

INDEPENDENT AUDITOR'S REPORT**To The Members of Arvind Fashions Limited
Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone financial statements of Arvind Fashions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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



Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
1	<p>Revenue Recognition: [Assertion- Cut off] and provision for sales return.</p> <p>Revenue recognition involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized at a point of time and provision for sales return.</p> <p>Cut-off is the key assertion in so far as revenue recognition is concerned.</p> <p>There is a risk that revenue is recognized on sale of goods around the year end without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".</p> <p>Also, Company has contracts with customers which entitles them to right of return. At year end, amount of expected returns that have not yet been settled with the customers are estimated and accrued.</p> <p>Estimating the amount of such accrual at year end is considered a key audit matter due to assumptions and judgments required to be made by management.</p>	<p>Principal audit procedures performed:</p> <p>The details of audit procedures performed by us are as follows:</p> <ul style="list-style-type: none"> • Selected a sample and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. • We obtained an understanding of process and evaluated the design and operating effectiveness of key controls over timing of revenue recognition and calculating, reviewing and approving sales returns. • Selected samples and performed the following procedures: <ul style="list-style-type: none"> - Read, analyzed and identified the distinct performance obligations in these contracts and compared these performance obligations with that identified and recorded by the Company. - For the selected samples, tested with the performance obligations specified in the underlying contracts. - Performed analytical procedures for reasonableness of revenues with comparative period. - Analyzed historical trends for returns and held discussions with management to understand changes in provisioning norms/additional provisions made based on management's assessment of market conditions and based on that, we have tested the estimates of returns related accruals with underlying documentation such as management approved norms, customer agreements, sales data and customer reconciliations, as applicable. • At the year end, we have performed early and late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with proof of delivery (POD) to confirm the recognition of sales.



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Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
2	<p>Assessment of Impairment of Investment in Subsidiaries –</p> <p>The carrying values of Company's investments in subsidiaries is assessed annually by management for potential indicators of impairment by reference to the requirements of Ind AS 36 'Impairment of Assets'.</p> <p>The company has direct equity investments (including perpetual debt) of Rs. 1,821.60 crores and Rs. 46.32 crores in Arvind Lifestyle Brands Limited (ALBL) and Arvind Youth Brands Private Limited (AYBPL) respectively and indirect investment in AYBPL from ALBL is Rs. 68.16 crores.[Refer note 7(a)]</p> <p>The Company has carried out detailed evaluation of recoverable value of its equity investments in ALBL and AYBPL given considering various factors, as further explained in Note 7(a)(6) to the standalone financial statements. The Company used the discounted cash flow model to estimate recoverable value, which requires management to make significant estimates and assumptions related to forecasts of future cash flows principally related to revenue and profitability growth, terminal growth rate and discount rates used. Based on such assessment the management has concluded that the carrying value of the equity investments is good and recoverable. Any adverse changes in these assumptions could have a significant impact on either the recoverable value, or the amount of any impairment charge, or both.</p> <p>Accordingly, we identified the assessment of potential impairment of investments in above mentioned subsidiaries as a key audit matter because materiality of equity investments in subsidiaries and impairment assessment involves significant degree of management judgement in determining the key assumptions.</p>	<p>Principal Audit Procedures Performed:</p> <ul style="list-style-type: none"> • We have obtained and discussed with management and evaluated the key judgements / assumptions underlying management's assessment of potential indicators of impairment. • Evaluated the design and implementation of the relevant internal controls and tested the operating effectiveness of such internal controls over impairment assessment process, which inter-alia included the management's control over reasonableness of key assumptions considered in related forecasts of future cash flows principally related to revenue and profitability growth, terminal growth rate and discount rates used. • We have obtained the investment valuations from the management and performed the following substantive procedures: <ul style="list-style-type: none"> • Assessed the reasonableness of the key business assumptions such as revenue growth and EBIDTA margins, by understanding the management's plan and performing retrospective testing. • Where potential indicators of impairment were identified, we evaluated management's impairment assessment and assumptions around key drivers of the cash flow forecasts, discount rates, expected growth rates and terminal growth rates used by comparison with available financial information including considerations of audited financial statements of the subsidiary.



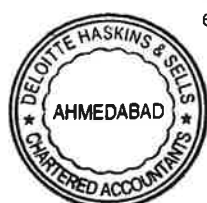
Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
		<ul style="list-style-type: none"> • With internal fair-value specialists, we evaluated the reasonableness of (1) the valuation methodology and (2) the discount rate considered, by • Testing the source information underlying the determination of the discount rate. • Developing a range of independent estimates and comparing those to the discount rate selected by management. • We also performed sensitivity analysis to determine impact of changes in key assumptions both individually and in aggregate.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report including annexures thereof, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements, management and Board of Directors 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

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



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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 Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of



the Company's internal financial controls with reference to standalone financial statements.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 25 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 39(a)(iv)(I) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 39(a)(iv)(II) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.



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As stated in note 42 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. Such dividend proposed is in accordance with section 123 of the Act, as applicable.

- vi. Based on our examination, which included test checks, the Company has used an accounting software(s) for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s). Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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 **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)



Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 24106189BKFGVH1924)

Place: Ahmedabad
Date: May 21, 2024

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Arvind Fashions Limited ("the Company") as at March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements 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 **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 117365W)



Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 24106189BKFGVH1924)

Place: Ahmedabad
Date: May 21, 2024

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 of even date)

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Financial Statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right-of-Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for stock held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, including the revised submissions made by the Company to its all bankers based on closure of books of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other



stipulated financial information filed by the Company with such banks are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

- (iii) The Company has made investments in, provided guarantee and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

- (a) The Company has provided loans and stood guarantee during the year and details of which are given below:

(Rs. In crores)

Particulars	Loans	Guarantees
A. Aggregate amount granted during the year:		
- Subsidiaries	147.00	1015.32
- Others	0.15	-
B. Balance outstanding as at balance sheet date in respect of above cases:*		
- Subsidiaries**	227.85	782.07
- Others	0.12	-

*includes opening balances.

** includes amounts invested in Perpetual / non convertible debentures of Subsidiaries. These are classified under the note of Investments in financial statements, has been considered as loans without repayment terms for the purpose of reporting in clause (iii) of the Order.

The Company has not provided any advances in the nature of loans to any other entity during the year.

- (b) The investments made, guarantees provided, and the terms and conditions of the grant of all the above-mentioned loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) (i) The Company has granted loans to its subsidiaries, which are payable on demand. Accrued interest at every year end is converted to loan as per the agreement. In our opinion, the repayments of principal amounts (when demanded) are regular. In respect of loans granted by the Company to others, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (ii) In respect of loans granted in the nature of Perpetual Debt, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) None of the loans granted by the Company which have fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.



- (f) During the year, the Company has granted loans which are repayable on demand, details of which are given below:

(Rs. In Crores)

Particulars	All Parties (including related parties)	Related Parties
Aggregate amount loans:	147.15	147.00
- Repayable on demand	147.00	147.00
Percentage of loans/advances in nature of loans to the total loans given	99.90%	100%

- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014, as amended, would apply. Accordingly, clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, duty of Custom, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of TCS.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, duty of Custom, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.



- (b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

(Rs. In Crores)

Name of Statute	Nature of Dues	Amount	Amount unpaid	Period to which the Amount Relates	Forum where Dispute is pending
The Income Tax Act, 1961	Income Tax	42.37	38.90	2018-19 2020-21	Commissioner of Income Tax Appeals
Goods & Services Tax Act, 2017	Goods & Service Tax	3.87	3.70	2017-18 2018-19	Joint Commissioner of Haryana State Tax (Appeals)
Goods & Services Tax Act, 2017	Goods & Service Tax	0.14	0.13	2017-18	Joint Commissioner of Maharashtra State Tax (Appeals)

The above-mentioned figures represent the unpaid amount against disputed cases without any assessment of Probable, Possible and Remote, as done in case of Contingent Liabilities.

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entities or persons on account of or to meet the obligations of its subsidiaries during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary companies.
- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.



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- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report) and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2024.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has incurred cash losses amounting Rs 2.30 crores in the financial year covered by our audit but had not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.



Deloitte Haskins & Sells

- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells**

Chartered Accountants

(Firm's Registration No. 117365W)



Kartikeya Raval

Kartikeya Raval

(Partner)

(Membership No. 106189)

(UDIN: 24106189BKFGVH1924)

Place: Ahmedabad

Date: May 21, 2024

Particulars	Notes	As at	As at
		March 31, 2024	March 31, 2023
ASSETS			
I. Non-current assets			
(a) Property, Plant and Equipment	5	19.45	16.23
(b) Right-of-Use Asset	33	22.36	18.54
(c) Intangible assets	6	50.54	6.54
(d) Intangible assets under development	6(a)	2.48	0.30
(e) Financial assets			
(i) Investments	7(a)	1,984.79	2,129.12
(ii) Other Financial assets	7(f)	1.13	0.18
(f) Deferred tax assets (net)	24	17.96	19.35
(g) Non-Current tax assets (net)	8	14.95	9.38
(h) Other non-current assets	9	3.89	3.91
Total Non-current Assets		2,117.55	2,203.55
II. Current assets			
(a) Inventories	10	59.95	27.08
(b) Financial assets			
(i) Trade receivables	7 (b)	226.26	242.99
(ii) Cash and cash equivalents	7 (d)	3.23	0.05
(iii) Bank balance other than (ii) above	7 (e)	1.21	1.16
(iv) Loans	7 (c)	127.98	111.23
(v) Others Financial assets	7 (f)	0.07	0.05
(c) Other current assets	9	117.17	114.39
Total Current Assets		535.87	496.95
Total Assets		2,653.42	2,700.50
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	53.19	53.13
(b) Other equity	12	2,250.65	2,268.96
Total equity		2,303.84	2,322.09
Liabilities			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	10.57	24.16
(ii) Lease Liabilities	33	18.89	15.85
(iii) Other financial liabilities	13 (c)	3.56	2.31
(b) Provisions	14	4.74	3.91
Total Non-current Liabilities		37.76	46.23
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13 (a)	92.52	107.90
(ii) Lease Liabilities	33	5.40	3.74
(iii) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	13 (b)	8.84	9.93
-Total outstanding dues of creditors other than micro enterprises and small enterprises	13 (b)	160.65	184.84
(iv) Other financial liabilities	13 (c)	29.89	12.55
(b) Other current liabilities		13.79	12.83
(c) Provisions	14	0.73	0.39
Total Current Liabilities		311.82	332.18
Total Equity and Liabilities		2,653.42	2,700.50

Material Accounting Policies 3
The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants

Kartikeya Raval

Kartikeya Raval
Partner

Place : Ahmedabad
Date : May 21, 2024

For and on behalf of the board of directors of
Arvind Fashions Limited

Sanjay S. Lalbhai
Sanjay S. Lalbhai
Chairman & Director
DIN - 00008329

Place : Ahmedabad
Date : May 21, 2024

Girdhar Chitlangia
Girdhar Chitlangia
Chief Financial Officer

Place : Bengaluru
Date : May 21, 2024

Shailesh Chaturvedi

Shailesh Chaturvedi
Managing Director & CEO
DIN - 03023079

Place : Bengaluru
Date : May 21, 2024

Lipi Jha
Lipi Jha
Company Secretary

Place : Bengaluru
Date : May 21, 2024

Arvind Fashions Limited
CIN - L52399GJ2016PLC085595
Standalone Statement of Profit and Loss for the year ended March 31, 2024

(Rs. in Crores except per share data)

Particulars	Notes	Year ended	Year ended
		March 31, 2024	March 31, 2023
I Income			
Revenue from operations			
Sale of Products	16	607.69	740.09
Operating Income	16	1.40	0.48
Revenue from operations		609.09	740.57
Other income	17	62.38	18.02
Total Income (I)		671.47	758.59
II Expenses			
Purchases of stock-in-trade	18	438.77	506.46
Changes in inventories of stock-in-trade	19	(32.87)	14.28
Employee benefits expense	20	64.80	56.67
Finance costs	21	19.50	15.52
Depreciation and amortisation expense	22	12.76	14.56
Other expenses	23	125.90	141.00
Total Expenses (II)		628.86	748.49
III. Profit/(Loss) before exceptional items and tax (I-II)		42.61	10.10
IV. Exceptional Item	23(b)	(51.46)	-
V. Profit/(Loss) after exceptional Item and before tax (III+IV)		(8.85)	10.10
VI. Tax Expense	24		
Current Tax		1.01	-
Deferred Tax Charge / (Credit)		1.48	0.24
Total Tax Expense		2.49	0.24
VII. Profit/(Loss) for the year (V-VI)		(11.34)	9.86
VIII. Other Comprehensive Income			
Items that will not to be reclassified to profit or loss:			
Re-measurement gains / (losses) on defined benefit plans	29	(0.26)	(0.68)
Income tax effect	24	0.09	0.24
Total Other Comprehensive Income/(Loss) for the year		(0.17)	(0.44)
IX. Total Comprehensive Income for the year, Net of Tax (VII+VIII)		(11.51)	9.42
X. Earnings Per Share			
Nominal Value per share - Rs. 4			
Basic - Rs.		(0.85)	0.74
Diluted - Rs.		(0.85)	0.74

Material Accounting Policies

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The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached

For Deloitte Haskins & Sells

Chartered Accountants

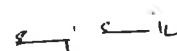


Kartikeya Raval

Partner

For and on behalf of the board of directors of

Arvind Fashions Limited



Sanjay S. Lalbhai

Chairman & Director

DIN - 00008329



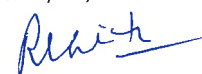
Shailesh Chaturvedi

Managing Director & CEO

DIN - 03023079

Place : Ahmedabad

Date : May 21, 2024



Girdhar Chitlangia

Chief Financial Officer

Place : Bengaluru

Date : May 21, 2024

Place : Bengaluru

Date : May 21, 2024



Lipi Jha

Company Secretary

Place : Bengaluru

Date : May 21, 2024

Place : Ahmedabad

Date : May 21, 2024

Arvind Fashions Limited
CIN - L52399GJ2016PLC085595
Standalone Statement of Changes in Equity for the year ended 31st March 2024

A. Equity share capital

Rs. In Crores

Balance	Amount
As at April 1, 2022	52.97
Add: Issue of partly paid up shares (Refer Note 11.6)	0.01
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32)	0.15
As at March 31, 2023	53.13
Add: Issue of partly paid up shares (Refer Note 11.6)	-
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32)	0.06
As at March 31, 2024	53.19

B. Other equity

Rs. In Crores

Particulars	Reserves and Surplus				Total equity
	Share Based Payment Reserve	Securities premium	Retained Earnings	Capital Reserve	
	Note 12	Note 12	Note 12	Note 12	
Balance as at April 1, 2022	12.82	2,145.53	51.06	39.89	2,249.30
Profit/ (Loss) for the year	-	-	9.86	-	9.86
Other comprehensive income/(loss) for the year	-	-	(0.44)	-	(0.44)
Total Comprehensive income/(loss) for the year	-	-	9.42	-	9.42
Share issued during the year	-	5.26	-	-	5.26
Share based payment expense	4.99	-	-	-	4.99
Transfer to securities premium	(1.66)	-	-	-	(1.66)
Transfer from share based payment reserve	-	1.66	-	-	1.66
Balance as at March 31, 2023	16.15	2,152.45	60.48	39.89	2,268.96
Balance as at April 1, 2023	16.15	2,152.45	60.48	39.89	2,268.96
Profit/ (Loss) for the year	-	-	(11.34)	-	(11.34)
Other comprehensive income/(loss) for the year	-	-	(0.17)	-	(0.17)
Total Comprehensive income/(loss) for the year	-	-	(11.51)	-	(11.51)
Share issued during the year	-	2.26	-	-	2.26
Share based payment expense	4.21	-	-	-	4.21
Transfer to securities premium	(0.91)	-	-	-	(0.91)
Transfer from share based payment reserve	-	0.91	-	-	0.91
Dividend paid during the year	-	-	(13.28)	-	(13.28)
Balance as at March 31, 2024	19.45	2,155.62	35.69	39.89	2,250.65

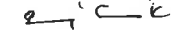
The accompanying notes are an integral part of these Standalone Financial Statements.

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants


Kartikeya Raval
Partner

Place : Ahmedabad
Date : May 21, 2024

For and on behalf of the board of directors of
Arvind Fashions Limited


Sanjay S. Lalbhai
Chairman & Director
DIN - 00008329

Place : Ahmedabad
Date : May 21, 2024


Girdhar Chitlangia
Chief Financial Officer

Place : Bengaluru
Date : May 21, 2024


Shailesh Chaturvedi
Managing Director & CEO
DIN - 03023079

Place : Ahmedabad
Date : May 21, 2024


Lipi Jha
Company Secretary

Place : Bengaluru
Date : May 21, 2024

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
A Operating activities		
Profit/(Loss) before taxation	(8.85)	10.10
Adjustments to reconcile profit/(loss) after tax to net cash flows:		
Depreciation and Amortisation	12.76	14.56
Interest Income	(7.86)	(6.27)
Finance Cost	19.50	15.52
Financial guarantee commission	(3.85)	(4.43)
Allowance/ (Reversal) of doubtful debts	0.13	(6.18)
Unrealised Foreign Exchange Difference	(0.28)	(0.22)
Loss on Sale of Property, Plant & Equipment	-	(0.02)
Provision for Non-moving Inventory and Returnable assets	6.49	9.45
Unclaimed liability written off	(1.00)	(0.99)
Share based payment expense	3.10	3.34
Dividend Income	(49.28)	-
Income from Sale of Mutual Funds	(0.38)	-
Loss on Sale of Subsidiary	38.37	-
Operating Profit before Working Capital Changes	8.85	34.86
Adjustments for changes in working capital :		
(Increase)/Decrease in Inventories	(39.36)	4.82
(Increase)/Decrease in Trade receivables	16.72	34.49
(Increase)/Decrease in Other assets	(2.80)	(59.56)
(Increase)/Decrease in Other financial assets	(1.01)	7.01
Increase/(Decrease) in Trade payables	(24.11)	23.88
Increase/(Decrease) in Other liabilities	0.97	(6.99)
Increase/(Decrease) in Other financial liabilities	18.03	1.70
Increase/(Decrease) in Provisions	0.92	(0.86)
Net Changes in Working Capital	(30.64)	4.49
Cash Generated from Operations	(21.79)	39.36
Direct Taxes paid (Net of Income Tax refund)	(6.58)	(1.43)
Net Cash (used in)/ from Operating Activities (A)	(28.37)	37.92
B Cash Flow from Investing Activities		
Purchase of Property, Plant & Equipment and Intangible assets	(57.46)	(6.22)
Proceeds from Sale of Property, Plant & Equipment	0.10	0.10
Changes in Capital Advances	-	16.50
Purchase of Mutual Funds	(70.00)	-
Proceeds from Sale of Mutual Funds	70.38	-
Issue of Perpetual debt	-	(15.00)
Redemption of perpetual debt of Subsidiary	15.70	-
Proceeds from Sale of Subsidiary	95.80	-
Changes in other bank balances not considered as cash and cash equivalents	-	0.01
Loans (given)/received back (net)	(13.58)	(60.89)
Interest Received	4.03	0.01
Dividend Received	49.28	-
Net Cash (used in)/ from Investing Activities (B)	94.25	(65.49)
C Cash Flow from Financing Activities		
Proceeds from Issue of share capital	2.33	5.42
Repayment of long term borrowings	(13.22)	(12.74)
Proceeds from short term borrowings (net)	(15.76)	53.14
Finance cost paid	(17.12)	(14.81)
Payment for Unpaid Fractional Shares	-	(0.01)
Repayment of lease liabilities	(5.65)	(4.43)
Dividend paid	(13.28)	-
Net Cash (used in)/ from Financing Activities (C)	(62.70)	26.57
Net Increase/(Decrease) in cash & cash equivalents(A+B+C)	3.18	(1.00)
Cash & Cash equivalents at the beginning of the year	0.05	1.05
Cash & Cash equivalents at the end of the year	3.23	0.05
Figures in brackets indicate outflows.		

Reconciliation of Cash & Cash equivalents

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Cash and cash equivalents comprise of: (Refer Note 7(d))		
Cash on Hand	-	-
Balances with Banks	3.23	0.05
Cash and cash equivalents	3.23	0.05



Arvind Fashions Limited
CIN - L52399GJ2016PLC085595

Standalone Statement of Cash Flows for the year ended March 31, 2024

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

Rs. In Crores						
Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2023	Net cash flows	Non Cash Changes		As at March 31, 2024
				Impact of Ind AS 116	Other Changes*	
Borrowings:						
Long term borrowings	13(a)	37.31	(13.22)	-	-	24.09
Short term borrowings	13(a)	94.75	(15.76)	-	-	79.00
Interest accrued but not due on borrowings	13(c)	0.56	(0.56)	-	1.07	1.07
Lease liabilities	33	19.59	(5.65)	10.35	-	24.29
Total		152.21	(35.18)	10.35	1.07	128.45

Rs. In Crores						
Particulars of liabilities arising from financing activity	Note No.	As at April 1, 2022	Net cash flows	Non Cash Changes		As at March 31, 2023
				Impact of Ind AS 116	Other Changes*	
Borrowings:						
Long term borrowings	13(a)	50.05	(12.74)	-	-	37.31
Short term borrowings	13(a)	41.62	53.14	-	-	94.75
Interest accrued but not due on borrowings	13(c)	2.34	(2.34)	-	0.56	0.56
Lease liabilities	33	-	(4.43)	24.02	-	19.59
Total		94.01	33.63	24.02	0.56	152.21

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

Note:

1) The standalone cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) "Statement of Cash Flows".

As per our report of even date attached
For Deloitte Haskins & Sells
Chartered Accountants



Kartikeya Raval
Partner

Place : Ahmedabad
Date : May 21, 2024

For and on behalf of the board of directors of
Arvind Fashions Limited



Sanjay S. Lalbhai
Chairman & Director
DIN - 00008329

Place : Ahmedabad
Date : May 21, 2024


Girdhar Chitlangia
Chief Financial Officer

Place : Bengaluru
Date : May 21, 2024



Shailesh Chaturvedi
Managing Director & CEO
DIN - 03023079

Place : Bengaluru
Date : May 21, 2024


Lipi Jha
Company Secretary

Place : Bengaluru
Date : May 21, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1. Corporate Information

Arvind Fashions Limited ("the Company") is a public limited company incorporated in India under the provisions of the Companies Act, 2013 and has its registered office at Arvind Limited Premises, Naroda Road, Ahmedabad - 380025 having CIN L52399GJ2016PLC085595. The Company has its primary listings on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited ("the Stock Exchanges"). The Company is in the business of marketing and distribution of branded apparels and accessories.

The Company's Standalone Financial Statements have been approved by Board of Directors in the meeting held on May 21, 2024.

2. Statement of Compliance and Basis of Preparation

2.1 Basis of Preparation and Presentation and Statement of Compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with Section 133 of the Companies Act, 2013 ("the Act") and presentation requirements of Division II of Schedule III of the Act and other relevant provisions of the Act as applicable. The financial statements have been prepared on accrual basis under the historical cost convention, except certain assets and liabilities, which have been measured at fair value as required by the relevant Ind AS.

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

The Standalone Financial Statements comprising of Standalone Balance Sheet, Standalone Statement of Profit and Loss including other comprehensive income, Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows as at March 31, 2024 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of schedule III of the Companies Act, 2013 (Ind AS compliant schedule III) as applicable to Standalone Financial Statement.

2.2 Historical Cost Convention

The Standalone Financial Statements have been prepared on a historical cost basis, except for the followings:

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



2.3 Rounding off

The Standalone Financials Statement have been prepared in Indian Rupees (INR) and all the values are rounded to nearest crores as per the requirement of Schedule III, except when otherwise indicated. Figures less than Rs 50,000 which are required to be shown separately, have been shown in actual brackets.

3. Summary of Material Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its Standalone Financial Statements consistently to all the periods presented:

3.1 Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

All other assets and liabilities are classified as noncurrent. For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.



3.2 Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

3.3 Foreign currencies

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

Transactions and balances

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

3.4 Property, plant and equipment

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

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



Derecognition

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

Depreciation

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

Asset	Estimated Useful Life
Buildings	30 Years
Plant & Machinery	6 to 15 Years
Office Equipment	6 to 8 Years
Furniture & Fixture	6 to 9 Years
Motor Cars	4 Years
Computers, Servers and Network	3 Years

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

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful life for these assets are different from the useful life as prescribed under Part C of Schedule II to the Companies Act 2013. Any change in useful file are being applied prospectively in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less. Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

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



3.5 Leases

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

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

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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



3.6 Intangible Assets.

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

The useful life of intangible assets are assessed as finite.

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

Intangible assets with indefinite useful life are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Amortisation

Value of License Brands/License fees acquired under demerger scheme has been amortized on Straight Line basis over the period of 10 years.

Technical Process Development has been amortized on Straight Line basis over the period of 6 years and Product Development has been amortized on Straight Line basis over the period of 3 to 5 years.

Software and Website are amortized over management estimate of its useful life of 5 years.

Acquired Trademark are amortized over management estimate of its useful life of 2 years.

3.7 Inventories

Stock-in-trade are valued at the lower of cost and net realisable value.

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



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

3.8 Impairment

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary are reviewed for impairment, whenever events or changes in circumstances indicate that carrying amount may not be recoverable. Such circumstances include, though are not limited to, significant or sustained decline in revenues or earnings and material adverse changes in the economic environment.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

Impairment losses, if any, are recognised in the Statement of Profit and Loss and included in depreciation and amortisation expense. Impairment losses, on assets other than goodwill are reversed in the Statement of Profit and Loss only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

3.9 Revenue Recognition

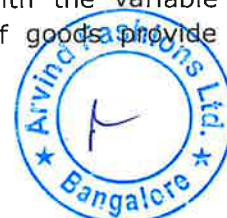
The Company derives revenues primarily from sale of traded goods and related services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in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

a) Sale of goods

Revenue from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer.

Variable consideration

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



customers with a right of return and discounts. The rights of return and discounts give rise to variable consideration.

i. Rights of return

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

ii. Discounts

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

b) Assets and liabilities arising from returns

i. Returnable asset

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

ii. Refundable liabilities

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

c) 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.



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) Profit or loss on sale of Investments

Profit or Loss on sale of investments is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

g) Dividend

Dividend income from investments in subsidiary or Joint venture is recognised when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

3.10 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 (FVOCI)



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- 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.

(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) Impairment of financial assets

a) Financial assets

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

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 109 and IND AS 115

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

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and IND AS 115, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 109 and IND AS 115 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and
- Right Of Use Assets resulting from transactions within the scope of Ind AS 116

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

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

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

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



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

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

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

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

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

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.

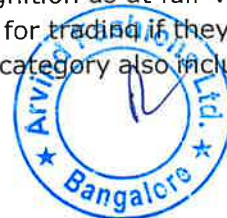
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(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/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings.

(iii) Derecognition of financial liabilities

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

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

c) 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.

3.11 Investment in subsidiary Companies

The Company has elected to recognise its investments in subsidiary companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost includes cash consideration paid on initial recognition and adjusted for embedded derivative, if any.

Subsidiaries are all the entities over which Company has direct or indirect control. Control is achieved when:



- Has power over its investee,
- Is exposed to, or has rights to, variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns

The details of such investments are given in Note 7(a).

Impairment policy applicable on such investments is explained in Note 3.8 above.

3.12 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.

3.13 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, 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 deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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



3.14 Employee Benefit

a) Short Term Employee Benefit

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.



3.15 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.

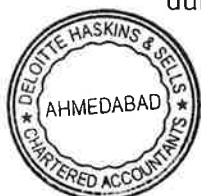
No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied,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

3.16 Earnings per share

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



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

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

3.17 Dividend

The Company recognises a liability (including tax thereon) to make cash or non-cash distributions to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Statement of Profit and Loss.

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 Standalone Financial Statements.



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

3.19 Segment Reporting

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

3.20 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.

3.21 Exceptional Items

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

4. Significant accounting Judgements, estimate and assumptions

The preparation of the Standalone financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and, income and expenses that are not readily apparent from other sources. Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

4.1 Revenue recognition

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



business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

4.2 Customer loyalty program reward points

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

4.3 Provision for discount and sales return

- a) The Company provides for sales return based on season wise, brand wise and channel wise trend of previous years. The Company reviews the trend at regular intervals to ensure the applicability of the same in the changing scenario. Provision is created based on the management's assessment of market conditions.
- b) At each balance sheet date, management estimates the adequacy of provision for discounts to be given to its customers on the sales made by the Company on the basis of historical trend, past experience and discount policies.

4.4 Defined benefit plans

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

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

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

Further details about defined benefit obligations are provided in Note 29.



4.5 Allowance for uncollectible trade receivables

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

4.6 Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant. The expenses recognised for share-based payment transactions are disclosed in Note 32.

4.7 Taxes

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

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

Further details on taxes are disclosed in Note 24.

4.8 Inventories

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

4.9 Useful life of Property, Plant and Equipment and Intangible assets

The Company reviews the estimated useful life of property, plant and equipment and intangible assets at the end of each reporting period. During financial years ended March 31, 2024, there were no changes in useful life of property plant and equipment and intangible assets other than (a) useful life of leasehold improvements which have been considered lower of the lease term or useful life and (b) those resulting from store closures / shifting of premises.



4.10 Provisions and contingencies

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

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

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 25).

4.11 Control over subsidiaries

The Company evaluates its control over the entities where it holds significant voting rights and considers them as Subsidiaries where it exercises control (Refer note 7a).



Arvind Fashions L mited

CIN - L52399GJ2C16PLC085595

Notes to the Star dalone Financial Statements for the year ended March 31, 2024

Note 5 : Property, plant and equipment

Particulars	Buildings	Plant & machinery	Furniture & fixture	Vehicles	Leasehold improvements	Office equipment	Computers, Servers and Network	Total
Rs. In Crores								
Gross Carrying value								
As at March 31, 2022	6.94	5.06	13.10	1.60	3.44	0.50	7.21	37.85
Additions	-	0.08	3.46	1.06	1.06	0.25	0.01	5.92
Deductions	-	0.03	-	0.52	-	-	0.01	0.56
As at March 31, 2023	6.94	5.11	16.56	2.14	4.50	0.75	7.21	43.21
Additions	-	0.02	4.73	-	1.55	0.04	1.47	7.81
Deductions	-	-	-	0.18	-	-	0.01	0.19
As at March 31, 2024	6.94	5.13	21.29	1.96	6.05	0.79	8.67	50.83
Accumulated Depreciation								
As at March 31, 2022	0.68	4.88	7.24	0.62	2.11	0.41	4.86	20.80
Depreciation for the year	0.22	0.13	3.14	0.39	0.73	0.22	1.83	6.66
Deductions	-	0.02	-	0.45	-	-	0.01	0.48
As at March 31, 2023	0.90	4.99	10.38	0.56	2.84	0.63	6.68	26.98
Depreciation for the year	0.22	0.09	2.79	0.47	0.55	0.03	0.35	4.50
Deductions	-	-	-	0.09	-	-	0.01	0.10
As at March 31, 2024	1.12	5.08	13.17	0.94	3.39	0.66	7.02	31.38
Net Carrying Value								
As at March 31, 2024	5.82	0.05	8.12	1.02	2.66	0.13	1.65	19.45
As at March 31, 2023	6.04	0.12	6.18	1.58	1.66	0.12	0.53	16.23

Notes:

- 1) For Properties pledge as security Refer Note 13 (a).
- 2) Refer Note 26 for disclosure of contractual commitments for the acquisition of property, plant and equipment.



Particulars	Computer Software	Trade Mark	Product Development	Website	Total Intangible Assets
Gross Carrying Value					
As at March 31, 2022	11.29	-	8.09	2.46	21.84
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As at March 31, 2023	11.29	-	8.09	2.46	21.84
Additions	0.21	47.40	-	-	47.61
Deductions	-	-	-	-	-
As at March 31, 2024	11.50	47.40	8.09	2.46	69.45
Amortisation					
As at March 31, 2022	5.30	-	3.41	2.46	11.17
Amortisation for the Year	2.93	-	1.20	-	4.13
Deductions	-	-	-	-	-
As at March 31, 2023	8.23	-	4.61	2.46	15.30
Amortisation for the Year	2.41	-	1.20	-	3.61
Deductions	-	-	-	-	-
As at March 31, 2024	10.64	-	5.81	2.46	18.91
Net Carrying Value					
As at March 31, 2024	0.86	47.40	2.28	-	50.54
As at March 31, 2023	3.06	-	3.48	-	6.54

Notes:

1) During the current year, pursuant to a Deed of assignment of Trademark entered between wholly owned subsidiary of the Company i.e. Arvind Lifestyle Brands Limited (ALBL) and Arvind Fashions Limited (AFL), AFL has acquired all the rights, title and interest for the trademarks of Ruf & Tuf and Newport from the ALBL, for a total consideration of Rs. 47.40 crores determined by the independent valuer, being the Fair value of the said trademarks on the date of the transfer.

Note 6(a) : Intangible assets under development

Intangible assets under development	Amount in Intangible assets under development for a period of				Total Amount
	Less than 1 year	1 - 2 years	2-3 years	More than 3 years	
As on 31st March, 2024					
Project in Progress	2.18	0.30	-	-	2.48
As on 31st March, 2023					
Project in Progress	0.30	-	-	-	0.30



7 (a) Investments		Rs. In Crores	
Particulars	Face Value per share in Rs.	As at March 31, 2024	As at March 31, 2023
Non-current investment			
Investment in equity shares (fully paid up)			
Subsidiaries - measured at cost (Unquoted)			
Arvind Lifestyle Brands Limited (Refer Note 1, 2, 3 and 6 below) (31st March, 2024: 15,75,00,000, 31st March 2023: 15,75,00,000)	10	1,721.60	1,717.99
Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited) (Refer Note 1 and 2 below and Note 23(b)) (31st March, 2024 : Nil, 31st March 2023 : 89,39,488)	10	-	134.01
PVH Arvind Fashion Private Limited (Refer Note 2 and 7 below) (31st March, 2024: 25,01,589; 31st March 2023: 25,01,589)	10	116.88	116.32
Arvind Youth Brands Private Limited (Refer Note 1, 2, 3 and 6 below) (31st March, 2024:4,46,32,600 , 31st March 2023:4,46,32,600)	10	46.31	45.80
Total equity Investments		1,884.79	2,014.12
Investment in Perpetual Non Convertible Debentures			
10,00,00,000 (Previous year: 10,00,00,000) 8% Unsecured Perpetual Non-Convertible Debentures of Rs.10 Each of Arvind Lifestyle Brands Limited		100.00	100.00
Nil (Previous year: 1,50,00,000) 8% Unsecured Perpetual Non-Convertible Debentures of Rs.10 Each of Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited)		-	15.00
Total Investments		100.00	115.00
Total Investments		1,984.79	2,129.12
Aggregate amount of quoted investments		-	-
Aggregate amount of unquoted investments		1,984.79	2,129.12
Aggregate impairment in value of investment		-	-

Note 1: Increase in the cost of investment during the year includes recognition of cost of ESOPs issued to Employees of Subsidiaries. The same is detailed below:

Subsidiaries	2023-24	2022-23
Arvind Lifestyle Brands Limited	0.96	1.26
Arvind Youth Brands Private Limited	0.09	0.21
Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited)	0.06	0.16

Note 2: Increase in the Cost of investment during the year includes recognition of Notional Commission on Fair Valuation of Financial Guarantee provided for loan taken by subsidiary. The same is detailed below:

Subsidiaries	2023-24	2022-23
Arvind Lifestyle Brands Limited	2.66	3.04
Arvind Youth Brands Private Limited	0.42	0.51
Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited)	0.10	0.12
PVH Arvind Fashion Private Limited	0.56	0.56

Note 3: The Company has pledged 4,63,51,265 equity shares of Arvind Lifestyle Brands Limited as a security against working capital loans availed by the Company and Arvind Lifestyle Brands Limited.

The Company has pledged 2,56,97,557 equity shares of Arvind Youth Brands Retail Private Limited as a security against working capital loans availed by the Company. (Refer Note 13(a))

Note 4: The Company has complied with the requirement with respect to number of layers prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

Note 5: Investment in Perpetual Non Convertible Debentures / Perpetual Debt is redeemable / Payable at issuer's option and can be deferred indefinitely.

Note 6 : The carrying amounts of long-term investments in equity shares and perpetual debt of subsidiary companies viz. Arvind Lifestyle Brands Limited ("ALBL") and Arvind Youth Brands Private Limited ("AYBPL") aggregates to Rs. 1767.92 crore, indirect investment from ALBL in AYBPL by Rs. 68.16 crores as at March 31, 2024. The said individual subsidiary companies have erosion in net worth as compared to investment made by the company as at March 31, 2024. The Company has determined the recoverable amounts of its investments in these subsidiaries as at March 31, 2024 by considering a discounted cash flow model. Such determination is based on significant assumptions & judgements to be made by the management by considering the forecasts of future cash flows principally related to revenue and profitability growth, terminal growth rate and discount rates used. On a careful evaluation of the aforesaid factors, the Company's management has concluded that no provision for impairment in respect of such investments are considered necessary at this stage.

Note 7 : Company has considered PVH Arvind Fashion Private Limited as a subsidiary even though the company has 50% ownership interest in the entity. Based upon contractual agreement between the Company and other investor, the Company has power to appoint the Chairman of the board of directors and has the power to direct the relevant activities. Therefore, the directors of the company concluded that they have the practical ability to direct the power to affect the relevant activities and thus, criteria for effective control are fulfilled.



7 (b) Trade receivables - Current

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	425.97	436.40
Credit impaired	13.59	13.46
Less : Allowance for doubtful debts	(13.59)	(13.46)
	425.97	436.40
Less : Refund liability - Refer Note 3 below	(199.71)	(193.41)
Total Trade receivables	226.26	242.99

Notes:

- 1) No trade receivables are due from directors or other officers of the Company either severally or jointly with any person nor any trade receivables are due from firms or private companies respectively in which any director is a director, a partner or a member.
- 2) Trade receivables are given as security for borrowings as disclosed under Note 13(a).
- 3) Refund liability are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers.
- 4) For amount due from Related Parties, Refer Note 30.

Allowance for doubtful debts

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

Movement in allowance for doubtful debt :

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	13.46	19.64
Add : Allowance for the year	0.13	-
Less : Provision for doubtful debts-Written Back	-	(6.18)
Balance at the end of the year	13.59	13.46

Trade Receivables Ageing Schedule:

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Rs. In Crores
	Not due	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - Considered Good	332.20	90.73	1.56	1.29	0.20	0.00	425.98
Undisputed Trade receivables - credit impaired	-	-	4.51	2.20	0.12	2.90	9.73
Disputed Trade receivables - credit impaired	-	-	-	0.81	0.02	3.02	3.85
Total	332.20	90.73	6.07	4.30	0.34	5.92	439.56
Less: Allowance for doubtful debts							13.59
Less: Refundable Liability							199.71
Net Trade Receivables							226.26

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Rs. In Crores
	Not due	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables - Considered Good	366.16	67.50	1.60	0.81	0.32	-	436.39
Undisputed Trade receivables - credit impaired	-	-	3.76	0.56	1.49	1.39	7.20
Disputed Trade receivables - credit impaired	-	-	0.11	0.01	3.62	2.53	6.27
Total	366.16	67.50	5.47	1.38	5.43	3.92	449.86
Less: Allowance for doubtful debts							13.46
Less: Refundable Liability							193.41
Net Trade Receivables							242.99



7 (c) Loans

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless otherwise stated)		
Current		
Loans to related parties (Refer Note 30 and 7(a)6)	127.85	110.43
Loans to employees	0.13	0.80
Total Loans	127.98	111.23

Notes: 1) No loans are due from directors or promoters of the Company either severally or jointly with any person.

Loans to related parties that are repayable on demand

Type of Borrower	Year ended March 31, 2024		Year ended March 31, 2023	
	Loan Outstanding	Loan Outstanding (%)	Loan Outstanding	Loan Outstanding (%)
Related Parties	127.85	99.90%	110.43	99.28%

7 (d) Cash and cash equivalent

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand	-	-
Balance with Bank	-	-
Current accounts and debit balance in cash credit accounts	3.23	0.05
Total cash and cash equivalents	3.23	0.05

7 (e) Other bank balance

Particulars	As at March 31, 2024	As at March 31, 2023
In Deposit Account		
Unpaid Fractional Shares and Rights Issue (Refer note 13(c))	1.04	1.04
Unpaid Dividend account (Refer note 13(c))	0.04	-
Held as Margin Money*	0.13	0.12
Total other bank balances	1.21	1.16

* Under lien with bank as Security for Guarantee Facility

7 (f) Other financial assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless otherwise specified)		
Non-current		
Security deposits	1.13	0.18
	1.13	0.18
Current		
Other Receivables	0.06	-
Others	0.01	0.05
	0.07	0.05
Total financial assets	1.20	0.23

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

7 (g) Financial assets by category

Particulars	Cost	FVTPL	FVOCI	Amortised Cost
March 31, 2024				
Investments				
- Equity shares	1,884.79	-	-	-
- Perpetual Debentures	-	-	-	100.00
Trade receivables	-	-	-	226.26
Loans	-	-	-	127.98
Cash & Bank Balances	-	-	-	4.44
Other Financial Assets	-	-	-	1.20
Total Financial assets	1,884.79	-	-	459.88
March 31, 2023				
Investments				
- Equity shares	2,014.12	-	-	-
- Perpetual Debentures	-	-	-	115.00
Trade receivables	-	-	-	242.99
Loans	-	-	-	111.23
Cash & Bank Balances	-	-	-	1.21
Other Financial Assets	-	-	-	0.23
Total Financial Assets	2,014.12	-	-	470.66

Notes :

- Financial instruments risk management objectives and policies, refer Note 37
- Fair value disclosure for financial assets and liabilities, refer note 35 and fair value hierarchy disclosures refer note 36.



Note 8 : Non-Current Tax Assets (Net)

Particulars	As at March 31, 2024	As at March 31, 2023
Non-Current Tax Assets (Net)		
Tax Paid in Advance (Net of Provision)	14.95	9.38
Total	14.95	9.38

Note 9: Other Assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless otherwise stated)		
Non-current		
Sales tax paid under protest (Deposit)	4.24	4.24
Less : Provision	0.35	0.35
Sales tax paid under protest (Net of Provision)	3.89	3.89
Capital advances	0.00	0.02
	3.89	3.91
Current		
Advance to suppliers	1.07	15.71
Advance to employee	0.11	0.08
Balance with Government Authorities (Refer Note 1 below)	16.77	6.30
GST paid under protest	0.18	-
Export incentive receivable	0.46	0.68
Returnable Asset (Refer Note 3 below)	78.86	72.32
Prepaid expenses	1.25	0.86
Other Current Asset (Refer Note 5 below)	18.47	18.44
	117.17	114.39
Total	121.06	118.30

Notes :

- Balance with Government Authorities mainly consist of input credit availed.
- Other current assets are given as security for borrowings as disclosed under Note 13(a).
- Returnable Asset are recognised pursuant to Ind AS 115 - Revenue from Contracts with Customers and are accounted, considering the nature of inventory, ageing and net realisable value. Accordingly Rs. 9.58 Crores (March 31, 2023 Rs. 15.88 Crores) has been provided. The changes in write downs are recognised as an expense in the Statement of Profit and Loss.
- No advances are due from directors or promoters of the Company either severally or jointly with any person.
- Other current assets represents Goods and Service Tax paid on refund liability component.

Note 10 : Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Stock-in-trade (Garments and Accessories)	59.95	27.08
Total	59.95	27.08

Notes :

- Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for Rs. 19.67 Crores (Previous year Rs. 6.89 Crores). The changes in write downs are recognised as an expense in the Statement of Profit and Loss
- Inventories are given as security for borrowings as disclosed under Note 13(a)



Note 11 : Equity share capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Rs. In Crores	No. of shares	Rs. In Crores
Authorised share capital				
Equity shares of Rs. 4 each (March 31, 2023: Rs. 4 each)	18,75,00,000	75.00	18,75,00,000	75.00
Issued and subscribed share capital				
Equity shares of Rs. 4 each (March 31, 2023: Rs. 4 each)	13,29,84,460	53.19	13,28,25,660	53.13
Subscribed and fully paid up				
Equity shares of Rs. 4 each (March 31, 2023: Rs. 4 each)	13,29,59,771	53.18	13,28,00,971	53.12
Subscribed and partly paid up				
Equity shares of Rs. 2 each (March 31, 2023: Rs. 2 each)	24,689	(Rs. 49,378/-)	24,689	(Rs. 49,378/-)
Total	13,29,84,460	53.19	13,28,25,660	53.13

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Rs. In Crores	No. of shares	Rs. In Crores
At the beginning of the period	13,28,25,660	53.13	13,24,61,813	52.97
Add: Issue of fully paid up shares (Refer Note 11.5)	-	-	-	-
Add: Issue of partly paid up shares (Refer Note 11.6)	-	-	-	0.01
Add: Shares allotted pursuant to exercise of Employee Stock Option Plan (Refer Note 32)	1,58,800	0.06	3,63,847	0.15
Outstanding at the end of the period	13,29,84,460	53.19	13,28,25,660	53.13

11.2. Rights, Preferences and Restrictions attached to the equity shares :

The Company has one class of shares referred to as equity shares having a par value of Rs. 4 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of share holding	No. of shares	% of share holding
Aura Securities Private Limited	4,36,18,605	32.80%	4,36,18,605	32.84%
ICICI Prudential Mutual fund - Through its various mutual fund schemes	74,40,594	5.60%	1,00,23,233	7.55%
Plenty Private Equity Fund I Limited	75,10,649	5.65%	75,10,649	5.65%
Akash Bhanshali	57,26,644	4.31%	73,17,553	5.51%

11.4. Shareholding of Promoters

Promoter Name	As at March 31, 2024			As at March 31, 2023		
	No. Shares	% of total shares	% change during the year	No. Shares	% of total shares	No. of shares
Aura Securities Private Limited	4,36,18,605	32.80%	0.00%	4,36,18,605	32.84%	0%
Aura Merchandise Private Limited	18,30,701	1.38%	0.00%	18,30,701	1.38%	0%
Atul Limited	15,96,105	1.20%	0.00%	15,96,105	1.20%	0%
Aura Business Ventures LLP	10,36,706	0.78%	0.00%	10,36,706	0.78%	0%
Aaam Holdings Private Limited	7,25,553	0.55%	0.00%	7,25,553	0.55%	0%
Anusandhan Investments Limited	44,470	0.03%	0.00%	44,470	0.03%	0%
Aavoian Resources Private Limited	35,190	0.03%	0.00%	35,190	0.03%	0%
Adhinami Investment Private Limited	7,153	0.01%	0.00%	7,153	0.01%	0%
Swati S Lalbhai	3,754	0.00%	0.00%	3,754	0.00%	0%
Hansa Niranjambhai	-	0.00%	-100.00%	2,279	0.00%	0%
Sunil Siddharth Lalbhai	2,101	0.00%	0.00%	2,101	0.00%	0%
Badlani Manini Rajiv	-	0.00%	0.00%	-	0.00%	-100%
Vimla S Lalbhai	194	0.00%	-87.82%	1,593	0.00%	0%
Taral S Lalbhai	1,573	0.00%	0.00%	1,573	0.00%	0%
Punit Sanjaybhai	1,544	0.00%	0.00%	1,544	0.00%	0%
Sanjaybhai Shrenikbhai Lalbhai	76	0.00%	-88.14%	641	0.00%	0%
Astha Lalbhai	385	0.00%	0.00%	385	0.00%	0%
Vandana Gupta	-	0.00%	0.00%	-	0.00%	-100%
Jayshreebhai Sanjaybhai Lalbhai	152	0.00%	0.00%	152	0.00%	0%
Utkarsh Bhikooibhai Shah	-	0.00%	0.00%	-	0.00%	-100%
Akshita Holdings Private Limited	51	0.00%	0.00%	51	0.00%	0%
Amit Gupta	-	0.00%	0.00%	-	0.00%	-100%
Aura Business Enterprise Private Limited	38	0.00%	0.00%	38	0.00%	0%
Aura Securities Private Limited	38	0.00%	0.00%	38	0.00%	0%
Kalpanaben Shripalbhai Morakhia	3	0.00%	0.00%	3	0.00%	0%
Sanjaybhai Shrenikbhai Lalbhai (as representative trustee of discretionary trust)	565	0.00%	0.00%	-	0.00%	0%
Swati Siddharth Lalbhai (trustee of Siddharth Family Trust)	1,399	0.00%	0.00%	-	0.00%	0%
Sunil Siddharth HUF	3	0.00%	0.00%	3	0.00%	0%
Total	4,89,06,359	36.78%		4,89,08,638	36.82%	

11.5. Issue of Equity Shares on preferential basis

On 21st August 2021, the Board of Directors approved issuance of equity shares on a preferential basis to various investors. The Company received the approval of shareholders in the extra ordinary general meeting held on 16th September 2021. The Board of Directors approved allotment of 1,83,06,624 fully paid equity shares to various investors at Rs. 218.50 per equity share (of which Rs. 4/- is towards face value and Rs. 214.50 towards premium) on receipt of consideration. There has been no deviation in the use of proceeds of the Preferential Issue, from the Objects stated in the Offer Letter.

11.6. Issue of Shares under Right Issue

On June 21, 2020, the Board of Directors of the Company had approved the revised size of Rights Issue of 3,99,79,347 shares of face value of Rs. 4 each (the "Rights Issue Shares") at a price of Rs. 100 per Rights Equity Shares (including premium of Rs. 96 per Rights Equity Share) in the ratio of 62:91, i.e. 62 Rights Equity Shares for every 91 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. March 18, 2020. On July 24, 2020, the Company had approved the allotment of 3,99,79,347 equity shares of face value Rs. 4/- each to the eligible equity shareholders as fully paid up.

On February 03, 2021, the Board of Directors of the Company and subsequently on February 18, 2021, the Committee of Directors had approved the Rights Issue of 1,48,02,856 equity shares of face value of Rs. 4 each (the "Rights Issue Shares") at a price of Rs. 135 per Rights Equity Shares (including premium of Rs. 131 per Rights Equity Share) in the ratio of 3:20, i.e. 3 Rights Equity Shares for every 20 existing Equity Shares held by the eligible equity shareholders on the record date, i.e. February 24, 2021. On March 25, 2021, the Company had approved the allotment of 1,48,01,776 equity shares of face value Rs. 4/- each to the eligible equity shareholders as partly paid up for an amount of Rs. 70/- per Rights Issue Share received on application (of which Rs. 2/- was towards face value and Rs. 68/- towards premium). The allotment of 1,080 Rights Equity Shares had been kept in abeyance pending regulatory/other clearance. The third reminder to pay first and final call of Rs. 65/- was made in the month of August 2022 and the company had received Rs. 17,01,440/- against 26,176 equity shares (of which Rs. 2/- was towards face value and Rs. 63/- towards premium). As on date the First and Final call payment for 24,689 shares amounting to Rs.0.16 Crores is yet to be received.

11.7. Shares allotted as fully paid up without payment being received in cash during the period of five years immediately preceding the reporting date :

1) The Company has allotted 5,17,23,414 Equity Shares pursuant to the scheme of arrangement during the year 2018-19.

11.8. Shares reserved for issue under options and contracts :

Refer Note 32 for details of shares to be issued under Employee Stock Option Schemes (ESOPs)

11.9. Objective, policy and procedure of capital management:

Refer Note 38.



Note 12 : Other Equity

	Rs. In Crores	
	As at	As at
Particulars	March 31, 2024	March 31, 2023
Reserves & Surplus		
Capital reserve		
Balance as per last financial statements	39.89	39.89
Balance at the end of the year	<u>39.89</u>	<u>39.89</u>
Securities premium		
Balance as per last financial statements	2,152.45	2,145.53
Add: Addition during the year	2.26	5.26
Add: Transfer from share based payment reserve	0.91	1.66
Balance at the end of the year	<u>2,155.62</u>	<u>2,152.45</u>
Share based payment reserve (Refer Note 32)		
Balance as per last financial statements	16.15	12.82
Add: Addition during the year	4.21	4.99
Less: Transfer to Securities Premium Account	(0.91)	(1.66)
Balance at the end of the year	<u>19.45</u>	<u>16.15</u>
Surplus in statement of profit and loss		
Balance as per last financial statements	60.48	51.06
Add: Profit/ (Loss) for the year	(11.34)	9.86
Less: OCI for the year	(0.17)	(0.44)
Less: Appropriation from reserves on account of dividend payout	(13.28)	-
Balance at the end of the year	<u>35.69</u>	<u>60.48</u>
Total reserves & surplus	<u>2,250.65</u>	<u>2,268.96</u>
Total Other equity	<u>2,250.65</u>	<u>2,268.96</u>

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

a. Capital reserve

Capital reserve represents capital reserve on amalgamation/business combination. This reserve arose pursuant to scheme of arrangement and shall not be considered to be reserve created by the Company. Utilisation during the previous year represents the stamp duty paid which is accounted as per the Composite scheme of arrangement for demerger of branded apparel undertaking.

b. Securities premium

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

c. Share based payment reserve

This reserve relates to share options granted by the Company to its employees (including subsidiary Companies) and erstwhile Holding Company's employee share option plan. Further information about share-based payments to employees is set out in Note 32.



Note 13 : Financial liabilities

		Rs. In Crores	
13 (a) Borrowings			
Particulars	As at March 31, 2024	As at March 31, 2023	
Long-term Borrowings (Refer Note 1(a) below)			
Secured (at amortised cost)			
Term loan from Banks	10.57	24.16	
Total long-term borrowings	10.57	24.16	
Short-term Borrowings (Refer Note 1(b) below)			
Secured (at amortised cost)			
Current maturities of Long term borrowings	13.52	13.15	
Working Capital Loans repayable on demand from Banks	79.00	94.75	
Total short-term borrowings	92.52	107.90	
Total borrowings	103.09	132.06	

1. Secured Borrowings					
(a) Long term					
Particulars	Rate of interest as at March 31, 2024	As at March 31, 2024	As at March 31, 2023	Security	Terms of Repayment
Rupee Loans	9.80%	6.59	10.88	Secured against first pari passu charge over the entire movable fixed assets of the Company both present and future, and second charge is created over the entire stock, receivables and other current assets of the Company both present and future.	Repayable in 22 quarterly installments beginning from September 2019
Rupee Loans	9.25% to 9.95%	17.19	25.79	1. Guaranteed By National Credit Guarantee Trustee Company Ltd. 2. Second Charge on all current assets of borrower both present and future 3. Extension of second ranking charge over existing primary and collateral securities created in favour of the bank (including but not limited to hypothecation on present and future stock, book debts and movable fixed assets of the company and assets of the borrower created out of this Facility	Repayable in 48 Monthly installments beginning from April 2022
Hire Purchase loans	7.70%	0.31	0.64	Secured by hypothecation of related vehicles	Monthly payment of Equated Monthly Installments beginning from the month subsequent to taking the loans

(b) Short term					
Particulars	Rate of interest as at March 31, 2024	As at March 31, 2024	As at March 31, 2023	Security	Pledge of shares
Working Capital loans	8.21% to 8.34%	36.00	37.60	First pari passu charge on entire Stock and Receivables of the Company both present and future.	Secured against Pledge of 175,82,539 shares of Arvind Youth Brands Private Limited.
Working Capital loans	7.85%	28.00	28.00	First pari passu charge on entire Stock and Receivables of the Company both present and future.	
Working Capital loans	8.10%	15.00	29.15	First pari passu charge on entire Stock and Receivables of the Company both present and future.	Secured against Pledge of 81,15,018 shares of Arvind Youth Brands Private Limited (AYBPL).

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

3. The Company has Fund based and Non-fund based limits of working capital from Banks and Financial Institutions. For the said facility, the revised submissions made by the Company to its lead bankers based on closure of book of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

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



Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Current		
Acceptances*	72.13	54.37
Other Trade Payables (Refer Note below)		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	8.84	9.93
Total outstanding dues of creditors other than micro enterprises and small enterprises	88.52	130.47
	169.49	194.77
Total	169.49	194.77

*Acceptances include arrangements where operational suppliers of goods and services are initially paid by banks/financial institutions while the company continues to recognize the liability till settlement with the banks/financial institutions.

Trade Payables ageing schedule:

Particulars	Outstanding for following periods from due date of Payment					Rs. In Crores
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Micro enterprises and small enterprises	8.84	-	-	-	-	8.84
Others	157.03	1.49	1.16	0.02	0.95	160.65
Total	165.87	1.49	1.16	0.02	0.95	169.49

Particulars	Outstanding for following periods from due date of Payment					Rs. In Crores
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Micro enterprises and small enterprises	9.93	-	-	-	-	9.93
Others	180.26	2.97	0.02	0.40	1.19	184.84
Total	190.19	2.97	0.02	0.40	1.19	194.77

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

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
i) Principal	7.13	8.42
ii) Interest	1.71	1.51
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	1.71	1.51
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	1.71	1.51
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	1.71	1.51

13 (c) Other financial liabilities

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Non-current		
Security Deposit	3.56	2.31
	3.56	2.31
Current		
Interest accrued but not due on borrowings	1.07	0.56
Payable to employees (Refer Note 23(b))	20.47	10.21
Payable for capital goods	0.74	0.61
Other Payable (Refer Note 30)	6.51	-
Financial Guarantee Contract	0.02	0.13
Unclaimed Dividend Payable (Refer Note 7(e))	0.04	-
Others*	1.04	1.04
	29.89	12.55
Total	33.45	14.86

Financial guarantee contract

1) The Company has given the financial guarantee to Banks on behalf of Subsidiary Company.

* This includes Unpaid Fractional Shares Amount of Rs.1.04 Crores (previous year Rs.1.04 Crores) and due for refund for the excess money received on Right Issue of Rs.14,400 (previous year Rs.14,400)



13 (d) : Financial Liabilities by category

Particulars	FVOCI	FVTPL	Rs. In Crores
			Amortised Cost
March 31, 2024			
Borrowings	-	-	103.09
Trade payables	-	-	169.49
Lease liabilities	-	-	24.29
Security Deposits	-	-	3.56
Payable to employees	-	-	20.47
Financial Guarantee Contract	-	0.02	-
Interest accrued but not due	-	-	1.07
Payable in respect of Capital goods	-	-	0.74
Other Payable	-	-	6.51
Unclaimed Dividend Payable	-	-	0.04
Others	-	-	1.04
Total Financial liabilities	-	0.02	330.31
March 31, 2023			
Borrowings	-	-	132.06
Trade payables	-	-	194.77
Lease liabilities	-	-	19.59
Security Deposits	-	-	2.31
Payable to employees	-	-	10.21
Financial Guarantee Contract	-	0.13	-
Interest accrued but not due	-	-	0.56
Payable in respect of Capital goods	-	-	0.61
Others	-	-	1.04
Total Financial liabilities	-	0.13	361.15

1. Financial instruments risk management objectives and policies, refer Note 37.
2. Fair value disclosure for financial assets and liabilities, refer note 35 and fair value hierarchy disclosures refer note 36.

Note 14: Provisions

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Long-term		
Provision for employee benefits (Refer Note 29)		
Provision for leave encashment	1.43	1.20
Provision for Gratuity	3.31	2.71
	4.74	3.91
Short-term		
Provision for employee benefits (Refer Note 29)		
Provision for leave encashment	0.41	0.39
Provision for Gratuity	0.32	0.00
	0.73	0.39
Total	5.47	4.30

Note 15 : Other current liabilities

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Current		
Advance from customers	10.35	9.10
Statutory dues including provident fund and tax deducted at source	2.28	2.84
Contract Liabilities		
Deferred income of loyalty program reward points (Refer Note 16 (II) and Note (a) below)	0.98	0.80
Deferred Revenue (Refer Note 16 (II))	0.18	0.09
Total	13.79	12.83

(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 Crores	
	As at March 31, 2024	As at March 31, 2023
Balance as per last financial statements	0.80	0.38
Provision made during the year(net)	1.47	1.30
Less: Redemption made during the year	1.29	0.88
Balance at the end of the year	0.98	0.80



Note 16 : Revenue from operations

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Sale of products	607.69	740.09
Operating income		
Export incentives	0.26	0.22
Foreign Exchange fluctuation on Vendors and Customers (Net)	1.14	0.26
	1.40	0.48
Total	609.09	740.57

I. Disaggregation of revenue from contracts with customers

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
A. Revenue based on Geography		
i. Domestic	592.74	727.02
ii. Export	16.35	13.55
	609.09	740.57
B. Revenue based on Business Segment		
Branded Apparels and accessories	609.09	740.57

II. Contract Balances

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Trade receivables (Refer note 7(b))	226.26	242.99
Advance from customers (Refer note 15)	10.35	9.10
Contract liabilities		
Deferred Revenue (Refer Note 15)	0.18	0.09
Deferred income of loyalty program reward points (Refer Note 15)	0.98	0.80

Note : Contract liabilities include transaction price of loyalty points not yet redeemed

II. Reconciliation of Revenue from Operation with Contract Price

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Contract Price	1,063.93	1,179.49
Less:		
Sales Return	290.81	293.06
Schemes and Discounts	162.56	144.56
Customer Loyalty Program	1.47	1.30
Total Revenue from Operations	609.09	740.57

Notes :

a) In the earlier years, the wholly owned subsidiary of the Company i.e. Arvind Lifestyle Brands Limited (ALBL) had sublicensed its right with respect to "U.S. Polo Assn. footwear brand business" exclusively to the Company under the sublicense Agreement. Pursuant to mutual discussion between the parties i.e. ALBL ("Sub licensor") and the Company ("Sublicensee") the said exclusive Sublicense Agreement stands terminated effective from January 01, 2023. In accordance with the terms of the said Sublicense Agreement, ALBL has exercised its right of buying back of products from the Company at the Company's landing cost.

b) W.e.f. July 1, 2023 the Company has changed the estimation for calculating Right to Return as per Ind-AS 115 from yearly average to the season average, based on latest trends. Accordingly, the change in return provision is being applied prospectively in accordance with Ind AS-8. Had the company continued with previously assessed method, revenue from operations for the year ended March 31, 2024, would have been lower by Rs. 12.56 crores. While Cost of Goods Sold for the year ended March 31, 2024, would have been lower by Rs. 6.02 crore.



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Notes to the Standalone Financial Statements for the year ended March 31, 2024

Note 17 : Other Income

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest income* (Refer Note 30)	0.84	0.01
Interest income on ICD (Refer Note 30)	7.02	6.26
Dividend income (Refer Note 30)	49.28	-
Financial guarantee commission (Refer Note 1)	3.85	4.43
Profit on sale of Property, Plant & Equipment (Net)	-	0.02
Liability no longer required - written back	1.00	0.99
Provision for doubtful debts - written back	-	6.18
Profit on sale of Mutual Fund	0.38	-
Miscellaneous income	0.01	0.13
Total	62.38	18.02

Notes :

1. The Company has given financial guarantee to Banks on behalf of the subsidiary. Fair value of the financial guarantee has been accounted as liability and amortised over the period of loan as commission income.

*The amount includes interest on Perpetual debt of Rs. 0.70 Crore (Previous year : Nil)

Note 18 : Purchases of stock-in-trade

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Branded Apparels and Accessories	438.77	506.46
Total	438.77	506.46

Note 19 : Changes in inventories

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Stock at the end of the year		
Stock-in-trade	59.95	27.08
Stock at the beginning of the year		
Stock-in-trade	27.08	41.36
Increase/(Decrease) in Inventories	(32.87)	14.28

Note 20 : Employee benefits expense

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 29)	56.66	49.45
Contribution to provident and other funds (Refer Note 29)	2.16	1.95
Welfare and training expenses	2.88	1.93
Share based payment to employees (Refer Note 32)	3.10	3.34
Total	64.80	56.67

Note 21 : Finance costs

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Interest expenses on		
Loans	8.95	8.53
Lease liabilities (Refer Note 33)	1.87	1.71
Others	1.89	0.34
Other finance cost	6.79	4.94
Total	19.50	15.52



Note 22 : Depreciation and amortization expense

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation of Property, Plant & Equipment (Refer Note 5)	4.50	6.66
Amortization of Intangible assets (Refer Note 6)	3.61	4.13
Depreciation of right-of-use-assets (Refer Note 33)	4.65	3.77
Total	12.76	14.56

Note 23 : Other expenses

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Power and fuel	0.14	0.13
Insurance	0.65	0.52
Processing charges	1.47	1.01
Printing, stationery & communication	1.19	1.06
Rent Expenses (Refer Note 33)	0.02	2.03
Commission & Brokerage	3.23	2.98
Rates and taxes	0.97	2.69
Repairs :		
To Building	0.25	0.22
To others	0.17	0.20
Royalty on Sales*	30.65	44.75
Freight, insurance & clearing charge	4.47	5.19
Legal & Professional charges	9.06	9.47
Computer Expenses	1.22	1.33
Conveyance & Travelling expense	5.04	5.21
Advertisement and publicity	28.34	26.37
Packing Materials Expenses	-	0.69
Outsource Services	26.75	24.33
Sampling and Testing Expenses	4.88	4.04
Director's sitting fees and Commission	0.95	0.49
Allowance for doubtful debts	0.13	-
Auditor's remuneration - (Refer note 23(a) below)	1.03	0.80
Business Conducting Fees	1.05	2.25
Bank charges	0.19	0.19
Warehouse Charges	2.83	3.40
Corporate Social Responsibility Expenses (Refer Note 34)	-	0.16
Loss on assets sold, demolished, discarded and scrapped	-	-
Miscellaneous expenses	1.22	1.49
Total	125.90	141.00

Notes :

*Royalty on sales includes termination fees amounting to Nil (FY 2022-23 Rs. 7.93 Crores) for one of the brands.



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Notes to the Standalone Financial Statements for the year ended March 31, 2024
Note 23(a): Breakup of Auditor's remuneration

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Payment to Auditors as		
Statutory Auditor Fees	0.95	0.75
Certification Fee	0.02	0.01
For reimbursement of expenses	0.06	0.04
Total	1.03	0.80

Note 23(b): Exceptional items

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Loss On Sale Of Investment	38.37	-
Legal and Professional Fees	3.09	-
Salary Incentive	10.00	-
Total	51.46	-

Note :

1) During the current year ended March 31, 2024, the company has entered into Share Purchase Agreement (SPA) with Reliance Beauty & Personal Care Limited to sell and transfer entire equity stake held by the company in Arvind Beauty Brands Retail Limited (ABBRL) (now known as Reliance Luxe Beauty Limited), at an enterprise value of ₹ 212.79 Crores (based on adjustments based of closing period balances) towards sale of equity shares and repayment of loans.

The company has made a provision of Rs. 1.69 crores towards the ongoing contingent matters related to ABBRL business prior to transfer date to be borne by the company as per SPA.

The Company has made a provision of Rs. 10 crores as ex-gratia payment to employee who were involved in the sale process.

The Company has presented loss on sale of equity investment and expenditure incurred as an exceptional item in the financial results.

ABBRL ceased to be a subsidiary from November 03, 2023.



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Note 24 : Income tax

The major component of income tax expense:

Rs. In Crores

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<u>Statement of Profit and Loss</u>		
Current tax		
Current income tax	1.01	-
Deferred tax		
Deferred tax Charge/(Credit)	1.48	0.24
Income tax expense reported in the statement of profit and loss	2.49	0.24

OCI section

Rs. In Crores

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
<u>Statement to Other comprehensive income (OCI)</u>		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	(0.09)	(0.24)
Deferred tax charged to OCI	(0.09)	(0.24)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate:

A) Current tax

Rs. In Crores

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Accounting profit/(loss) before tax	(8.85)	10.10
Tax Rate	34.944%	34.944%
Current Tax Expenses on Profit before tax at the enacted income tax rate in India	(3.09)	3.53
<u>Adjustments</u>		
Expenditure not deductible for Tax	0.07	0.06
Share based Payment Expense	(1.14)	(1.21)
Guarantee Commission Income	(1.34)	(1.55)
Non-recognition of deferred taxes due to absence of probable certainty of reversal in future	(4.86)	-
Loss on Sale of Investment	13.41	-
Other non deductible expense	(0.56)	(0.59)
At the effective income tax	2.49	0.24
Effective Income Tax Rate %	(28.11%)	2.38%



Notes to the Standalone Financial Statements for the year ended 31st March 2024

B) Deferred tax

Rs. In Crores

Particulars	Standalone Balance Sheet	Statement of Standalone Profit & Loss and Other Comprehensive Income	Standalone Balance Sheet	Statement of Standalone Profit & Loss and Other Comprehensive Income
	As at Mar 31, 2024	Year ended Mar 31, 2024	As at Mar 31, 2023	Year ended Mar 31, 2023
Accelerated depreciation for tax purposes	7.75	0.04	7.79	(2.78)
Expenditure allowable on payment basis over the period	2.24	(0.18)	2.06	0.06
Expenses on Employee Stock Option	1.99	0.05	2.04	(1.17)
Allowance for Doubtful Receivables/Advances	0.01	0.30	0.31	2.23
Unused tax credit available for offsetting against future taxable income (MAT credit entitlement)	4.96	1.39	6.35	-
Unabsorbed Depreciation and Business Loss	(0.67)	0.09	(0.58)	3.04
Impact of Ind AS 116	1.70	(0.31)	1.39	(1.39)
Others	(0.02)	0.01	(0.01)	0.01
Net deferred tax assets/(liabilities)	17.96	1.39	19.35	-

Note :

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

(ii) The Company has unused carried forward losses of Rs.19.31 Crores as at March 31, 2024 (March 31, 2023: Rs. Rs. 35.68 Crores). Out of the same, tax credits on losses of Rs. 12.29 Crores (March 31, 2023: Rs. 28.65 Crores) have not been recognized on the basis that recovery is not probable in the foreseeable future. The Company has stopped recognizing additional deferred tax asset on all the components mentioned above, until it becomes probable that sufficient taxable profits will be available.

Reconciliation of Deferred Tax Assets/(Liabilities), Net

Rs. In Crores

Particulars	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Opening balance as at April 1	19.35	19.35
Deferred Tax income/(expense) during the period recognised in profit or loss	(1.48)	(0.24)
Deferred Tax income/(expense) during the period recognised in OCI	0.09	0.24
Closing balance as at March 31	17.96	19.35



Note 25 : Contingent liabilities		Rs. In Crores	
Particulars	As at March 31, 2024	As at March 31, 2023	
Contingent liabilities not provided for			
b, Disputed demands in respect of (Refer Notes below)			
VAT/CST	3.57	4.01	
Income Tax	7.52	7.52	
GST	4.01	-	

Notes :

(a) The Company has determined that it is not feasible to reliably estimate the timing of any cash outflows, if any, related to the aforementioned pending resolutions of legal proceedings.

(b) The Company does not expect any reimbursements in respect of the above Contingent liabilities.

(c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of the operations.

Note 26 : Capital commitment		Rs. In Crores	
Particulars	As at March 31, 2024	As at March 31, 2023	
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	1.18	0.04	

Note 27 : Foreign Exchange Exposures not hedged

Nature of exposure	In FC USD	Rs. in Crores
Receivables		
As at March 31, 2024	0.08	6.33
As at March 31, 2023	0.06	4.94
Payable to creditors		
As at March 31, 2024	0.27	22.43
As at March 31, 2023	0.34	28.12



Arvind Fashions Limited

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Notes to the Standalone Financial Statements for the year ended 31st March 2024**Note 28 : Segment Reporting**

Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company. The company's business activity falls within a single operating business segment of Branded Apparels (Garments and Accessories).

Geographical segment

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

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Segment Revenue*		
a) In India	592.74	727.02
b) Rest of the world	16.35	13.55
Total Sales	609.09	740.57
Carrying Cost of Segment Assets**		
a) In India	2,647.09	2,695.56
b) Rest of the world	6.33	4.94
Total	2,653.42	2,700.50
Carrying Cost of Segment Non Current Assets**@		
a) In India	114.80	55.08
b) Rest of the world	-	-
Total	114.80	55.08

* Based on location of Customers

** Based on location of Assets

@ Excluding Investment and Deferred Tax Assets

Information about major customers (revenues from single external customer more than 10% of total revenue):

The Company has two customer contributing Rs. 264.28 Crores (March 31, 2023, one customer contributing Rs. 344.09 Crores) to the revenue of the Company



Note 29 : Disclosure pursuant to Employee benefits

A Defined Contribution Plans

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023	Rs. In Crores
Contribution to Provident Fund	2.01		1.80
Contribution to Provident Pension Scheme	0.12		0.12
Contribution to ESI	(Rs. 3.426/-)		0.02
Contribution to Labour Welfare Fund	(Rs.17.33/-)		(Rs. 10.938/-)
Total	2.16		1.95

Note

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

A. 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 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 benefit obligations recognized in other comprehensive income,

[illegible]

	2022-23	April 1, 2022	Gratuity cost charged to statement of profit and loss	Benefit paid	Remeasurement gains/(losses) in other comprehensive income				Increase (decrease) due to effect of business combination/transfer	Contributions by employer	March 31, 2023			
					Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 20)	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity														
Defined benefit obligation		(3.21)	(0.39)	(0.16)	(0.55)	0.99	(0.55)	*	(0.09)	(0.22)	(0.40)	(0.71)	(0.01)	(3.49)
Fair value of plan assets		0.24	*	0.01	0.01	(0.99)	0.01	0.03	*	*	*	0.03	*	0.79
Total benefit liability		(2.97)	(0.39)	(0.15)	(0.54)	*	(0.54)	0.03	(0.09)	(0.22)	(0.40)	(0.68)	(0.01)	(2.70)



Note 29 : Disclosure pursuant to Employee benefits (Continued)

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Others (Insurance company Products)	100%	100%
(%) of total plan assets	100%	100%

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Discount rate	7.20%	7.30%
Future salary increase	13.26% for Front End Employees	8.30% for Front End Employees
Expected rate of return on plan assets	12.77% for Others	12.73% for Others
Attrition rate	7.20%	7.30%
Mortality rate during employment	31.1% for Front End Employees	32.80% for Front End Employees
	23.7% for Others	25.5% for Others
	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult

A Quantitative sensitivity analysis for significant assumptions is as shown below:

		Rs. In Crores	
Particulars	Sensitivity level	Increase / (Decrease) in defined benefit	
		Year ended March 31, 2024	Year ended March 31, 2023
Gratuity			
Discount rate	50 basis points increase	(0.07)	(0.06)
	50 basis points decrease	0.08	0.06
Salary increase	50 basis points increase	0.06	0.05
	50 basis points decrease	(0.06)	(0.05)
Attrition rate	50 basis points increase	(0.02)	(0.02)
	50 basis points decrease	0.02	0.02

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

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

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

		Rs. In Crores	
Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Gratuity			
Within the next 12 months (next annual reporting period)		0.75	0.74
Between 2 and 5 years		3.73	3.39
Beyond 5 years		3.38	2.69
Total expected payments		7.86	6.82

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Gratuity	4 years	4 years

C Leave encashment

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

		Rs. In Crores	
Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Leave encashment		0.59	0.74
		0.59	0.74

Liability recognised in Balance Sheet

		Rs. In Crores	
Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Long term provisions		1.43	1.39
Short term provisions		0.41	0.41
		1.84	1.80



Arvind Fashions Limited
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Notes to the Standalone Financial Statements for the year ended 31st March 2024

Note 30 : Related Party Transactions

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

Name of Related Parties	Nature of Relationship
Arvind Limited	Enterprise on which Non-Executive Director exercise significant influence
Arvind Lifestyle Brand Limited	Subsidiary Company
Reliance Luxe Beauty Limited (Previously known as Arvind Beauty Brands Retail Limited)	Subsidiary Company (Ceased to be a subsidiary from November 03, 2023)
PVH Arvind Fashion Private Limited (Previously known as Calvin Klein Arvind Fashion Pvt Ltd)	Subsidiary Company
Value Fashion Retail Limited	Subsidiary Company of Arvind Lifestyle Brands Limited
Arvind Youth Brands Private Limited	Subsidiary Company of Arvind Lifestyle Brands Limited
Arvind Sports Fashion Pvt. Ltd (Previously known as Arvind Ruf & Tuf Private Limited)	Enterprise on which Non-Executive Director exercise significant influence
Arvind Polymer Textiles Ltd (Previously known as Arvind True Blue Limited)	Enterprise on which Non-Executive Director exercise significant influence
Arvind Premium Retail Limited	Enterprise on which Non-Executive Director exercise significant influence
Arvind Suit Manufacturing Pvt. LTD.(Previously known as Arvind Goodhill Suit Manufacturing Private Limited)	Enterprise on which Non-Executive Director exercise significant influence
Arvind Internet Limited	Enterprise on which Non-Executive Director exercise significant influence (up to June 30, 2022)
Arvind Smart Textile Limited	Enterprise on which Non-Executive Director exercise significant influence
Arvind Envisol Limited	Enterprise on which Non-Executive Director exercise significant influence
Aura Securities Private Limited	Enterprise on which Non-Executive Director exercise significant influence
Multiples Private Equity Fund II LLP	Enterprise on which Non-Executive Director exercise significant influence
Suresh Jayaraman	Non-executive director
Shailesh Shyam Chaturvedi	Key Management Personnel, Managing Director & CEO
Piyush Gupta, Chief Financial Officer	Key Management Personnel, (upto January 5, 2023)
Girdhar Kumar Chitlangia, Chief Financial Officer	Key Management Personnel, (w.e.f. January 6, 2023)
Lipi Jha, Company Secretary	Key Management Personnel, (w.e.f. May 27, 2022)
Sanjaybhai S. Lalbhai	Non Executive Director and Chairman
Nithya Easwaran	Non Executive Director
Kulin S. Lalbhai	Non Executive Director and Vice-chairman
Punit S. Lalbhai	Non Executive Director
Nilesh D. Shah	Non Executive Director
Abanti Sankaranarayanan	Non Executive Director (upto March 10, 2023)
Vallabh R. Bhansali	Non Executive Director (upto October 9, 2023)
Nagesh D. Pingre	Non Executive Director
Achal A. Bakeri	Non Executive Director
Vani Kola	Non Executive Director (upto July 1, 2022)
Ananya Tripathi	Non Executive Director (w.e.f March 14, 2023)
Manoj Nakra	Non Executive Director, (w.e.f July 1, 2022)
Govind Shrikhande	Non Executive Director, (w.e.f October 9, 2023)

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



(continued)

a. Transactions with related parties for the year ended March 31, 2024 and year ended March 31, 2023.

				Rs. In Crores
Particulars	Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise on which Non-Executive Director exercise significant influence	
Purchase of Goods and Materials				
March 31, 2024	-	-	-	3.28
March 31, 2023	93.99	-	-	-
Purchase of Property, Plant & Equipment and Intangible Assets				
March 31, 2024	-	-	-	-
March 31, 2023	0.25	-	-	-
Net Sales of Goods and Materials				
March 31, 2024	198.84	-	-	0.14
March 31, 2023	344.09	-	-	-
Receiving of Services-Royalty				
March 31, 2024	-	-	-	-
March 31, 2023	8.31	-	-	-
Receiving of Services-Shared services				
March 31, 2024	2.08	-	-	1.20
March 31, 2023	1.16	-	-	0.77
Guarantee Commission Income				
March 31, 2024	3.85	-	-	-
March 31, 2023	4.43	-	-	-
Rendering of Services-Shared service and Other Income				
March 31, 2024	11.35	-	-	-
March 31, 2023	14.55	-	-	-
Interest Income				
March 31, 2024	7.02	-	-	-
March 31, 2023	6.26	-	-	-
Remuneration				
March 31, 2024	-	14.02	-	-
March 31, 2023	-	11.09	-	-
Directors' Commission and Sitting Fees				
March 31, 2024	-	0.95	-	-
March 31, 2023	-	0.48	-	-
Dividend Paid				
March 31, 2024	-	0.14	-	4.89
March 31, 2023	-	-	-	-
Loan Given				
March 31, 2024	149.17	-	-	-
March 31, 2023	77.50	-	-	-
Repayment of Loan Given				
March 31, 2024	134.60	-	-	-
March 31, 2023	16.00	-	-	-
Investments made				
March 31, 2024	4.84	-	-	-
March 31, 2023	5.88	-	-	-
Investments in NCD				
March 31, 2024	-	-	-	-
March 31, 2023	15.00	-	-	-
Redemption of NCD				
March 31, 2024	15.00	-	-	-
March 31, 2023	-	-	-	-
Interest Income of NCD				
March 31, 2024	0.70	-	-	-
March 31, 2023	-	-	-	-
Dividend Income				
March 31, 2024	49.28	-	-	-
March 31, 2023	-	-	-	-

b. Balances

				Rs. In Crores
Particulars	Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise on which Non-Executive Director exercise significant influence	
Guarantee Given				
March 31, 2024	849.52	-	-	-
March 31, 2023	1,066.64	-	-	-
Trade and Other Receivable				
March 31, 2024	170.90	-	-	0.13
March 31, 2023	238.41	-	-	2.98
Trade and Other Payable				
March 31, 2024	4.34	-	-	0.58
March 31, 2023	0.08	-	-	0.02
Receivable in respect of Loans				
March 31, 2024	127.85	-	-	-
March 31, 2023	110.43	-	-	-
Investment				
March 31, 2024	1,984.79	-	-	-
March 31, 2023	2,129.12	-	-	-



c. Terms and conditions of transactions with related parties

- 1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.
- 2) Loans given to related party carries interest rate of 8.20% to 8.50% (March 31, 2023 : 8.20% to 8.50%).

d. Commitments with related parties

The Company has not provided any commitment to the related party (March 31, 2023: Rs. Nil).

e. Transactions with key management personnel

Compensation of key management personnel of the company

Particulars	Rs. In Crores	
	Year ended	Year ended
	March 31, 2024	March 31, 2023
Short-term employee benefits	13.03	8.57
Share based payments	0.99	2.52
Total compensation paid to key management personnel	14.02	11.09

f. Disclosure pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with section 186 (4) of the Companies Act, 2013

Loans and Advances in the nature of loans

Loans and Advances in the nature of loans					Rs. In Crores
Name of Related Party	Purpose	Balance as at March 31, 2024	Balance as at March 31, 2023	Maximum Outstanding during March 31, 2024	Maximum Outstanding during March 31, 2023
Loans and Advances					
Arvind Lifestyle Brands Limited	General Business	127.85	36.60	127.85	43.29
Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited)	General Business	-	73.83	74.87	77.50
Corporate Guarantee given on behalf of					
Arvind Lifestyle Brands Limited	Facilitate Trade Finance	643.02	845.14	837.82	848.09
Arvind Youth Brands Private Limited	Facilitate Trade Finance	67.50	52.50	67.50	97.50
Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited)	Facilitate Trade Finance	-	30.00	50.00	30.00
PVH Arvind Fashion Private Limited	Facilitate Trade Finance	139.00	139.00	139.00	139.00

g. Disclosures in respect of material transaction of the same type with related parties during the year

Particulars	Rs. In Crores	
	Year ended	Year ended
	March 31, 2024	March 31, 2023
Purchase of Goods		
Arvind Lifestyle Brands Limited	-	93.99
Sale of Goods		
Arvind Lifestyle Brands Limited	198.84	344.09
Loan Given		
Arvind Lifestyle Brands Limited	127.17	-
Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited)	22.00	77.50
Loan Repayment		
Arvind Lifestyle Brands Limited	38.78	10.00
Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited)	95.82	6.00
Dividend Income from Investments		
PVH Arvind Fashion Private Limited (Previously known as Calvin Klein Arvind Fashion Pvt Ltd)	49.28	-

h. Disclosures in respect of material balance of the same type with related parties as at March 31, 2024

Particulars	Rs. In Crores	
	Year ended	Year ended
	March 31, 2024	March 31, 2023
Investments		
Arvind Lifestyle Brands Limited	1,721.59	1,717.99
Arvind Lifestyle Brands Limited -Perpetual Non Convertible Debentures	100.00	100.00
Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited)	-	134.01
PVH Arvind Fashion Private Limited (Previously known as Calvin Klein Arvind Fashion Pvt Ltd)	116.88	116.32
Arvind Youth Brands Private Limited	46.32	45.80
Trade and Other Receivable		
Arvind Lifestyle Brands Limited	170.47	236.14
Loan Given		
Arvind Lifestyle Brands Limited	127.85	36.60
Reliance Luxe Beauty Limited (Earlier known as Arvind Beauty Brands Retail Limited)	-	73.83
Guarantee Given		
Arvind Lifestyle Brands Limited	643.02	845.14
Arvind Youth Brands Private Limited	67.50	52.50
PVH Arvind Fashion Private Limited	139.00	139.00



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Note 31 : Earnings per share - EPS (Basic and Diluted)

		Rs. In Crores	
Particulars		Year ended	Year ended
		March 31, 2024	March 31, 2023
Profit/(Loss) for the year		(11.34)	9.86
Adjusted Profit for the year for EPS Calculation		(11.34)	9.86
Total no. of equity shares at the end of the year		13,29,84,460	13,28,25,660
Weighted average number of equity shares			
For basic EPS	No.	13,28,88,315	13,26,93,378
For diluted EPS	No.	13,28,88,315	13,30,39,031
Nominal value of equity shares	Rs.	4	4
Basic earnings per share	Rs.	(0.85)	0.74
Diluted earnings per share	Rs.	(0.85)	0.74
Weighted average number of equity shares			
Weighted average number of equity shares for basic EPS		13,28,88,315	13,26,93,378
Effect of dilution: Share options		-	3,45,653
Weighted average number of equity shares adjusted for the effect of dilution		13,28,88,315	13,30,39,031

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

Note 32 : Share based payments

The Company has instituted Employee Stock Option Scheme 2016 ("ESOP 2016") and Employee Stock Option Scheme 2018 ("ESOP 2018"), Employee Stock Option Scheme 2022 ("ESOP 2022") pursuant to the approval of the shareholders of the Company at their General Meeting held on October 15, 2016 and on May 12, 2018, September 26, 2022 respectively. Up to March 31, 2024, the Company has granted 42,63,049 options under ESOP 2016, 3,15,200 options under ESOP 2018 in lieu of demerger under the Scheme and 3,14,000 options under Employee Stock Option Scheme 2022 ("ESOP 2022") convertible into equal number of Equity Shares of face value of Rs. 4 each. The following table sets forth the particulars of the options granted during the year ended 31st March 2024 and 31st March 2023 under ESOP 2016 and ESOP 2022.

The following table sets forth the particulars of ESOP 2016 & ESOP 2022:

Scheme	March 31, 2024		March 31, 2023	
	ESOP 2022	ESOP 2016	ESOP 2016	ESOP 2022
Date of grant	30-May-23	10-Aug-23	10-Aug-22	05-Jan-23
Number of options granted	50,000	1,49,000	2,30,000	85,000
Exercise price per option	265.85	335.3	Rs. 293.50	Rs. 349.75
Vesting period	Up to 5 years from the date		Up to 5 years from the date of grant	
Vesting requirements	Time based vesting		Time based vesting	
Exercise period	3 Years from the date of vesting		5 years from the date of vesting	
Method of settlement	Equity		Equity	

The following table sets forth a summary of the activity of options:

Particulars	ESOP 2016			
	March 31, 2024	Weighted average exercise price per option (Rs.) #	March 31, 2023	Weighted average exercise price per option (Rs.)
Options				
Outstanding at the beginning of the year	17,46,727	333.3	18,69,274	302.64
Vested but not exercised at the beginning of the year	-	-	-	0
Granted during the year	-	-	3,15,000	308.68
Forfeited during the year	(1,05,523)	256.34	(73,700)	284.35
Exercised during the year	(1,58,800)	146.74	(3,63,847)	143.93
Reduction in options due to consolidation of shares	-	-	-	0
Outstanding at the end of the year	14,82,404	358.76	17,46,727	333.3
Exercisable at the end of the year	13,62,377	443.28	9,15,377	468.43

Price adjusted due to Right Issue bonus factor of Rs. 56.73 per option outstanding



Share Options Exercised Year ending March 31, 2023

Option Series	No. of Options	Exercise Date	Exercise Price
ESOS 2016	1,00,000	21-Apr-22	153.17
ESOS 2016	15,000	14-Jun-22	153.17
ESOS 2016	21,000	14-Jun-22	137.32
ESOS 2016	52,500	04-Aug-22	136.02
ESOS 2016	52,500	04-Aug-22	137.32
ESOS 2016	7,500	04-Aug-22	148.20
ESOS 2016	7,500	17-Aug-22	46.02
ESOS 2016	21,700	17-Aug-22	148.20
ESOS 2016	35,000	20-Sep-22	148.20
ESOS 2016	15,000	07-Oct-22	39.29
ESOS 2016	8,500	28-Nov-22	286.70
ESOS 2016	9,000	28-Nov-22	148.20
ESOS 2016	1,075	28-Nov-22	44.87
ESOS 2016	2,558	28-Nov-22	117.19
ESOS 2016	520	28-Nov-22	128.93
ESOS 2016	6,000	10-Feb-23	286.70
ESOS 2016	3,600	10-Feb-23	148.20
ESOS 2016	4,894	10-Feb-23	128.93

The share options outstanding at the end of the year under ESOP 2016 have a weighted average remaining contractual life of 4.99 years (March 31, 2023: 5.59 years). The range of exercise price is from Rs. 39.29 to Rs. 1320.37

The share options outstanding at the end of the year under ESOP 2022 have a weighted average remaining contractual life of 5.15 years (March 31, 2023: 5.88 years). The exercise price is from Rs. 265.85 to Rs. 335.30

Particulars	ESOP 2016	ESOP 2018	ESOP 2022	
Share price as at measurement date			265.85	335.30
Expected volatility			47.23%	42.61%
Expected life (years)	No grants made during the period	No grants made during the period	1.98 years	1.88 years
Dividend yield			0.00%	0.00%
Risk-free interest rate (%)			6.87%	7.07%

Expense arising from share- based payment transactions

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

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Employee option plan	3.10	3.34
Total employee share based payment expense	3.10	3.34



Note 33 : 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, office building and warehouse on lease period of 1 to 11 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

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	18.54	-
Additions	8.47	22.31
Depreciation (charged to statement of profit and loss)	(4.65)	(3.77)
Balance at the end of the year	22.36	18.54

D. Movement in lease liabilities

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning of the year	19.59	-
Additions	8.48	22.31
Finance cost accrued during the year (charged to statement of profit and loss)	1.87	1.71
Payment of lease liabilities	(5.65)	(4.43)
Balance at the end of the year	24.29	19.59

E. Contractual maturities of lease liabilities

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Less than one year	5.40	3.74
One to five years	16.70	14.30
More than five years	2.19	1.55
Total	24.29	19.59

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 Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Other Expense		
Rent expense - short-term lease and leases of low value assets	0.02	2.03
Total	0.02	2.03

Note 34 : Corporate Social Responsibility (CSR) Activities

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
a) Gross amount required to be spent by the Company during the year	-	-
b) Amount spent during the year on,		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	0.16
c) Amount unspent during the year	-	-
d) Total of previous years shortfall	-	-
e) Reasons for shortfall	-	-
f) Details of related party transactions		
Name	-	-
Relationship	-	-
Amount	-	-
g) Movement of CSR Provision		
Balance as per last financial statements	-	-
Add: Provision made during the year	-	-
(Less): Utilised during the year	-	-
Balance at the end of the year	-	-



Note 35 : 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 Crores	
	As at March 31, 2024	As at March 31, 2023
Financial assets		
Investment in Perpetual Non Convertible Debentures measured at Cost		
Carrying Amount	100.00	115.00
Fair Value	100.00	115.00
Financial liabilities		
Borrowings		
Carrying Amount	103.09	132.06
Fair Value	103.09	132.06

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

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

The following methods and assumptions were used to estimate the fair values:

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

Note 36 : Fair value hierarchy

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

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Liabilities measured at Fair Value					
Financial Guarantee Contract	March 31, 2024	0.02	-	-	0.02
	March 31, 2023	0.13	-	-	0.13

Fair value hierarchy

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

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

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

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

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



Note 37 : Financial instruments risk management objectives and policies

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

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

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

(a) Market risk

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

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

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

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

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

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

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



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Notes to the Standalone Financial Statements for the year ended 31st March 2024

Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2024, approximately 0.3% of the Company's Borrowings are at fixed rate of interest (March 31, 2023: 0.5%)

Interest rate sensitivity

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

Particulars	Rs. In Crores	
	Change in USD rate	Effect on profit before tax
March 31, 2024		
Increase in 50 basis points		(0.51)
Decrease in 50 basis points		0.51
March 31, 2023		
Increase in 50 basis points		(0.66)
Decrease in 50 basis points		0.66

Exclusion from this analysis are as follows:

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

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

Foreign currency risk

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

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Company given in Note 27.

Foreign currency sensitivity

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

Particulars	Rs. In Crores	
	Change in USD rate	Effect on profit before tax
March 31, 2024		
	+2%	(0.29)
	-2%	0.29
March 31, 2023		
	+2%	(0.47)
	-2%	0.47

Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.



(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Group periodically assesses financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 30 days to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

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

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as is the carrying amount as disclosed in Note 37.

(c) Liquidity risk

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

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

Particulars	Rs. In Crores			Total
	Less than 1 year	1 to 5 years	More than 5 years	
March 31, 2024				
Interest bearing borrowings	94.34	11.08	-	105.42
Trade payables	169.49	-	-	169.49
Other financial liabilities#	29.89	3.56	-	33.45
Lease liability	7.82	20.74	3.71	32.27
	301.54	35.38	3.71	340.63
March 31, 2023				
Interest bearing borrowings	110.90	26.39	-	137.29
Trade payables	194.77	-	-	194.77
Other financial liabilities#	12.55	2.31	-	14.86
Lease liability	5.60	19.02	-	24.62
	323.82	47.72	-	371.54

Other financial liabilities includes interest accrued but not due of Rs. 1.07 Crores (March 31, 2023 ; Rs. 0.56 Crores)

Excessive risk concentration

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



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Note 38 : Capital management

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements to optimise return to our shareholders through continuing growth. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Company is not subject to any externally imposed capital requirements.

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Interest-bearing loans and borrowings (Note 13)	103.09	132.06
Less: Cash and Bank Balances (including other bank balance) (Note 14)	(4.44)	(1.21)
Net debt	98.65	130.85
Equity share capital (Note 11)	53.19	53.13
Other equity (Note 12)	2,250.65	2,268.96
Total capital	2,303.84	2,322.09
Capital and net debt	2,402.49	2,452.94
Gearing ratio	4.11%	5.33%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements and other ratios. Breaches in meeting the financial covenants would permit the bank to charge penal interest. There have been no breaches in the financial covenants of any long-term borrowing in the current period except for one loan as of March 31, 2024. The Company has obtained letter from the lender before the date of adoption of financial statements for not charging penal interest from the balance sheet date subject to regularisation of the breach by end of March 31, 2025. Accordingly, the management has not created provision for penal interest.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2024 and March 31, 2023.

Note 39(a) : Additional Regulatory Disclosures as per Schedule III of the Companies Act, 2013

- The Company does not have any benami property held in their name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- Utilisation of borrowed funds and share premium
 - The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
 - The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries except as mentioned below.
- The Company has not invested or traded in Crypto Currency or Virtual Currency during the year.
- The Company has no income surrendered or disclosed as income during the year in tax assessments under the Income tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

Note 39(b) : Audit Trail

The Ministry of Corporate Affairs(MCA) has issued a notification(Companies(Accounts) Amendments Rules,2021) which is effective from April 01,2023, State that every Company which uses accounting software for maintaining its books of account shall use only such accounting software which has a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

Further no instance of audit trail feature being tampered with was noted for accounting software used by Company during the year.



Note 40 : Ratio Analysis

Sl No	Particulars	Numerator	Denominator	For the year ended 31st March, 2024	For the year ended 31st March, 2023	% Variance	Reason for Variance
1	Current Ratio (In times)	Current Assets	Current Liabilities	1.72	1.50	15%	Not Applicable
2	Debt-Equity Ratio (In times)	Total Debt	Total Equity	0.04	0.06	-21%	Not Applicable
3	Debt Service Coverage Ratio (In times)	Earnings before Interest, Tax, Depreciation and amortisation	Debt Service	0.44	1.10	-60%	Note (a) below
4	Return on Equity Ratio (%)	Net Profit after Tax	Total Equity	-0.49%	0.43%	-216%	Note (b) below
5	Inventory turnover Ratio (In times)	Sale of product	Average Inventories	13.97	21.63	-35%	Note (c) below
6	Trade Receivables turnover Ratio (In times)	Revenue from Operations	Average Trade Receivables	2.59	2.88	-10%	Not Applicable
7	Trade Payables turnover Ratio (In times)	Purchase of Goods	Average Trade Payables	2.23	2.85	-22%	Not Applicable
8	Net capital turnover Ratio (In times)	Revenue from Operations	Working Capital	2.71	4.49	-40%	Note (d) below
9	Net profit Ratio (%)	Net Profit after Tax	Revenue from Operations	-1.87%	1.33%	-240%	Note (e) below
10	Return on Capital employed (%)	Profit before Interest, Exceptional Items and Tax	Total Capital Employed	0.45%	1.05%	-58%	Note (f) below
11	Return on investment (%)	Refer (g) below		62.11%	-1.33%	-4757%	Note (h) below

Notes :

- (a) Reduction in Profit available for debt service compared to previous year.
(b) Reduction in Net profit after tax for the year compared to previous year.
(c) Decrease in sales of product and increase in average inventory compared to previous year.
(d) Decrease in revenue from operation and increase in working capital compared to previous year.
(e) Decrease in revenue from operation and reduction in Net profit after tax for the year compared to previous year.
(f) Decrease in Profit before Interest, Exceptional Items and Tax and decrease in Capital employed for the year compared to previous year.
(g) Return on Investment compared to previous year.

$$\frac{(MV(T1)-MV(T0)-\text{Sum}[C(t)])}{(MV(T0)+\text{Sum}[W(t)*C(t)])}$$

Where,

T1 = End of time period

T0 = Begging of time period

t = Specific date falling between T1 and T0

MV(T1) = Market Value at T1

MV(T0) = Market Value at T0

C(t) = Cash inflow, cash outflow on specific date

W(t) = Weight of the net cash flow (i.e. either net inflow or net outflow) on day 't', calculated as (T1-t)/T1

- (h) The impact is due to market dynamics and price movements.



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Notes to the Standalone Financial Statements for the year ended 31st March 2024

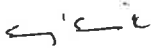
Note 41 : Code of Social Security, 2020

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 42 : 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. The Board of Directors recommended a final dividend of ₹ 1.25 per equity share of face value of ₹ 4 each, for the financial year ended March 31, 2024, subject to the approval of shareholders in the ensuing Annual General Meeting.

For and on behalf of the board of directors of
Arvind Fashions Limited



Sanjay S. Lalbhai
Chairman & Director
DIN - 00008329

Place : Ahmedabad
Date : May 21, 2024



Shailesh Chaturvedi
Managing Director & CEO
DIN - 03023079

Place : Bengaluru
Date : May 21, 2024



Girdhar Chitlangia
Chief Financial Officer

Place : Bengaluru
Date : May 21, 2024



Lipi Jha
Company Secretary

Place : Bengaluru
Date : May 21, 2024

