and Network	Total	Rs. in Lakhs Capital work-in-progress
Gross Carrying Amount								
As at April 01, 2022	532.22	2,433.06	9.00	2,381.82	637.45	114.35	6,107.90	-
Additions	129.55	232.01	-	184.38	47.04	1.86	594.84	105.38
Disposals	(6.99)	(9.40)	(9.00)	-	(128.89)	(5.51)	(159.79)	-
As at March 31, 2023	654.78	2,655.67	-	2,566.20	555.60	110.70	6,542.95	105.38
Additions	6.00	43.16	-	6.06	1.90	2.49	59.61	-
Disposals	-	-	-	(21.85)	-	-	(21.85)	-
As at November 02, 2023	660.78	2,698.83	-	2,550.40	557.50	113.19	6,580.71	105.38
Depreciation and Impairment								
As at April 01, 2022	426.54	1,698.39	8.55	1,844.69	508.61	59.83	4,546.61	-
Depreciation & Impairment for the year	115.14	296.44	-	316.95	47.25	25.08	800.86	-
Deductions	(2.49)	(3.47)	(8.55)	-	(117.30)	(4.84)	(136.65)	-
As at March 31, 2023	539.19	1,991.36	-	2,161.64	438.56	80.07	5,210.82	-
Depreciation & Impairment for the year	21.19	135.50	-	43.26	15.20	10.11	225.25	-
Deductions	-	-	-	-	-	-	-	-
As at November 02, 2023	560.38	2,126.86	-	2,204.90	453.76	90.18	5,436.07	-
Net Carrying Value								
As at November 02, 2023	100.40	571.97	-	345.51	103.73	23.02	1,144.63	105.38
As at March 31, 2023	115.59	664.31	-	404.56	117.04	30.63	1,332.13	105.38

Capital work-in-progress ageing schedule:

As at November 02, 2023	Rs. in Lakhs Amount in Capital work-in-progress for a period of			
Capital work-in-progress	Less than 1 year	1-2 years	2-3 years	More than 3 years
Store in progress	105.38	-	-	-
Total	105.38	-	-	-

Capital work-in-progress ageing schedule:

As at March 31, 2023	Rs. in Lakhs Amount in Capital work-in-progress for a period of			
Capital work-in-progress	Less than 1 year	1-2 years	2-3 years	More than 3 years
Store in progress	105.38	-	-	-
Total	105.38	-	-	-



Handwritten signature



Note 6 : Intangible assets

Particulars	Rs. in Lakhs		
	Computer Software	Brand Value & License Brands	Total Intangible Assets
Gross Carrying Amount			
As at April 01, 2022	93.44	323.01	416.45
Additions	-	-	-
As at March 31, 2023	93.44	323.01	416.45
Additions	-	-	-
As at November 02, 2023	93.44	323.01	416.45
Amortisation and Impairment			
As at April 01, 2022	93.44	323.01	416.45
Amortisation & Impairment for the Year	-	-	-
Deductions	-	-	-
As at March 31, 2023	93.44	323.01	416.45
Amortisation & Impairment for the Year	-	-	-
Deductions	-	-	-
As at November 02, 2023	93.44	323.01	416.45
Net Carrying Value			
As at November 02, 2023	-	-	-
As at March 31, 2023	-	-	-



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)

Notes to the Financial Statements

Note 7 : Financial assets

7 (a) Loans		Rs. in Lakhs	
Particulars	As at November 02, 2023	As at March 31, 2023	
Unsecured, Considered Good unless otherwise stated			
Current			
Loans to employees	4.32	8.79	
Total Loans	4.32	8.79	

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

7 (b) Cash and cash equivalent		Rs. in Lakhs	
Particulars	As at November 02, 2023	As at March 31, 2023	
Balance with Bank			
In Current accounts and debit balance in cash credit accounts	126.07	1,004.92	
Total cash and cash equivalents	126.07	1,004.92	

7 (c) Other bank balance		Rs. in Lakhs	
Particulars	As at November 02, 2023	As at March 31, 2023	
Deposits with original maturity less than 12 months	13.30	118.42	
Total other bank balances	13.30	118.42	
Total cash and bank balances	139.37	1,123.34	

Under lien with bank as Security for Guarantee Facility

7 (d) Other financial assets		Rs. in Lakhs	
Particulars	As at November 02, 2023	As at March 31, 2023	
Unsecured, Considered Good unless otherwise stated			
Non-current			
Security deposits	1,259.35	1,337.58	
	1,259.35	1,337.58	
Current			
Security deposits	459.98	129.88	
Income receivable	24.69	119.66	
Other Receivable	281.93	495.42	
Accrued Interest	0.51	1.54	
	767.12	746.50	
Total financial assets	2,026.47	2,084.08	
Non-current	1,259.35	1,337.58	
Current	767.12	746.50	



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)

Notes to the Financial Statements

7 (e) Financial assets by category

Particulars	FVTPL	FVOCI	Rs. in Lakhs
			Amortised Cost
November 02, 2023			
Loans	-	-	4.32
Cash & cash equivalents	-	-	126.07
Other Bank Balance	-	-	13.30
Other Financial Assets	-	-	2,026.47
Total Financial assets	-	-	2,170.17

Particulars	FVTPL	FVOCI	Rs. in Lakhs
			Amortised Cost
March 31, 2023			
Loans	-	-	8.79
Cash & cash equivalents	-	-	1,004.92
Other Bank Balance	-	-	118.42
Other Financial Assets	-	-	2,084.08
Total Financial assets	-	-	3,216.21

Note 8 : Other current / non-current assets

Particulars	Rs. in Lakhs	
	As at November 02, 2023	As at March 31, 2023
Non-current		
Sales tax paid under protest	-	8.09
Capital advances	3.46	-
	3.46	8.09
Current		
Advances		
Advance to Vendors	16.28	278.70
Prepaid expenses	34.59	26.46
Returnable Asset	8.52	241.60
Balance with Government Authorities (Refer Note 1)	731.95	2,009.66
Other Current Asset	2.50	26.33
	793.84	2,582.75
Total	797.30	2,590.84

Advance to Directors or to firm / Private company where director is interested

Note :

1. Balance with Government Authorities mainly consist of input credit availed

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

Particulars	Rs. in Lakhs	
	As at November 02, 2023	As at March 31, 2023
Stock-in-trade	10,706.97	10,976.94
Total	10,706.97	10,976.94

1) Inventory write downs are accounted, considering the nature of inventory, ageing and net realizable value, for Rs. 413.13 Lakhs (March 31, 2023: Rs. 609.10 Lakhs). The changes in write downs are recognized as an expense in the Statement of profit and loss.

Note 10 : Current Tax Assets (Net)

Particulars	Rs. in Lakhs	
	As at November 02, 2023	As at March 31, 2023
Tax Paid in Advance (Net of Provision)	109.21	167.13
Total	109.21	167.13



Note 11 : Equity share capital

Particulars	November 2, 2023		As at Mar 31, 2023	
	No. of shares	In Rs. Lakhs	No. of shares	In Rs. Lakhs
Authorised share capital				
Equity shares of Rs. 10 each (March 31, 2023: Rs. 10 each)	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued and subscribed share capital				
Equity shares of Rs. 10 each (March 31, 2023: Rs. 10 each)	89,39,488	893.95	89,39,488	893.95
Subscribed and fully paid up				
Equity shares of Rs. 10 each (March 31, 2023: Rs. 10 each)	89,39,488	893.95	89,39,488	893.95
Total	89,39,488	893.95	89,39,488	893.95

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

Particulars	November 2, 2023		As at Mar 31, 2023	
	No. of shares	In Rs. Lakhs	No. of shares	In Rs. Lakhs
At the beginning of the period	89,39,488	893.95	89,39,488	893.95
Add : Shares issued during the year	-	-	-	-
Outstanding at the end of the period	89,39,488	893.95	89,39,488	893.95

11.2. Terms/Rights attached to the equity shares

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

11.3. Shares held by holding company

Particulars	November 2, 2023		As at Mar 31, 2023	
	No. of shares	In Rs. Lakhs	No. of shares	In Rs. Lakhs
Holding Company - Arvind Fashions Limited (along with nominees)	89,39,488	893.95	89,39,488	893.95

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

Name of the Shareholder	November 2, 2023		As at Mar 31, 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Holding Company - Arvind Fashions Limited (along with nominees)	89,39,488	100%	89,39,488	100%

11.5. Shares reserved for issue under options

Refer Note 30 for details of shares to be issued under options



Handwritten signature

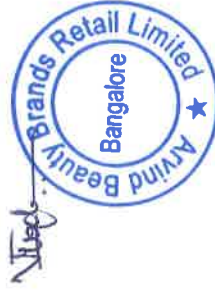


Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements

11.6. Shareholding of Promoters

Promoter Name	November 2, 2023			As at Mar 31, 2023		
	No. Shares	% of total shares	% change during the year	No. Shares	% of total shares	% change during the year
Arvind Fashions Limited	89,39,488	100.00%	0.00%	89,39,488	100.00%	16.26%
Total	89,39,488	100.00%		89,39,488	100.00%	

There is no change in Shareholding pattern as compared to previous year.



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements

Note 12 : Other Equity

Balance	Rs. in Lakhs	
	As at November 02, 2023	As at March 31, 2023
Note 12.1 Instrument entirely Equity in Nature		
Non Convertible Debentures (Refer Note 1 below)		
Add: Issued during the year	1,500.00	1,500.00
Less: deduction during the year	(1,500.00)	-
Balance at the end of the year	-	1,500.00
Note 12.2 Reserves and Surplus		
Securities premium		
Balance as per last financial statements	10,707.05	10,707.05
Add: Shares issued during the year	-	-
Balance at the end of the year	10,707.05	10,707.05
Contribution from Parent for ESOP (Refer Note 30)		
Balance as per last financial statements	622.28	605.42
Add: Contribution received during the year	5.77	16.86
Balance at the end of the year	628.05	622.28
Surplus in statement of profit and loss		
Balance as per last financial statements	(12,664.24)	(10,661.00)
Add: profit/ (loss) for the year	(2,831.13)	(1,990.35)
Add / (Less): OCI for the year	(8.57)	(12.89)
	(15,503.94)	(12,664.24)
Total reserves & surplus	(4,168.84)	165.09
Total Other equity	(4,168.84)	165.09

Note 1. During the year company have issued 8% 1,50,00,000 Unsecured Perpetual Non-Convertible Debentures (NCD) of the face value of Rs.10 each amounting to Rs.1500 Lakhs, on private placement basis to Arvind Fashions Limited (the holding company). These securities are perpetual in nature with no fixed maturity or redemption period and are callable on at the option of the Company. These securities are issued with coupon of 8% but payable at the option of the Company. As these securities are perpetual in nature and the Company does not have any redemption obligation, these have been classified as 'Equity'.

a Securities premium

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies, Act.

b Share based payment reserve

This reserve relates to share options granted by the Group to its and Holding Company's employee share option plan. Further information about share-based payments to employees is set out in Note 30.

Note 13 : Financial liabilities

13(a) Short-term Borrowings

Particulars	Rs. in Lakhs	
	As at November 02, 2023	As at March 31, 2023
Short-term Borrowings (refer note b below)		
Secured		
Working Capital Loans		
Working Capital Loans repayable on demand from Banks	4,498.42	2,800.00
Unsecured		
Intercompany Deposits - From Related Parties	7,490.09	7,382.78
Total short-term borrowings	11,988.51	10,182.78
Total borrowings	11,988.51	10,182.78

Notes:

a Inter Corporate Deposit carries interest rate of 8.20% per annum.

Particulars	Rate of interest	Security
Working Capital loans	8.95%	1. First charge on entire current assets. 2. Corporate guarantee by Arvind Fashions Limited (Holding Company)

c All necessary charges or satisfaction are registered with ROC within the statutory period.

d The company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken.

e Quarterly returns or statements of current assets filed by the Company with banks or financial institutes are in agreement with the books of accounts.



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements

13(b) Trade payable

Particulars	Rs. in Lakhs	
	As at November 02, 2023	As at March 31, 2023
Current		
Trade Payables		
-Total outstanding dues of micro enterprises and small enterprises	514.76	-
-Total outstanding dues other than micro enterprises and small enterprises	5,654.17	6,336.32
Total	6,168.93	6,336.32

13(c) Other financial liabilities

Particulars	Rs. in Lakhs	
	As at November 02, 2023	As at March 31, 2023
Non-current		
Lease liabilities	6,369.08	7,819.87
Current		
Interest accrued but not due		5.32
Interest accrued and due	8.70	-
Lease liabilities	2,556.53	2,681.97
Payable to employees	20.32	85.05
Payable in respect of capital goods	0.31	79.27
	2,585.85	2,851.61
Total	8,954.93	10,671.48

Note: As at November 02, 2023 there is no amount due and outstanding to be transferred to the Investor Education and Protection Fund.



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements
13 (d) Financial liabilities by category

Particulars	FVTPL	FVOCI	Rs. in Lakhs
			Amortized Cost
November 02, 2023			
Borrowings	-	-	11,988.51
Trade payable	-	-	6,168.93
Payable to employees	-	-	20.32
Interest accrued and due	-	-	8.70
Payable in respect of capital goods	-	-	0.31
Lease liabilities	-	-	8,925.61
Total Financial Liabilities	-	-	18,186.76
March 31, 2023			
Borrowings	-	-	10,182.78
Trade payable	-	-	6,336.32
Payable to employees	-	-	85.05
Interest accrued but not due	-	-	5.32
Payable in respect of capital goods	-	-	79.27
Lease liabilities	-	-	10,501.84
Total Financial Liabilities	-	-	16,688.74

Note 14 : Provisions

Particulars	Rs. in Lakhs	
	As at November 02, 2023	As at March 31, 2023
Long-term		
Provision for employee benefits (Refer Note 27)		
Provision for leave encashment	55.01	54.46
Provision for Gratuity	77.06	48.79
	132.07	103.25
Short-term		
Provision for employee benefits (Refer Note 27)		
Provision for leave encashment	25.57	25.31
	25.57	25.31
Total	157.64	128.56

(a) Provision for litigation/ disputed matters

The Company has made provisions for pending disputed matters in respect of Indirect Taxes like Sales Tax, Excise Duty and Custom Duty, the liability which may arise in the future, the quantum whereof will be determined as and when the matters are disposed off.

Particulars	Rs. in Lakhs	
	As at November 02, 2023	As at March 31, 2023
Balance as per last financial statements	-	2.55
Settlement during the year	-	(2.55)
Balance at the end of the year	-	-

Note 15 : Other current / Non-current liabilities

Particulars	Rs. in Lakhs	
	As at November 02, 2023	As at March 31, 2023
Current		
Liability for Vouchers Issued	52.67	34.86
Statutory dues including provident fund and tax deducted at source	99.06	90.27
Deferred income of loyalty program reward points (Refer note a below)	382.07	357.27
Refund liability	16.37	418.24
Total	550.17	900.64

(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	Rs. in Lakhs	
	As at November 02, 2023	As at March 31, 2023
Balance as per last financial statements	357.27	159.17
Add: Provision made during the year (Net)	24.80	198.10
Balance as at the end of the year	382.07	357.27



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)

Notes to the Financial Statements

Note 16 : Revenue from operations

Particulars	Rs. in Lakhs	
	Period ended November 02, 2023	Year ended March 31, 2023
Sale of products	21,113.48	32,779.95
Sale of services	327.51	878.71
Operating Income		
Foreign Exchange fluctuation on Vendors (Net)	10.90	12.07
Total	21,451.88	33,670.73

I. Disaggregation of revenue from contracts with customers

Particulars	Rs. in Lakhs	
	Period ended November 02, 2023	Year ended March 31, 2023
A. Revenue based on Geography		
Domestic	21,451.88	33,670.73
Export	-	-
	21,451.88	33,670.73
B. Revenue based on Business Segment		
Cosmetics products	21,113.48	32,779.95
Others*	338.40	890.78
	21,451.88	33,670.73

*It includes revenue from space on hire marketing and exchange difference

II. Reconciliation of Revenue from Operation with Contract Price

Particulars	Rs. in Lakhs	
	Period ended November 02, 2023	Year ended March 31, 2023
Contract price	21,493.05	34,112.35
Less:-		
Sales returns	16.37	243.52
Customer loyalty programme	24.80	198.10
Total Revenue from Operations	21,451.88	33,670.73

Note 17 : Other income

Particulars	Rs. in Lakhs	
	Period ended November 02, 2023	Year ended March 31, 2023
Interest income	98.31	164.75
Profit on sale of Property Plant and Equipment (Net)	4.36	-
Liability no longer required written back	79.76	-
Gain on reassessment of leases (Refer note 27)	-	51.82
Total	182.43	216.57

Note 18 : Purchases of stock-in-trade

Particulars	Rs. in Lakhs	
	Period ended November 02, 2023	Year ended March 31, 2023
Cosmetics & Accessories	13,132.24	22,149.76
Total	13,132.24	22,149.76



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)

Notes to the Financial Statements

Note 19 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Rs. in Lakhs	
	Period ended November 02, 2023	Year ended March 31, 2023
Stock at the end of the year		
Stock-in-trade	10,706.97	10,976.94
Stock at the beginning of the year		
Stock-in-trade	10,976.94	9,839.33
Decrease /(increase) in Stock-in-trade	269.97	(1,137.61)

Note 20 : Employee benefits expense

Particulars	Rs. in Lakhs	
	Period ended November 02, 2023	Year ended March 31, 2023
Salaries, wages, bonus, etc. (Refer Note 27)	1,866.37	2,822.98
Contribution to provident, gratuity and other funds	101.12	149.62
Welfare and training expenses	93.40	147.35
Share based payment to employees (Refer Note 30)	5.77	16.86
Total	2,066.66	3,136.81

Note 21 : Finance costs

Particulars	Rs. in Lakhs	
	Period ended November 02, 2023	Year ended March 31, 2023
Interest Expenses on financial liabilities measured at amortised cost		
Cash Credit Facilities	173.23	166.16
Interest expense - others	396.53	541.12
Lease liabilities (Refer Note 31)	559.20	1,032.38
Other finance cost	1.50	1.00
Total	1,130.46	1,740.66

Note 22 : Depreciation and amortization expense

Particulars	Rs. in Lakhs	
	Period ended November 02, 2023	Year ended March 31, 2023
Depreciation on Property, Plant and Equipment (Refer Note 5)	225.25	800.86
Depreciation of right-of-use-assets (Refer note 31)	1,610.71	2,627.72
Total	1,835.96	3,428.58



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)

Notes to the Financial Statements

Note 23 : Other expenses

Particulars	Rs. in Lakhs	
	Period ended November 02, 2023	Year ended March 31, 2023
Power and fuel	275.31	460.46
Service Charges	399.27	480.00
Insurance	12.45	25.30
Printing, stationery & communication	36.22	69.28
Rent Expenses (Note 31)	499.05	739.71
Commission, Brokerage & discount	18.61	25.76
Rates and taxes	277.93	278.01
Repairs :		
To others	432.45	661.89
Royalty on Sales	424.60	687.49
Freight, insurance & clearing charge	135.38	183.04
Legal & Professional charges	75.73	239.99
Housekeeping Charges	93.96	144.50
Security Charges	116.87	172.25
Conveyance & Travelling expense	68.24	136.87
Advertisement and publicity	743.98	1,263.91
Sales Promotion	8.76	81.71
Charges for Credit Card Transactions	99.59	166.25
Packing Materials Expenses	111.22	160.44
Contract Labour Charges	22.55	16.56
Other assets written off (Net)	2,022.94	-
Auditor's remuneration (Refer Note below)	7.89	31.68
Bank charges	19.43	48.71
Loss on assets sold, demolished, discarded and scrapped	-	22.24
Warehouse Charges	55.35	101.32
Contribution towards Electoral Bonds	-	300.00
Miscellaneous expenses	51.84	57.55
Total	6,009.60	6,554.92

Note 24 : Break up of Auditor's Remuneration

Particulars	Rs. in Lakhs	
	Period ended November 02, 2023	Year ended March 31, 2023
Payment to Auditors as		
Auditors	2.30	12.00
For tax audit	3.76	3.76
For GST Audit	-	6.00
For Other certification work	1.83	7.99
For reimbursement of expenses	-	1.93
Total	7.89	31.68



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements

Note 25 : Income Tax

The major component of income tax expense for the period ended November 2, 2023 and year ended March 31, 2023 are:

Particulars	Rs. In Lakhs	
	Period ended November 02, 2023	Year Ended March 31, 2023
<u>Statement of Profit & Loss</u>		
Current Tax	17.53	-
Deferred Tax		
Deferred tax Charge/(Credit)	3.01	4.53
Income tax expense reported in the statement of standalone profit & loss	20.54	4.53

OCI Section

Particulars	Rs. In Lakhs	
	Period ended November 02, 2023	Year Ended March 31, 2023
<u>Statement to Other comprehensive income (OCI)</u>		
Deferred tax related to items recognized in OCI during the year		
Net loss/(gain) on actuarial gains and losses	(3.01)	(4.53)
Deferred tax charged to OCI	(3.01)	(4.53)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the period ended November 2, 2023 and year ended March 31, 2023:

A) Current tax

Particulars	Rs. In Lakhs	
	Period ended November 02, 2023	Year Ended March 31, 2023
Accounting loss before tax from continuing operations	(2,810.58)	(1,985.82)
Tax Rate	26.00%	26.00%
Current Tax Expenses on Profit before tax at the enacted income tax rate in India	(730.75)	(516.31)
<u>Adjustments</u>		
Provision for earlier year	17.53	-
Deferred tax assets not recognised as realization is not probable	730.08	352.17
Other non deductible expense	3.68	168.67
At the effective income tax	20.54	4.53
Effective Income Tax Rate %	0.00%	0.00%



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements

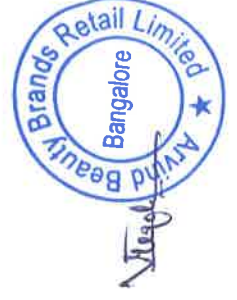
B) Deferred tax Particulars	Rs. In Lakhs			
	Balance Sheet	Statement of Profit & Loss and Other Comprehensive Income	Balance Sheet	Statement of Profit & Loss and Other Comprehensive Income
	As at November 02, 2023	Period ended November 02, 2023	As at March 31, 2023	Year Ended March 31, 2023
In respect of book depreciation more than IT depreciation	719.33	(13.93)	705.40	(220.50)
Deductible on payment bases (43B items)	26.68	13.18	39.85	4.59
Unabsorbed depreciation & business loss	309.55	(35.03)	274.52	303.59
Impact of Ind AS 116 - Leases	488.19	37.29	525.47	(61.37)
Others	158.91	(1.50)	157.41	(26.32)
Net deferred tax assets/(liabilities)	1,702.66	-	1,702.66	-

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

The Company has unused carried forward losses of Rs. 11,624.99 Lakhs as at November 02, 2023 (March 31, 2023: Rs. 8,285.88 Lakhs). Out of the same, tax credits on losses of Rs.9,401.49 Lakhs (March 31, 2023: Rs. 6,070.85 Lakhs) have not been recognized on the basis that recovery is not probable in the foreseeable future.

Reconciliation of Deferred Tax Assets/(Liabilities), Net Particulars	Rs. In Lakhs	
	Period ended	Year Ended
	November 02, 2023	March 31, 2023
Opening balance as at April 1	1,702.66	1,702.66
Impact on adoption of Ind AS 116 recognized in Retained Earnings		
Deferred Tax income/(expense) during the period recognized in profit or loss	(3.01)	(4.53)
Deferred Tax income/(expense) during the period recognized in OCI	3.01	4.53
Closing balance as at November 2/ March 31	1,702.66	1,702.66

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.



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements

Note 26 : 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 retail trade of Cosmetics & Accessories through retail and departmental store facilities.

Geographical segment

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

Particulars	Rs. In Lakhs	
	Period ended November 02, 2023	Year Ended March 31, 2023
Segment Revenue*		
a) In India	21,451.88	33,670.73
b) Rest of the world	-	-
Total Sales	21,451.88	33,670.73
Carrying Cost of Segment Assets**		
a) In India	24,545.30	29,278.83
b) Rest of the world	-	-
Total	24,545.30	29,278.83
Carrying Cost of Segment Non Current Assets**@		
a) In India	9,171.66	10,800.27
b) Rest of the world	-	-
Total	9,171.66	10,800.27

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



Note 27 : Disclosure pursuant to Employee benefits**A Defined Contribution Plans**

The following amounts are recognized as expense and included in Note 20 "Employee benefit expenses"

Particulars	Period ended Rs. In Lakhs		
	November 02, 2023	March 31, 2023	Year Ended
Provident Fund	48.33	60.86	
Contributory Pension Scheme	26.68	36.44	
	69.11	117.30	

Note:

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

B Defined Benefit Plans

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

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn 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.

November 02, 2023: Changes in defined benefit obligation and plan assets

Period ended November 02, 2023	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income				Rs. In Lakhs
	April 1, 2023	Service cost	Net interest expense / income	Sub-total included in statement of profit and loss (Note 20)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments included in OCI	
Gratuity	(107.51)	(28.33)	-	(28.33)	-	-	-	-	-	(135.84)
Defined benefit obligation	58.72	-	-	-	-	-	-	-	-	58.78
Fair value of plan assets	(48.79)	(28.33)	-	(28.33)	-	-	-	-	-	(77.06)
Total benefit liability	(48.79)	(28.33)	-	(28.33)	-	-	-	-	0.06	(77.06)

March 31, 2023: Changes in defined benefit obligation and plan assets

Period ended March 31, 2023	Gratuity cost charged to statement of profit and loss					Remeasurement gains/(losses) in other comprehensive income				Rs. In Lakhs
	April 1, 2022	Service cost	Net interest expense / income	Sub-total included in statement of profit and loss (Note 20)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments included in OCI	
Gratuity	(76.37)	(27.68)	(4.34)	(32.02)	21.51	-	4.31	(13.49)	(10.91)	(107.51)
Defined benefit obligation	25.96	-	1.60	1.60	(21.51)	-	-	-	-	58.72
Fair value of plan assets	(50.41)	(27.68)	(2.74)	(30.42)	-	2.67	4.31	(13.49)	(10.91)	(48.79)
Total benefit liability	(50.41)	(27.68)	(2.74)	(30.42)	-	2.67	4.31	(13.49)	(10.91)	(48.79)



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements

Note 28 : 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- Relationship	Entity Name
Holding Company	Arvind Fashions Limited
Fellow Subsidiary Company	Arvind Lifestyle Brands Limited PVH Arvind Fashion Private Limited (previously known as Calvin Klein Arvind Fashion Private Limited) Arvind Youth Brands Private Limited Value Fashion Retail Limited
Entities are part of member group of Ultimate Holding Company	Arvind Limited
Key Managerial Personnel - Directors	Girdhar Kumar Chitlangia (From 13/02/2023) Vinayak Hegde (From 20/05/2022) Ashishkumar Srivastava (upto 26/09/2023) Aamir Akhtar (upto 26/09/2023) Susheel Kaul (upto 26/09/2023)

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



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements

b Transactions with related parties for the year ended November 02, 2023 and March 31, 2023.

Particulars	Holding Company	Fellow Subsidiaries	Key Managerial Personnel and Non Executive Directors	Rs. In lakhs Enterprise having significant influence by Key Management Personnel and Non-Executive Director
Receiving of Services - Shared services				
November 2, 2023	-	1,105.36	-	-
March 31, 2023	0.13	1,206.70	-	-
Receiving of Services - Others				
November 2, 2023	-	351.62		-
March 31, 2023	-	240.20	4.14	-
Interest Expense				
November 2, 2023	355.60			-
March 31, 2023	258.65	236.64		-
Issue of shares and other instrument				
November 2, 2023	-	-	-	-
March 31, 2023	1,500.00	-	-	-
Loan Taken/(Repayment of Loan)				
November 2, 2023	107.31			-
March 31, 2023	7,150.00	(4,800.88)		-

c Balances

Particulars	Holding Company	Fellow Subsidiaries	Key Managerial Personnel and Non Executive Directors	Rs. In lakhs Enterprise having significant influence by Key Management Personnel and Non-Executive Director
Payable in respect of Loans				
November 2, 2023	7,490.09	-	-	-
March 31, 2023	7,382.78	-	-	-
Guarantee given to banks on behalf of Company				
November 2, 2023	5,000.00			-
March 31, 2023	3,000.00	-	-	-
Receivable in respect of Current Assets				
November 2, 2023	6.97	69.40		-
March 31, 2023	7.83	0.16		-

d The amounts recognised as an expense during the year for share based payment in respect of Directors is Rs 5.77 Lakhs (March 31, 2023: Rs. 16.86 Lakhs).

e Terms and conditions of transactions with related parties

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

2) Loans in INR taken from the related party carries interest rate of 8.20% (March 31, 2023 : 8.20%)



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements

Note 29 : Earnings per share (Basic and Diluted)

Particulars		Period ended November 02, 2023	Year Ended March 31, 2023
Profit/(Loss) attributable to ordinary equity holders	Rs. In lakhs	(2,831.13)	(1,990.35)
Total no. of equity shares at the end of the year		89,39,488	89,39,488
Weighted average number of equity shares			
For basic EPS		89,39,488	89,39,488
For diluted EPS		89,39,488	89,39,488
Nominal value of equity shares		10	10
Basic earnings per share		(31.67)	(22.26)
Diluted earnings per share		(31.67)	(22.26)
Weighted average number of equity shares			
Weighted average number of equity shares for basic		89,39,488	89,39,488
Weighted average number of equity shares adjusted		89,39,488	89,39,488

Note 30 : Share based payments

Arvind Fashions Limited, the Holding Company (AFL) has instituted Employee Stock Option Scheme 2016 ("ESOP 2016") and employee option scheme 2018("ESOP 2018").

Expense arising from share-based payment transactions

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

Particulars	Period ended November 02, 2023	Year Ended March 31, 2023
Employee option plan	5.77	16.86
Total employee share based payment expense	5.77	16.86



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements

Note 31 : Leases

- A. The Company has adopted modified retrospective approach as per para C8 (C) (i) of Ind-AS 116 "Leases" to its leases.
- B. The Company has taken Showrooms and other facilities on lease period of 1 to 9 years with option of renewal.
Disclosures as per Ind AS 116 - Leases are as follows:

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

Particulars	Rs. In lakhs	
	Period ended November 02, 2023	Year Ended March 31, 2023
Balance at the beginning of the year	9,187.54	6,656.80
Recognition of ROU Asset	159.99	242.44
Additions	72.15	5,162.66
Deletions	-	(246.64)
Depreciation	(1,610.71)	(2,627.72)
Balance at the end of the year	7,808.97	9,187.54

D. Movement in lease liabilities

Particulars	Rs. In lakhs	
	Period ended November 02, 2023	Year Ended March 31, 2023
Balance at the beginning of the year	10,501.84	8,196.39
Additions	72.15	5,162.66
Deletions	-	(298.46)
Finance cost accrued during the year	559.20	1,032.38
Payment of lease liabilities	(2,207.58)	(3,591.13)
Balance at the end of the year	8,925.61	10,501.84

E. Contractual maturities of lease liabilities

Particulars	Rs. In lakhs	
	Period ended November 02, 2023	Year Ended March 31, 2023
Less than one year	2,556.53	2,681.97
One to five years	6,278.01	7,055.50
More than five years	91.06	764.37
Total	8,925.61	10,501.84

- F. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

- G. The amount recognised in the statement of profit or loss are as follows:

Particulars	Rs. In lakhs	
	Period ended November 02, 2023	Year Ended March 31, 2023
Depreciation expense of right-of-use assets	1,610.71	2,627.72
Interest expense on lease liabilities	559.20	1,032.38
Rent expense - short-term lease and leases of low value assets	499.05	739.71
Total	2,668.95	4,399.81



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements

Note 32 : 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 33 : Fair value disclosures for financial assets and financial liabilities

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

Particulars	Rs. In lakhs	
	As at November 02, 2023	As at March 31, 2023
Financial liabilities		
Borrowings		
Carrying Amount	11,988.51	10,182.78
Fair Value	11,988.51	10,182.78

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. 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 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 34 : Fair value hierarchy

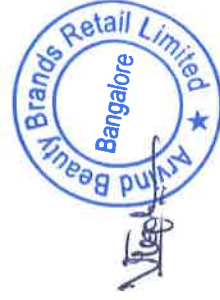
The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for financial liabilities as at November 02, 2023 and March 31, 2023							Rs. In lakhs
Particulars	Date of valuation	Total	Fair value measurement using			Significant unobservable inputs (Level 3)	
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)			
Liabilities measured at fair value	November 02, 2023	11,988.51	-	-	11,988.51	-	
	March 31, 2022	10,182.78	-	-	10,182.78	-	

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 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 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, 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.



Arvind Beauty Brands Retail Limited (CIN - U52100GJ2015PTC082996)
Notes to the Financial Statements

Note 35 : Other Notes

a. During the period ended November 2, 2023 and year ended March 31, 2023, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

- i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Further, during the period ended November 2, 2023 and year ended March 31, 2023, 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:

- i) 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
- ii) provide any guarantee, security, or the like on behalf of the ultimate beneficiaries.

b. The Company has not invested or traded in Crypto Currency or Virtual Currency during the period ended November 2, 2023 (Previous year: Nil).

c. No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder during the year ended March 31, 2023 (Previous year: Nil).

d. The Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority during the year ended March 31, 2023 (Previous year: Nil).

e. The Company 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 period ended November 2, 2023 (Previous year: Nil).

f. 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 during the period ended November 2, 2023 (Previous year: Nil).

Note 36 : 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 2nd November, 2023, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

As per our report of even date
For Sorab S. Engineer & Co.
Chartered Accountants

Firm's Registration No. 110417W

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Place : Ahmedabad
Date : November 3, 2023



For and on behalf of the board of directors of
Arvind Beauty Brands Retail Limited

Girdhar Kumar Chitlangia
Director
DIN: 00589412
Place : Bengaluru
Date : November 3, 2023

Vinayak Hegde
Director
DIN: 09612471
Place : Bengaluru
Date : November 3, 2023