

INDEPENDENT AUDITOR'S REPORT

To The Members of Arvind Lifestyle Brands Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Arvind Lifestyle Brands Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and 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 profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("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.

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 annexure thereof, but does not include the 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.

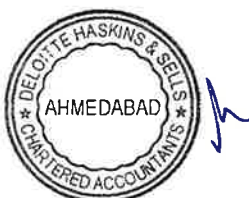
Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and 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.

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 40(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 40(b)(iv)(II) to the financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures 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 company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- 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: 24106189BKFGVJ6139)

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 Lifestyle Brands 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: 24106189BKFGVJ6139

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) The company does not have any immovable properties of freehold land and building. In respect of immovable properties of building that have been taken on lease and disclosed as right-of-use assets in the standalone financial statements, the lease agreements are in the name of the company, where the company is the lessee in the agreement.
- (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 stock held with third party, 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 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, 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 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 during the year and details of which are given below:

(Rs. In crores)

Particulars	Loans
A. Aggregate amount granted / provided during the year:	
- Subsidiaries	40.00
- Others	1.06
B. Balance outstanding as at balance sheet date in respect of above cases:*	
- Subsidiaries	-
- Others	0.84

*Includes opening balances.

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

- (b) The terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted provided 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) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.



- (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, Income-tax, 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	1.43	1.43	2016-17	Income Tax Appellate Tribunal
		24.64	24.64	2011-12 2017-18	Commissioner of Income Tax Appeal
The Punjab Value Added Tax Act, 2005	Value Added Tax	1.81	1.31	2013-14	Excise and Taxation Officer
The Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	0.12	0.11	2013-14	Assistant Commissioner, Commercial Taxes



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Name of Statute	Nature of Dues	Amount	Amount unpaid	Period to which the Amount Relates	Forum where Dispute is pending
The Central Sales Tax Act, 1956	Central Sales Tax	0.82	0.82	2016-17	VAT Officer, Department of Trade and Taxes (Delhi)
		1.15	1.15	2015-16	Assistant VAT Officer, Department of Trade and Taxes (Delhi)
		2.06	1.55	2013-14	Excise and Taxation Commissioner (Punjab)
Goods & Services Tax Act, 2017	Goods & Service Tax	0.95	0.86	2017-18	Joint Commissioner of Delhi State Tax (Appeals)
		2.38	2.38	2018-19	Commissioner of Delhi State Tax (Appeals)
		6.94	6.94	2017-18	Joint Commissioner of Haryana State Tax (Appeals)
		1.05	1.04	2017-18	Joint Commissioner of Uttar Pradesh State Tax (Appeals)
		0.19	0.19	2018-19	Assistant Commissioner of Bihar 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.



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

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



Kartikeya Raval

Kartikeya Raval
(Partner)
(Membership No. 106189)
(UDIN: 24106189BKFGVJ6139)

Place:
Date: May 21, 2024

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
I. Non-current assets			
(a) Property, Plant and Equipment	5	57.75	43.73
(b) Right-of-Use Asset	32	418.81	344.11
(c) Intangible assets	6	21.03	19.95
(d) Financial assets			
(i) Investments	7 (a)	68.17	68.17
(ii) Loans	7 (c)	0.02	0.14
(iii) Other Financial assets	7 (f)	28.47	23.91
(e) Deferred tax assets (net)	24	322.01	322.01
(f) Non-Current tax assets (net)	10	33.94	13.44
(g) Other non-current assets	8	7.58	12.67
Total non-current assets		957.78	848.13
II. Current assets			
(a) Inventories	9	526.49	527.36
(b) Financial assets			
(i) Trade receivables	7 (b)	451.42	437.50
(ii) Cash and cash equivalents	7 (d)	9.30	8.46
(iii) Bank balances other than (ii) above	7 (e)	13.75	20.20
(iv) Loans	7 (c)	0.82	0.68
(v) Others Financial assets	7 (f)	38.74	27.27
(c) Other current assets	8	214.20	239.39
(d) Assets held for sale	38	1.63	-
Total current assets		1,256.35	1,260.86
Total Assets		2,214.13	2,108.99
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	157.50	157.50
(b) Perpetual debt	12.1	100.00	100.00
(c) Reserves and surplus	12.2	255.04	234.65
Total equity		512.54	492.15
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(a)	0.01	6.42
(ii) Lease Liabilities	32	358.40	285.79
(iii) Other financial liabilities	13 (c)	90.95	87.41
(b) Provisions	14	9.84	7.39
Total Non-current Liabilities		459.20	387.01
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13(a)	414.10	407.43
(ii) Lease Liabilities	32	94.84	88.39
(iii) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	13 (b)	36.28	38.75
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	13 (b)	621.00	642.53
(iv) Other financial liabilities	13 (c)	28.68	16.23
(b) Other current liabilities	15	24.55	33.32
(c) Provisions	14	1.78	3.18
(d) Liabilities directly associated with assets held for sale	38	21.16	-
Total Current Liabilities		1,242.39	1,229.83
Total Equity and Liabilities		2,214.13	2,108.99
Material Accounting Policies	3		

The accompanying notes are an integral part of these 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 Lifestyle Brands Limited


Shailesh Chaturvedi
Director
(DIN: 03023079)


Girdhar Chitlangia
Director
(DIN: 00589412)

Place : Bengaluru
Date : May 21, 2024

Place : Bengaluru
Date : May 21, 2024


S. Raghupathi
Chief Financial Officer


Lipi Jha
Company Secretary

Place : Bengaluru
Date : May 21, 2024

Place : Bengaluru
Date : May 21, 2024

Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Statement of Profit and Loss for the year ended March 31, 2024

Rs. In Crores except for per share data

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
I. Income			
Revenue from operations			
Sale of Products	16	2,146.73	2,180.75
Sale of Services	16	14.90	14.89
Operating Income	16	2.84	1.54
Revenue from operations		2,164.47	2,197.18
Other income	17	14.75	28.00
Total Income (I)		2,179.22	2,225.18
II. Expenses			
Purchases of stock-in-trade	18	1,119.76	1,295.90
Changes in inventories of stock-in-trade	19	0.87	(57.27)
Employee benefits expense	20	106.01	102.81
Finance costs	21	98.00	89.63
Depreciation and amortisation expense	22	141.02	124.17
Other expenses	23	687.77	648.18
Total Expenses (II)		2,153.43	2,203.42
III. Profit / (loss) before exceptional items and tax from Continuing Operations (I-II)		25.79	21.76
IV. Exceptional items	23(b)	(6.17)	-
V. Profit/(Loss) for the period before tax from Continuing Operations (III+IV)		19.62	21.76
VI. Tax Expense	24		
(Excess)/Short Provision related to earlier years		-	0.35
Deferred Tax Charge / (Credit)		0.44	3.43
Total tax expense (VI)		0.44	3.78
VII. Profit/(Loss) for the year from continuing operations (V-VI)		19.18	17.98
VIII. Profit/(Loss) for the period after tax from Discontinued Operations	38	1.27	(14.38)
IX. Profit/(Loss) for the period after tax from Continuing and Discontinued Operations (VII+VIII)		20.45	3.60
X. Other Comprehensive Income			
Items that will not to be reclassified to profit or loss:			
Re-measurement gains / (losses) on defined benefit plans	29	(1.26)	(0.91)
Income tax effect on above		0.44	0.32
Total Other Comprehensive Income/(Loss) not to be reclassified to profit or loss		(0.82)	(0.59)
Total Other Comprehensive Income/(Loss) for the year		(0.82)	(0.59)
XI. Total Comprehensive Income for the year, Net of Tax (IX+X)		19.63	3.01
XII. Earnings Per Share	31		
Nominal Value per share - Rs. 10/-			
For Continuing Operations			
Basic - Rs.		1.22	0.29
Diluted - Rs.		1.22	0.29
For Discontinued Operations			
Basic - Rs.		0.08	(0.06)
Diluted - Rs.		0.08	(0.06)
For Continuing and Discontinued Operations			
Basic - Rs.		1.30	0.23
Diluted - Rs.		1.30	0.23
Material Accounting Policies	3		

The accompanying notes are an integral part of these 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 Lifestyle Brands Limited


Shailesh Chaturvedi
Director
(DIN: 03023079)

Place : Bengaluru
Date : May 21, 2024


S. Raghupathy
Chief Financial Officer

Place : Bengaluru
Date : May 21, 2024


Girdhar Chitlangia
Director
(DIN: 00589412)

Place : Bengaluru
Date : May 21, 2024


Lipi Jha
Company Secretary

Place : Bengaluru
Date : May 21, 2024

Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Statement of Changes in Equity for the year ended March 31, 2024

A. Equity share capital	Rs. In Crores
Balance	Amount (Refer Note - 11)
As at March 31, 2022	157.50
Add : Issue of Equity Share capital	-
As at March 31, 2023	157.50
Add : Issue of Equity Share capital	-
As at March 31, 2024	157.50

B. Perpetual Debt	Rs. In Crores
Perpetual Non-Convertible Debentures	Amount (Refer Note - 12.1)
Balance	100.00
As at March 31, 2022	-
Add : Issue during the year	100.00
As at March 31, 2023	-
Add : Issue during the year	100.00
As at March 31, 2024	100.00

C. Other equity	Rs. In Crores
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Particulars	Reserves and Surplus				Total Other Equity
	Contribution from Parent for ESOP	Securities premium	Retained Earnings	Capital Reserve	
	Note 12.2	Note 12.2	Note 12.2	Note 12.2	
Balance as at March 31, 2022	3.82	1,650.91	(1,483.02)	59.05	230.76
Profit/(Loss) for the year	-	-	3.60	-	3.60
Other comprehensive income / (loss) for the year	-	-	(0.59)	-	(0.59)
Total Comprehensive income / (loss) for the year	-	-	3.01	-	3.01
Addition during the year	-	-	-	-	-
Contribution received during the year	0.88	-	-	-	0.88
Balance as at March 31, 2023	4.70	1,650.91	(1,480.01)	59.05	234.65
Profit/(Loss) for the year	-	-	20.45	-	20.45
Other comprehensive income / (loss) for the year	-	-	(0.82)	-	(0.82)
Total Comprehensive income / (loss) for the year	-	-	19.63	-	19.63
Addition during the year	-	-	-	-	-
Contribution received during the year	0.76	-	-	-	0.76
Balance as at March 31, 2024	5.46	1,650.91	(1,460.38)	59.05	255.04

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

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

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



Kartikeya Raval
Partner

Place : Ahmedabad
Date : May 21, 2024



Shailesh Chaturvedi
Director
(DIN: 03023079)

Place : Bengaluru
Date : May 21, 2024



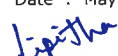
Girdhar Chitlangia
Director
(DIN: 00589412)

Place : Bengaluru
Date : May 21, 2024



S. Raghupathi
Chief Financial Officer

Place : Bengaluru
Date : May 21, 2024



Lipi Jha
Company Secretary

Place : Bengaluru
Date : May 21, 2024

Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Statement of Cash Flows for the year ended March 31, 2024

		Rs. In Crores	
Particulars	Year ended March 31, 2024	Year ended March 31, 2023	
A Operating activities			
Profit/(Loss) before taxation from			
Continuing Operations	19.62	21.76	
Discontinued Operations	1.27	(14.38)	
Profit/(Loss) for the year from Continuing and Discontinued Operations	20.89	7.38	
Adjustments to reconcile profit/(loss) before tax to net cash flows:			
Depreciation/Amortization	141.79	125.55	
Interest Income	(6.72)	(6.97)	
Finance cost	98.00	89.63	
Allowance for doubtful debts	7.00	14.53	
Unrealised Foreign Exchange Difference	(0.15)	2.04	
(Profit)/Loss on Sale of Property, Plant & Equipment and Intangible assets	(44.46)	1.63	
Share based payment expense	0.76	0.88	
Gain on Reassessment of Lease	(5.61)	(12.83)	
Provision for Non-moving Inventory and Returnable assets	(17.23)	(52.59)	
Unclaimed liability written off	(2.20)	(7.81)	
Operating Profit before Working Capital Changes	192.07	161.44	
Working Capital Changes:			
(Increase) / Decrease in Inventories	18.10	0.32	
(Increase) / Decrease in Trade receivables	(20.83)	(36.73)	
(Increase) / Decrease in Other assets	28.08	4.29	
(Increase) / Decrease in Other financial assets	(20.93)	30.99	
(Increase) / Decrease in Other Bank Balances	6.45	(4.23)	
Increase / (Decrease) in Trade payables	(0.57)	(11.11)	
Increase / (Decrease) in Other liabilities	(8.78)	9.30	
Increase / (Decrease) in Other financial liabilities	12.61	(3.68)	
Increase / (Decrease) in Provisions	(0.21)	(2.89)	
Net Changes in Working Capital	13.92	(13.72)	
Cash Generated from Operations	205.99	147.72	
Direct Taxes paid (Net of Income Tax refund)	(20.50)	2.45	
Net Cash flow from Operating Activities	185.49	150.17	
B Cash Flow from Investing Activities			
Purchase of Property, Plant & Equipment and Intangible assets	(43.80)	(27.99)	
Proceeds from disposal of Property, Plant & Equipment and Intangible assets	48.09	1.35	
Loans (given)/received back (net)	(0.02)	51.30	
Changes in Capital Advances	-	8.61	
Interest received	2.53	3.82	
Net Cash flow from Investing Activities	6.80	37.09	
C Cash Flow from Financing Activities			
(Repayment) from long term borrowings	(27.78)	(28.06)	
Proceeds from short term borrowings (net)	28.04	23.64	
Repayment of Lease Liabilities	(139.50)	(120.69)	
Finance Cost Paid	(52.22)	(59.47)	
Net Cash flow from Financing Activities	(191.46)	(184.58)	
Net Increase/(Decrease) in cash & cash equivalents	0.84	2.68	
Cash & Cash equivalent at the beginning of the year	8.46	5.78	
Cash & Cash equivalent at the end of the year	9.30	8.46	
Figures in brackets indicate outflows.			
Reconciliation of Cash & Cash equivalents			
Particulars	Year ended March 31, 2024	Year ended March 31, 2023	
Cash and cash equivalents comprise of:			
Cash on Hand	-	-	
Balances with Banks	9.30	8.46	
Cash and cash equivalents as per Balance Sheet (Note 7d)	9.30	8.46	
Cash and cash equivalents	9.30	8.46	

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



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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)	34.05	(27.78)	-	-	6.27
Short term borrowings	13(a)	379.80	28.04	-	-	407.84
Lease Liabilities	32	374.18	(139.50)	218.56	-	453.24
Interest accrued on borrowings	13(c)	6.57	(6.57)	-	9.51	9.51
Total		794.60	(145.81)	218.56	9.51	876.86

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)	62.11	(28.06)	-	-	34.05
Short term borrowings	13(a)	356.16	23.64	-	-	379.80
Lease Liabilities	32	289.04	(120.69)	205.83	-	374.18
Interest accrued on borrowings	13(c)	7.88	(7.88)	-	6.57	6.57
Total		715.19	(132.99)	205.83	6.57	794.60

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

Notes:

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

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 Lifestyle Brands Limited



Shailesh Chaturvedi
Director
(DIN: 03023079)

Place : Bengaluru
Date : May 21, 2024



S Raghupathi
Chief Financial Officer

Place : Bengaluru
Date : May 21, 2024



Girdhar Chittlangia
Director
(DIN: 00589412)

Place : Bengaluru
Date : May 21, 2024



Lipi Jha
Company Secretary

Place : Bengaluru
Date : May 21, 2024

NOTES TO THE FINANCIAL STATEMENTS

1 Corporate Information

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

The Company is a Subsidiary of Arvind Fashions Limited and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at Naroda Road, Ahmedabad - 380025 having CIN U64201GJ1995PLC024598.

The financial statements have been authorised for issue in accordance with a resolution of the directors on May 21, 2024.

2 Statement of Compliance and Basis of Preparation

2.1 Basis of Preparation and Presentation and Statement of Compliance

The 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 Financial Statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 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 Financial Statement.

2.2 Historical Cost Convention

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

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



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2.3 Rounding off

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

3 Summary of Material Accounting Policies

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

3.1 Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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 Non-Current Assets classified as held for sale

The Company classifies non-current assets as held for sale if their carrying amounts are recoverable principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

Discontinued operation

A discontinued operation is a business of the entity that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

3.3 Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the 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.

3.4 Foreign currencies

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

Transactions and balances

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

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



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

3.5 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
Plant & Machinery	6 to 15 Years
Office Equipment	6 to 8 Years
Furniture & Fixture	6 to 9 Years
Vehicles	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.

3.6 Leases

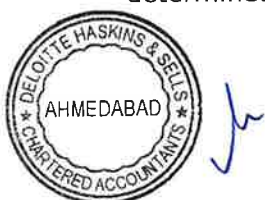
The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange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

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

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

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

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



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

3.7 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.

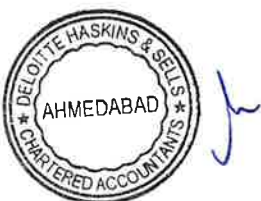
Amortisation

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

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

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

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



3.8 Inventories

Inventories of, Stock-in-trade 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.

3.9 Impairment

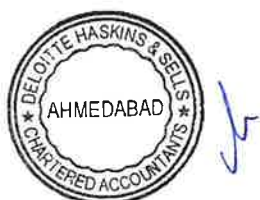
Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Assets that are subject to depreciation and amortisation and assets representing investments in subsidiary are reviewed for impairment, whenever events or changes 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.

3.10 Revenue Recognition

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



a) Sale of goods

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

Variable consideration

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

i. Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a 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.

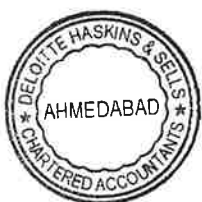
b) Assets and liabilities arising from returns

i. Returnable Asset

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential 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) Rendering of services

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

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

e) Gift Vouchers

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

f) Interest income

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

g) Profit or loss on sale of Investments

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

3.11 Financial instruments – initial recognition and subsequent measurement

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



a) Financial assets

(i) Initial recognition and measurement of financial assets

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

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

(ii) Subsequent measurement of financial assets

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

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

- **Financial assets at amortised cost:**

A financial asset is measured at amortised cost if:

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

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

(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:

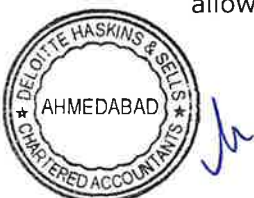
- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of 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
- All lease receivables 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 lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

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

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

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

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

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



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

(ii) Subsequent measurement of financial liabilities

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

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

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

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

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

- **Loans and Borrowings**

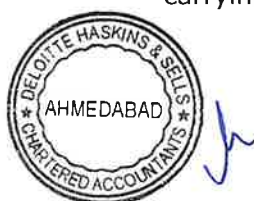
This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

(iii) Derecognition of financial liabilities

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

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



c) 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.

3.12 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 3.9 above.

3.13 Cash and cash equivalents

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

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

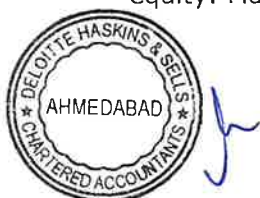
3.14 Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to



situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, 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.

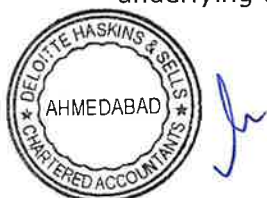
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences,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



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

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

3.15 Employee Benefits

a) Short Term Employee Benefits

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

b) Post-Employment Benefits

(i) Defined contribution plan

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

(ii) Defined benefit plan

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

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

c) Other long-term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded



plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

d) Termination Benefits:

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

3.16 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 Provisions and Contingencies

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

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

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



recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements.

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

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

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

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

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

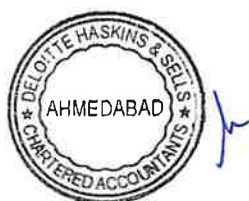
Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

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

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

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

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



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

3.19 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 and the same is disclosed in the notes to accounts

4 Significant accounting Judgements, estimate and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions about the reported amounts of assets and liabilities, and income and expenses that are not readily apparent from other sources. Such judgements, estimates and associated assumptions are evaluated based on historical experience and various other factors, including estimation of the effects of uncertain future events, which are believed to be reasonable under the circumstances.. 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. Where the company is the principal in the transaction, the sales are recorded at the gross value. Where the company is effectively the agent in the transactions, the difference between the revenue and the cost of the merchandise is disclosed as the other operating income. (Refer Note 16)

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 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 34 for further disclosures.

4.6 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.

4.7 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 42.

4.8 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.



4.9 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.

4.10 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 the financial year ended March 31, 2023, 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.

4.11 Provisions and contingencies

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

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

. 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).

4.12 Lease Term

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



Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Notes to the Financial Statements for the year ended March 31, 2024

Note 5 : Property, plant and equipment

Particulars	Plant & machinery	Furniture & fixture	Vehicles	Leasehold improvements	Office equipment	Computers, Servers and Network	Total
Rs. In Crores							
Gross Carrying Amount							
As at March 31, 2022	17.90	91.05	2.33	75.88	6.23	13.63	207.02
Additions	0.80	10.09	0.26	2.94	0.54	5.52	20.15
Deductions	1.70	4.75	0.87	7.75	0.65	0.50	16.22
As at March 31, 2023	17.00	96.39	1.73	71.06	6.12	18.65	210.95
Additions	3.09	19.14	0.08	7.57	1.05	3.96	34.89
Deductions due to Discontinued Operation (Refer Note-38)	0.04	7.29	-	3.22	0.19	0.00	10.74
Deductions	2.03	3.24	0.94	6.84	0.41	0.26	13.72
As at March 31, 2024	18.02	105.00	0.87	68.57	6.57	22.35	221.38
Accumulated Depreciation							
As at March 31, 2022	14.61	71.67	1.44	59.84	4.75	7.06	159.37
Depreciation for the year	1.33	8.64	0.43	4.93	0.70	3.68	19.71
Depreciation for Discontinued Operation (Refer Note-38)	0.01	1.03	-	0.32	0.02	-	1.38
Deductions	1.44	3.39	0.81	6.65	0.48	0.47	13.24
As at March 31, 2023	14.51	77.95	1.06	58.44	4.99	10.27	167.22
Depreciation for the year	1.40	6.55	0.17	3.93	0.40	4.10	16.55
Depreciation for Discontinued Operation (Refer Note-38)	0.00	0.61	-	0.15	0.01	-	0.77
Deductions	1.71	2.71	0.62	5.78	0.36	0.25	11.43
Deductions due to Discontinued Operation (Refer Note-38)	0.04	6.42	-	2.84	0.18	0.00	9.48
As at March 31, 2024	14.16	75.98	0.61	53.90	4.86	14.12	163.63
Net Carrying Value							
As at March 31, 2024	3.86	29.02	0.26	14.67	1.71	8.23	57.75
As at March 31, 2023	2.49	18.44	0.67	12.62	1.13	8.38	43.73

Notes:

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



Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Notes to the Financial Statements for the year ended March 31, 2024

Note 6 : Intangible assets

Particulars	Computer Software	Technical Process development	Product Development	Total Intangible Assets
Gross Carrying Amount				
As at March 31, 2022	29.91	32.21	1.49	63.61
Additions	5.53	2.32		7.85
Deductions	-	-	-	-
As at March 31, 2023	35.44	34.53	1.49	71.46
Additions	6.42	3.48	-	9.90
Deduction	0.05	0.04	-	0.09
As at March 31, 2024	41.81	37.97	1.49	81.27
Amortisation				
As at March 31, 2022	12.85	28.50	1.16	42.51
Amortisation for the Year	7.40	1.36	0.24	9.00
Deductions	-	-	-	-
As at March 31, 2023	20.25	29.86	1.40	51.51
Amortisation for the Year	6.89	1.76	0.09	8.74
Deduction	0.01	-	-	0.01
As at March 31, 2024	27.13	31.62	1.49	60.24
Net Carrying Value				
As at March 31, 2024	14.68	6.35	-	21.03
As at March 31, 2023	15.19	4.67	0.09	19.95

Notes:

1. Product Development and Computer Software include development cost capitalized being an internally generated intangible asset.



Note 7 : Financial assets

7 (a) Investments

(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 Youth Brands Private Limited (March 31, 2024: 6,80,68,879 ; March 31, 2023: 6,80,68,879)	10	68.16	68.16
Value Fashion Retail Limited (March 31, 2024: 10,000 ; March 31, 2023: 10,000)	10	0.01	0.01
Total Investments		68.17	68.17
Aggregate amount of quoted investments		-	-
Aggregate amount of unquoted investments		68.17	68.17
Aggregate impairment in value of investment		-	-
*Includes 6,50,00,027 shares (March 31, 2023: 5,40,39,844) which are pledged against borrowings of the Company (Refer Note 13(a)).			

- The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- The Company is wholly owned subsidiary of Arvind Fashions Limited, Parent Company which has prepared consolidated financial statement for the year ended March 31, 2024. Accordingly, the Company has availed an exemption as per Ind AS 110 paragraph 4(a) for not preparing the consolidated financial statements.

7 (b) Trade receivables - Current

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good	656.14	600.08
Credit Impaired	38.52	36.89
Less : Allowance for doubtful debts	(38.52)	(36.89)
Less : Provision for Refundable liability (Refer Note No. 3 below)	(204.72)	(162.58)
Total Trade and other receivables	451.42	437.50

Notes:

- 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.
- Trade receivables are given as security for borrowings as disclosed under Note 13(a).
- Refundable Liability recognized pursuant to Ind AS 115 - revenue from contracts with customer.
- Trade receivable includes amount receivable from subsidiary company towards commission margin, business support service and payment made to vendors / discharge of obligations on behalf of subsidiary company (refer note 30).

Allowance for doubtful debts

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

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	36.89	22.36
Add : Allowance for the year (Refer Note 23)	1.63	14.53
Less : Provision reversed during the year	-	-
Balance at the end of the year	38.52	36.89

Trade receivables ageing Schedule:

As at March 31, 2024		Rs. In Crores					
Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	434.90	219.92	1.32	-	-	-	656.14
Undisputed Trade receivables - credit impaired	-	-	1.29	22.05	1.52	8.57	33.43
Disputed Trade receivables - credit impaired	-	-	-	0.01	0.58	4.50	5.09
Total	434.90	219.92	2.61	22.06	2.10	13.07	694.66
Less : Allowance for doubtful debts							(38.52)
Less : Provision for Refundable liability							(204.72)
Net trade receivables							451.42

As at March 31, 2023		Rs. In Crores					
Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - Considered Good	368.21	210.63	21.24	-	0.00	-	600.08
Undisputed Trade receivables - credit impaired	-	-	21.21	2.02	2.44	6.13	31.80
Disputed Trade receivables - credit impaired	0.00	0.00	0.01	0.58	2.47	2.03	5.09
Total	368.21	210.63	42.46	2.60	4.91	8.16	636.97
Less : Allowance for doubtful debts							(36.89)
Less : Provision for Refundable liability							(162.58)
Net trade receivables							437.50



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7 (c) Loans

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless otherwise stated)		
Non-current		
Loans to employees	0.02	0.14
	0.02	0.14
Current		
Loans to employees	0.82	0.68
	0.82	0.68
Total Loans	0.84	0.82

Notes:

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

7 (d) Cash and cash equivalents

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Cash on hand	-	-
Balance with Bank		
In Current accounts and debit balance in cash credit accounts	9.30	8.46
Total cash and cash equivalents	9.30	8.46

7 (e) Other bank balance

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Held as Margin Money*	13.75	20.20
Total other bank balances	13.75	20.20

* Under lien with bank as Security for Guarantee Facility

7 (f) Other financial assets

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless otherwise stated)		
Non-current		
Security deposits	28.47	23.91
	28.47	23.91
Current		
Security deposits		
- Considered Good	28.56	24.15
- Considered Doubtful	2.01	2.01
Less : Allowance for Doubtful Deposits	(2.01)	(2.01)
	28.56	24.15
Accrued Interest	0.40	0.45
Insurance claim receivable	0.20	0.10
Other Receivables		
- Considered Good	9.58	2.57
- Considered Doubtful	0.11	0.11
Less : Allowance for Doubtful receivables	(0.11)	(0.11)
	9.58	2.57
	38.74	27.27
Total other financial assets	67.21	51.18

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

Movement in allowance for doubtful deposits

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	2.01	2.01
Add : Allowance for the year	-	-
Less : Write off (Net of recovery)	-	-
Balance at the end of the year	2.01	2.01

Movement in allowance for Doubtful receivables

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	0.11	-
Add : Allowance for the year	-	0.11
Less : Write off (Net of recovery)	-	-
Balance at the end of the year	0.11	0.11



7 (g) : Financial Assets by category

Particulars	Rs. In Crores			
	COST	FVTPL	FVOCI	Amortised Cost
March 31, 2024				
Investments				
- Equity Shares	68.17	-	-	-
Trade Receivables	-	-	-	451.42
Loans	-	-	-	0.84
Cash & Bank balance	-	-	-	23.05
Other financial assets	-	-	-	67.21
Total Financial Assets	68.17	-	-	542.52
March 31, 2023				
Investments				
- Equity Shares	68.17	-	-	-
Trade Receivables	-	-	-	437.50
Loans	-	-	-	0.82
Cash & Bank balance	-	-	-	28.66
Other financial assets	-	-	-	51.18
Total Financial Assets	68.17	-	-	518.16

For Financial Instruments risk management objectives and policies, refer Note 36.
Fair value disclosure for financial assets and liabilities are in Note 34 and fair value hierarchy disclosures are in Note 35.

Note 8 : Other assets

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless otherwise stated)		
Non-current		
Capital advances	0.01	0.58
Sales tax paid under protest (Deposit)	12.67	17.19
Less : Provision	(5.10)	(5.10)
Sales tax paid under protest (Net of Provision)	7.57	12.09
	7.58	12.67
Current		
Advance to suppliers	11.13	16.17
Considered Good	1.56	1.56
Considered Doubtful	(1.56)	(1.56)
Less : Provision for doubtful advances	11.13	16.17
	0.45	0.16
Advance to Employee	0.01	0.04
Export incentive receivable	8.14	6.49
Prepaid expenses	72.27	56.64
Returnable Asset (Refer Note No.3 below)	100.28	126.02
Balance with Government Authorities (Refer Note No. 1 below)	0.10	-
GST paid under protest	21.82	33.87
Other Current Assets (Refer Note No. 5 below)	214.20	239.39
Total	221.78	252.06

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 recognized pursuant to Ind AS 115 and are accounted, considering the nature of inventory, ageing and net realisable value. Accordingly, Rs.10.80 Crores (March 31, 2023 Rs. 12.43 Crores) has been provided. The changes in write downs are recognised as an expense in the Statement of profit & loss.
- No advances are due from directors or promoters of the Company either severally or jointly with any person.
- Other current assets includes Goods and Service Tax paid on primary sales / stock transfer of traded goods amounting Rs 21.82 Crores (March 31, 2023 Rs. 33.87 crores) on "Sale or Return basis" and tax on refund liability component. Balance outstanding as at year end will be adjusted against secondary sale of traded goods and actual credit note issued for sales returns.

Provision for Doubtful Advances

Movement in provision for doubtful advances:

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	1.56	1.56
Add : Provision made during the year	-	-
Less : Write off of doubtful advances	-	-
Balance at the end of the year	1.56	1.56

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

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Stock-in-trade (Garments and Accessories)	526.49	527.36
Total	526.49	527.36

- Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value. Accordingly Rs. 44.43 Crores (Previous year - Rs. 60.03 Crores) has been provided. 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 10 : Non- Current Tax Assets (Net)

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Tax Paid in Advance (Net of Provision)	33.94	13.44
Total	33.94	13.44



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. 10 each (March 31, 2023: Rs. 10 each)	20,00,00,000	200.00	20,00,00,000	200.00
Issued and subscribed share capital				
Equity shares of Rs. 10 each (March 31, 2023: Rs. 10 each)	15,75,00,000	157.50	15,75,00,000	157.50
Subscribed and fully paid up				
Equity shares of Rs. 10 each (March 31, 2023: Rs. 10 each)	15,75,00,000	157.50	15,75,00,000	157.50
Total	15,75,00,000	157.50	15,75,00,000	157.50

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	15,75,00,000	157.50	15,75,00,000	157.50
Add: Issue of Share Capital	-	-	-	-
Outstanding at the end of the period	15,75,00,000	157.50	15,75,00,000	157.50

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

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

11.3. Shares Held by Holding Company and Promoter Group :

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of shares	Rs. In Crores	No. of shares	Rs. In Crores
Arvind Fashions Limited (along with nominees)	15,75,00,000	157.50	15,75,00,000	157.50

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

Name of the Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Arvind Fashions Limited (along with nominees)	15,75,00,000	100%	15,75,00,000	100%

11.5. Objective, policy and procedure of capital management:
Refer Note 37.



Note 12 : Other Equity

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Note 12.1 Perpetual Debt		
Perpetual Non-Convertible Debentures		
At the beginning of the year	100.00	100.00
Issued during the year	-	-
Balance at the end of the year	100.00	100.00
Total Perpetual debt	100.00	100.00
Note 12.2 Reserves & Surplus		
Capital reserve		
Balance at the beginning of the year	59.05	59.05
Balance at the end of the year	59.05	59.05
Securities premium		
Balance at the beginning of the year	1,650.91	1,650.91
Balance at the end of the year	1,650.91	1,650.91
Contribution from Parent for ESOP (Refer Note 39)		
Balance at the beginning of the year	4.70	3.82
Add: Contribution received during the year	0.76	0.88
Balance at the end of the year	5.46	4.70
Retained Earnings		
Balance at the beginning of the year	(1,480.01)	(1,483.02)
Add: Profit/(Loss) for the year	20.45	3.60
Add / (Less): OCI for the year	(0.82)	(0.59)
Balance at the end of the year	(1,460.38)	(1,480.01)
Total reserves & surplus	255.04	234.65
Total Other equity	355.04	334.65

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.

b. Securities premium

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

c. Contribution from Parent for ESOP

This reserve relates to share options granted by Arvind Fashions Limited (Holding Company) under it's employee share option plan. Further information about share-based payments to employees is set out in Note 39.



Note 13 : Financial liabilities

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
13 (a) Borrowings		
Long-term Borrowings (Refer Note 1(a) below)		
Secured (At amortised cost)		
Term loan from Banks	0.01	6.42
Total long-term borrowings	0.01	6.42
Short-term Borrowings (Refer Note 1(b) below)		
Secured (At amortised cost)		
Current Maturities of long term borrowings (Refer Note 1(a) below)	6.26	27.63
Working Capital Loans repayable on demand from Banks (Refer Note 1(b) below) (including channel financing)	279.99	343.20
Unsecured		
Intercompany Deposits	127.85	36.60
From Related Parties (Refer Note 2(a) below)		
Total short-term borrowings	414.10	407.43
Total borrowings	414.11	413.85

1. Secured Borrowings

Rs. In Crores					
(a) Long term					
Particulars	Rate of interest	As at March 31, 2024	As at March 31, 2023	Security	Terms of Repayment
Rupee Loans	0.00%	-	12.49	1. First 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.	Final repayment was made on 31st March, 2024 henceforth the loan is closed
Rupee Loans	9.65%	6.16	20.94	2. Corporate Guarantee given by Arvind Fashions Limited	Repayable in 17 instalments in 5 years, starting from September 2020.
Hire Purchase loans	8.10%	0.11	0.62	Hypothecation of related vehicles.	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans

Rs. In Crores					
(b) Short term					
Particulars	Rate of interest	As at March 31, 2024	As at March 31, 2023	Security	Pledge of shares
Working capital loans	7.99% - 8.52%	90.00	78.40	1. First charge over entire stocks, receivables and other current assets (present and future) and second charge over entire movable fixed assets of the Company both present and future	Secured against Pledge of 1,09,60,183 equity shares of AYBPL owned by the Company.
Working capital loans	8.28% to 8.45%	155.75	156.05	2. Corporate Guarantee given by Arvind Fashions Limited	1. Secured against Pledge of 3,25,57,884 equity shares of AYBPL owned by the Company. 2. Secured against Pledge of 4,63,51,265 equity shares of the Company held by Arvind Fashions Limited ('AFL')
Working capital loans	8.45%	15.00	48.00		Secured against Pledge of 43,84,074 equity shares of AYBPL owned by the Company.
Working capital loans	-	-	-		Secured against Pledge of 61,37,703 equity shares of AYBPL owned by the Company.
Working capital loans	9.75%	9.24	50.76		Secured against Pledge of 1,09,60,183 equity shares of AYBPL owned by the Company.
Working capital loans	7.70% - 7.85%	10.00	10.00	Corporate Guarantee given by Arvind Fashions Limited	No equity shares pledged



2. Unsecured Borrowings

Particulars	Rate of interest	Rs. In Crores	
		As at March 31, 2024	As at March 31, 2023
Intercompany Deposits	8.50%	127.85	36.60

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

4. 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.

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

13 (b) Trade payables

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Current		
Acceptances*	158.29	105.95
Other Trade Payables (Refer Note below)		
- Total outstanding dues of micro enterprises and small enterprises (refer note 1 below)	36.28	38.75
- Total outstanding dues other than micro enterprises and small enterprises	462.71	536.58
Total	657.28	681.28

*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.

Note:

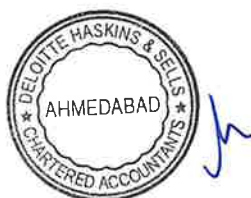
1. Based on the information available, the disclosures as required under section 22 of the Micro, Small and Medium Enterprise Small Enterprise Development (MSMED) Act, 2006 are presented as follows :

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year:		
i) Principal	25.03	27.94
ii) Interest	11.26	10.81
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	1.29
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	11.26	10.81
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	11.26	10.81
(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	11.26	10.81

b Trade payable ageing schedule

As at March 31, 2024		Rs. In Crores				
Particulars	Not Due	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	36.28	-	-	-	-	36.28
Others	577.09	30.00	3.60	2.31	8.00	621.00
Total	613.37	30.00	3.60	2.31	8.00	657.28

As at March 31, 2023		Rs. In Crores				
Particulars	Not Due	Outstanding for following periods from due date of payments				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro enterprises and small enterprises	38.75	-	-	-	-	38.75
Others	600.94	26.00	3.82	3.25	8.52	642.53
Total	639.69	26.00	3.82	3.25	8.52	681.28



13 (c) Other financial liabilities

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Non-current		
Security Deposits	90.95	87.41
	90.95	87.41
Current		
Security Deposits	0.71	0.71
Interest accrued but not due on borrowings	9.51	6.57
Payable to employees	7.38	4.93
Payable for capital goods	4.45	4.02
Other Payables - Related Party (Refer Note 30)	6.19	-
Other Payables - Other than Related Party	0.44	-
	28.68	16.23
Total	119.63	103.64

13(d) : Financial Liabilities by category

Particulars	Rs. In Crores		
	FVOCI	FVTPL	Amortised Cost
March 31, 2024			
Borrowings	-	-	414.11
Trade payables	-	-	657.28
Security Deposits	-	-	91.66
Payable to employees	-	-	7.38
Interest accrued but not due	-	-	9.51
Lease Liabilities	-	-	453.24
Payable for capital goods	-	-	4.45
Other Payables - Related Party	-	-	6.19
Other Payables - Other than Related Party	-	-	0.44
Total Financial liabilities	-	-	1,644.26
March 31, 2023			
Borrowings	-	-	413.85
Trade payables	-	-	681.28
Security Deposits	-	-	88.12
Payable to employees	-	-	4.93
Interest accrued but not due	-	-	6.57
Lease Liabilities	-	-	374.18
Payable for capital goods	-	-	4.02
Total Financial liabilities	-	-	1,572.95

For Financial instruments risk management objectives and policies, refer Note 36

Fair value disclosure for financial assets and liabilities are in Note 34 and fair value hierarchy disclosures are in Note 35

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	3.30	2.40
Provision for Gratuity	6.54	4.99
	9.84	7.39
Short-term		
Provision for employee benefits (Refer Note 29)		
Provision for leave encashment	1.45	1.46
Provision for Gratuity	0.33	1.72
	1.78	3.18
Total	11.62	10.57

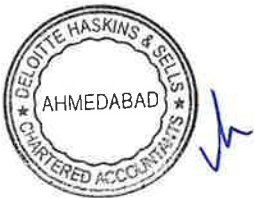
Note 15 : Other current liabilities

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Current		
Advance from customers	16.59	19.14
Statutory dues including provident fund and tax deducted at source etc.	4.64	11.30
Contract Liabilities		
Deferred Revenue(Refer Note 16 (II))	0.14	0.57
Deferred Revenue for Gift Voucher (Refer Note 16 (II))	2.83	2.09
Deferred income of loyalty program reward points (Refer Note 16 (II) and Note (a) below)	0.35	0.22
Total	24.55	33.32

(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	0.22	1.17
Add: Provision made during the year (Net) (Refer Note 16)	1.76	0.21
(Less): Redemption made during the year	1.63	1.16
Balance at the end of the year	0.35	0.22



Note 16 : Revenue from operations

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year Ended March 31, 2023
Sale of products	2,146.73	2,180.75
Sale of services	14.90	14.89
	2,161.63	2,195.64
Operating income		-
Export incentives	0.13	0.12
Foreign exchange fluctuation on vendors and customers (Net)	2.04	-
Miscellaneous receipts	0.67	1.42
	2.84	1.54
Total	2,164.47	2,197.18

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	2,152.94	2,186.27
ii. Export	11.53	10.91
	2,164.47	2,197.18
B. Revenue based on Business Segment		
Branded Apparels and Accessories	2,164.47	2,197.18

II. Contract Balances

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year Ended March 31, 2023
Trade receivables (Refer note 7(b))	451.42	437.50
Advance from customers (Refer note 15)	16.59	19.14
Contract liabilities		
Deferred Revenue (Refer Note 15)	0.14	0.57
Deferred Revenue for Gift Voucher (Refer Note 15)	2.83	2.09
Deferred income of loyalty program reward points (Refer Note 15(a))	0.35	0.22

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

III. Reconciliation of Revenue from Operation with Contract Price

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year Ended March 31, 2023
Contract Price	2,590.07	2,640.27
Less:		
Sales Return	230.62	265.27
Schemes and Discounts	193.22	177.61
Customer Loyalty Program	1.76	0.21
Total Revenue from Operations	2,164.47	2,197.18

a) 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 increased by Rs. 16.69 crores. While Cost of Goods Sold for the year ended March 31, 2024, would have been increased by Rs. 8.97 crore.

Note 17 : Other income

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year Ended March 31, 2023
Interest income on ICD (Refer Note 30)	1.56	2.37
Interest income on financial assets measured at amortised cost	0.91	1.59
Profit on sale of Property, Plant & Equipment (Net)	-	0.01
Gain on Reassessment/Cancellation of Lease (Refer Note 32)	5.61	12.83
Interest on Fair valuation of Security Deposit	4.25	3.01
Unclaimed liability written off	2.20	7.81
Miscellaneous income	0.22	0.38
Total	14.75	28.00



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Note 18 : Purchases of stock-in-trade

Rs. In Crores

Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
Branded Apparels and Accessories	1,119.76	1,295.90
Total	1,119.76	1,295.90

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

Note 19 : Changes in inventories of stock-in-trade

Rs. In Crores

Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
Stock at the end of the year		
Stock-in-trade	526.49	527.36
Stock at the beginning of the year		
Stock-in-trade	527.36	470.09
Increase/(Decrease) in Inventories	0.87	(57.27)

Note 20 : Employee benefits expense

Rs. In Crores

Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 29)	92.82	89.30
Contribution to provident and other funds (Refer Note 29)	5.86	5.33
Welfare and training expenses	6.57	7.30
Share based payment to employees (Refer Note 39)	0.76	0.88
Total	106.01	102.81

Note 21 : Finance costs

Rs. In Crores

Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
A. Interest Expenses on		
Loans	27.04	33.24
Related Parties (Refer Note 30)	4.37	3.67
Lease Liabilities (Refer Note 32)	42.84	33.37
Others	11.57	7.41
B. Other borrowing cost	12.18	11.94
Total	98.00	89.63

Note 22 : Depreciation and amortization expense

Rs. In Crores

Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
Depreciation of Property, Plant and Equipment (Refer Note 5)	16.55	19.71
Depreciation of Right-of-Use assets (Refer Note 32)	115.73	95.46
Amortization of Intangible assets (Refer Note 6)	8.74	9.00
Total	141.02	124.17



Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Notes to the Financial Statements for the year ended March 31, 2024

Note 23 : Other expenses

	Rs. In Crores	
Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
Power and fuel	2.83	4.95
Insurance	1.31	1.52
Processing charges	2.18	2.61
Printing, stationery & communication	3.05	4.57
Rent		
- Short Term leases and leases of low-value assets (Refer Note 32)	2.36	2.53
Commission & Brokerage	251.34	243.38
Rates and taxes	6.23	6.15
Repairs :		
To Building	1.08	1.14
To Others	20.43	18.79
Royalty on Sales	71.12	70.72
Freight, insurance & clearing charge	71.95	59.03
Legal & Professional charges	14.71	14.12
Housekeeping Charges	1.24	1.12
Security Charges	0.77	0.55
Computer Expenses	14.41	13.17
Conveyance & Travelling expense	6.95	11.81
Advertisement and Publicity	89.44	61.12
Packing Materials Expenses	1.55	5.97
Outsource Services	87.76	78.16
Sampling and Testing Expenses	4.61	3.78
Director's sitting fees	0.01	0.01
Provision for doubtful debts and advances (net)	-	0.11
Bad And Doubtful Debts Provision	1.63	14.53
Auditor's remuneration (Refer Note a below)	0.65	0.51
Business Conducting Fees	0.43	0.20
Bank charges	7.78	10.38
Warehouse Charges	18.55	10.80
Sale or discard of Property plant and equipment	1.68	1.63
Exchange Difference (Net)	-	2.04
Miscellaneous expenses	1.72	2.78
Total	687.77	648.18

23 (a). Break up of Auditor's Remuneration

	Rs. In Crores	
Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
Payment to Auditors as :		
Statutory auditor Fees	0.65	0.50
Certification Fee	-	0.01
For reimbursement of expenses	(Rs.30,577/-)	-
Total	0.65	0.51

Note 23(b) : Exceptional Items

	Rs. In Crores	
Particulars	Year ended March 31, 2024	Year Ended March 31, 2023
Allowance for Settlement of Old VAT and CST cases (Refer Note below)	6.17	-
Total	6.17	-

Note :

During the year, the company has closed cases under Karamsandha Scheme, 2023 related to pre GST litigations for KVAT in Karnataka .



Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Notes to the Financial Statements for the year ended March 31, 2024

Note 24 : Income Tax

The major component of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:

	Rs. In Crores	
Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<u>Statement of Profit & Loss (Continuing and discontinued)</u>		
Current Tax		
(Excess)/short provision related to earlier years	-	0.35
Deferred Tax		
Deferred tax Charge/(Credit)	0.44	3.43
Income tax expense reported in the statement of profit & loss	0.44	3.78

	Rs. In Crores	
Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
<u>OCI Section</u>		
<u>Statement to Other comprehensive income (OCI)</u>		
Deferred tax Charge/(Credit)	(0.44)	(0.32)
Deferred tax charged to OCI	(0.44)	(0.32)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2024 and March 31, 2023:

	Rs. In Crores	
Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
A) Current tax		
Accounting profit/(loss) before tax	20.89	8.34
Tax Rate	34.944%	34.944%
Current Tax Expenses on Profit before tax at the enacted income tax rate in India	7.30	2.91
Adjustments		
Expenditure not deductible for Tax	(0.42)	(0.61)
Difference due to business transfer	(16.55)	-
Deferred tax assets not recognised as realization is not probable	10.13	(2.29)
Others	-	3.78
At the effective income tax	0.44	3.78
Effective Income Tax Rate %	2.11%	45.35%

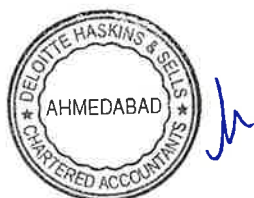


Particulars	Rs. In Crores			
	Balance Sheet	Statement of Profit & Loss and Other Comprehensive Income	Balance Sheet	Statement of Profit & Loss and Other Comprehensive Income
	As at March 31, 2024	Year Ended March 31, 2024	As at March 31, 2023	Year Ended March 31, 2023
Accelerated depreciation for tax purposes	98.46	7.66	106.12	10.24
Effective Interest Method on Term Loans	0.04	(0.00)	0.04	(0.02)
ECL on Trade receivables , Security deposit and Vendor Debit Balances	10.56	0.20	10.76	(5.12)
Expenditure allowable on payment basis	3.60	(0.37)	3.23	4.05
Unused losses available for offsetting against future taxable income	174.65	(0.01)	174.64	(6.74)
Unused tax credit available for offsetting against future taxable income (MAT credit Impact of Ind AS 116)	6.33	-	6.33	3.11
Reversal of past period's Deferred tax assets	27.18	(7.48)	19.70	(2.41)
Others	1.19	0.00	1.19	0.00
Net deferred tax assets/(liabilities)	322.01	(0.00)	322.01	3.11

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. 1,324.20 Crores as at March 31, 2024 (March 31, 2023: Rs. 1,331.66 Crores). Out of the same, tax credits on losses of Rs. 825.55 Crores (March 31, 2023: Rs. 909.51 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)			Rs. In Crores	
Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023		
Opening balance as at April 1	322.01	325.12		
Deferred Tax income/(expense) during the period recognised in profit or loss	(0.44)	(3.43)		
Deferred Tax income/(expense) during the period recognised in OCI	0.44	0.32		
Closing balance as at March 31	322.01	322.01		



Note 25 : Contingent liabilities

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Contingent liabilities not provided for		
a. Claims against Company not acknowledged as debts	4.27	1.40
b. Disputed demands in respect of		
Sales tax and VAT (Refer note (d) below)	9.40	29.81
Income tax	26.06	31.58
GST	11.51	-

Notes :

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

Note 26 : Capital commitment

Particulars	Rs. In Crores	
	As at March 31, 2024	As at March 31, 2023
Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	3.49	2.13

Note 27 : Foreign Exchange Derivatives and Exposures not hedged

A. Exposure Not Hedged

Nature of exposure	In FC USD in Crores	Rs. In Crores	In FC EURO in Crores	Rs. In Crores	In FC SEK in Crores	Rs. In Crores
Receivables						
As at March 31, 2024	0.03	2.69	-	-	-	-
As at March 31, 2023	0.04	2.99	-	-	-	-
Payable to creditors						
As at March 31, 2024	0.32	26.69	0.00	0.06	0.00	0.04
As at March 31, 2023	0.39	32.10	0.01	1.16	0.06	0.44



Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598

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

Note 28 : Segment Reporting

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

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

Geographical segment

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

Rs. In Crores

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Segment Revenue from continuing operation*		
a) In India	2,152.94	2,186.27
b) Rest of the world	11.53	10.91
Total Sales	2,164.47	2,197.18
Segment Revenue from discontinued operation*		
a) In India	1.93	18.92
b) Rest of the world	-	-
Total Sales	1.93	18.92
Carrying Cost of Segment Assets from continuing operation**		
a) In India	2,208.78	2,106.00
b) Rest of the world	3.72	2.99
Total	2,212.50	2,108.99
Carrying Cost of Segment Assets from discontinued operation**		
a) In India	1.63	-
b) Rest of the world	-	-
Total	1.63	-
Carrying Cost of Segment Non Current Assets from continuing operation**@		
a) In India	567.60	457.95
b) Rest of the world	-	-
Total	567.60	457.95

* Based on location of Customers

** Based on location of Assets

**@ Excluding Investment and Deferred Tax Assets

Note:

Considering the nature of business of the Company in which it operates, the Company deals with various customers including multiple geographics. Consequently, none of the customers contribute materially 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	No. of Employees
Contribution to Provident Fund	5.65	5.12	
Contribution to National Pension Scheme	0.19	0.11	
Contribution to ESI	0.01	0.09	
Contribution to Labour Welfare Fund	0.01	0.01	
	5.86	5.33	
Note:-			

Note:

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

Defined Benefit Plans

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 conditionally for 15 days salary multiplied for the number of years of service. The Gratuity plan is a Funded plan administered by the Company.

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

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

March 31, 2024: Changes in defined benefit obligation and plan assets										Rs. In Crores			
Particulars	April 1, 2023	Gratuity cost charged to statement of profit and loss			Remeasurement gains/(losses) in other comprehensive income					Increase (decrease) due to effect of business combination/transfer	Contributions by employer	March 31, 2024	
		Service cost	Net interest expense/Income	Sub-total included in statement of profit and loss (Note 21)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	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	(7.44)	(0.93)	(0.46)	(1.39)	1.42	-	(0.44)	0.09	(0.90)	(1.25)	(0.08)	-	(8.74)
Fair value of plan assets	0.74	-	0.06	0.06	(1.42)	(0.01)	-	-	-	(0.01)	-	2.50	1.87
Total benefit liability	(6.70)	(0.93)	(0.40)	(1.33)	-	(0.01)	(0.44)	0.09	(0.90)	(1.26)	(0.08)	2.50	(6.87)

March 31, 2023: Changes in defined benefit obligation and plan assets											Rs. In Crores		
Particulars	April 1, 2022	Gratuity cost charged to statement of profit and loss			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/Income	Sub-total included in statement of profit and loss (Note 21)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments				Sub-total included in OCI
Gratuity													
Defined benefit obligation		(8.43)	(0.92)	(1.28)	3.26	-	(0.12)	(0.08)	(0.75)	(0.95)	(0.04)	-	(7.44)
Fair value of plan assets	0.20	-	0.01	0.01	(3.26)	0.04	-	-	-	0.04	-	3.75	0.74
Total benefit liability	(8.23)	(0.92)	(0.35)	(1.27)	-	0.04	(0.12)	(0.08)	(0.75)	(0.91)	(0.04)	3.75	(6.70)



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	10.53 % for Front End Employee. 11.96 % for others	10.67 % for Front End Employee. 12.50 % for others
Expected rate of return on plan assets	7.20%	7.30%
Attrition rate	49% on Front End Employee. 26.6% for others	54.3% on Front End Employee. 31.8% for others
Mortality rate during employment	Indian assured lives Mortality(2006-08) (modified)	Indian assured lives Mortality(2006-08) (modified)

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

Rs. In Crores

Particulars		Sensitivity level		Increase / (Decrease) in defined benefit obligation	
				Year Ended March 31, 2024	Year Ended March 31, 2023
Gratuity					
Discount rate	50 basis points increase			(0.14)	(0.09)
	50 basis points decrease			0.15	0.10
Salary increase	50 basis points increase			0.12	0.08
	50 basis points decrease			(0.12)	(0.07)
Attrition rate	50 basis points increase			(0.05)	(0.03)
	50 basis points decrease			0.05	0.03

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

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

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

Rs. In Crores

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Gratuity		
Within the next 12 months (next annual reporting period)	2.20	2.46
Between 2 and 5 years	7.51	6.26
Beyond 5 years	7.58	4.37
Total expected payments	17.29	13.09

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	3 years

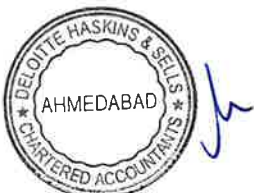
C Leave encashment

The Company has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating

The Company has recognised following as expenses and included in Note No. 20 "Employee benefit expense"

Rs. In Crores

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Leave encashment	1.88	1.67
	1.88	1.67



Note 30 : Related Party Transactions

a. 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 Fashions Limited	Parent Company
Arvind Youth Brands Private Limited	Subsidiary Company
Value Fashion Retail Limited	Subsidiary Company
Reliance Luxe Beauty Limited (Previously known as Arvind Beauty Brands Retail Limited)	Fellow Subsidiary Company (upto November 03, 2023)
PVH Arvind Fashion Private Limited (Previously known as Calvin Klein Arvind Fashion Pvt Ltd)	Fellow Subsidiary Company
Arvind Limited	Enterprise on which Non - Executive Director of Parent exercise significant Influence
Arvind Sports Fashion Pvt. Ltd (Previously known as Arvind Ruf & Tuf Private Limited)	Enterprise on which Non - Executive Director of Parent exercise significant Influence
Arvind Polymer Textiles Ltd (Previously known as Arvind True Blue Limited)	Enterprise on which Non - Executive Director of Parent exercise significant Influence
Arvind Premium Retail Limited	Enterprise on which Non - Executive Director of Parent exercise significant Influence
Arvind Smart Textile Ltd	Enterprise on which Non - Executive Director of Parent exercise significant Influence
J Suresh Consults	Enterprise having significant influence by Key Managerial Personnel
Raghupathy S. Chief Financial Officer	Key Managerial Personnel
Shailesh Shyam Chaturvedi	Key Managerial Personnel (Managing Director upto September 14, 2023 and Additional director w.e.f November 7, 2023)
Abanti Sankaranarayanan	Non Executive Director(upto March 29, 2023)
Suresh Javaraman, Director	Key Managerial Personnel (Whole time director)
Pramod Kumar Gupta, Director	Non Executive Director (upto May 20, 2022)
Piyush Gupta, Director	Non Executive Director (w.e.f. May 20, 2022 upto February 14, 2023)
Girdhar Kumar Chitlangia	Non Executive Director (w.e.f. February 14, 2023)
Lipi Jha, Company Secretary	Key Managerial Personnel (w.e.f. May 27, 2022)
Ananya Tripathi	Non Executive Director (w.e.f. May 30, 2023)

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



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

Rs. In Crores

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise on which Non-Executive Director/Key Management Personnel of Parent exercise significant influence
Purchase of Goods and Materials					
March 31, 2024	203.84	29.09	8.99	-	29.79
March 31, 2023	404.09	37.49	3.74	-	12.98
Purchase Return of Goods and Materials					
March 31, 2024	-	28.53	-	-	-
March 31, 2023	-	46.52	-	-	-
Sales of Goods and Materials					
March 31, 2024	-	-	-	-	0.21
March 31, 2023	93.99	-	-	-	0.13
Sales Return of Goods and Materials					
March 31, 2024	-	-	-	-	-
March 31, 2023	-	-	-	-	0.05
Receipt of Services-Shared services					
March 31, 2024	10.30	-	-	-	7.28
March 31, 2023	13.67	-	-	-	6.20
Receipt of Services-Commission					
March 31, 2024	-	-	-	-	-
March 31, 2023	-	-	-	-	0.26
Receipt of Services-Others					
March 31, 2024	-	-	0.08	-	-
March 31, 2023	-	-	0.02	-	1.64
Rendering of Services-Royalty					
March 31, 2024	-	-	-	-	-
March 31, 2023	8.31	-	-	-	-
Rendering of Services-Commission & Incentive					
March 31, 2024	-	9.31	-	-	-
March 31, 2023	-	14.89	-	-	-
Rendering of Services-Shared service					
March 31, 2024	0.86	18.51	17.94	-	0.76
March 31, 2023	0.48	20.21	15.46	-	2.09
Rendering of Services-Others					
March 31, 2024	-	2.96	-	-	-
March 31, 2023	-	2.47	-	-	-
Interest Expense					
March 31, 2024	4.16	0.20	-	-	-
March 31, 2023	3.67	-	-	-	-

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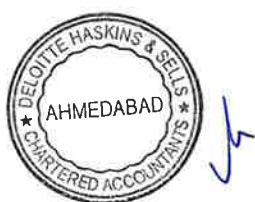
Arvind Lifestyle Brands Limited
Notes to the Financial Statements for the year ended March 31, 2024

Transactions with related parties for the year ended March 31, 2024 and March 31, 2023 (Continued)

Rs. In Crores

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise having significant influence by Key Management Personnel and Non-Executive Director
Sitting Fees					
March 31, 2024	-	-	-	0.01	-
March 31, 2023	-	-	-	0.01	-
Remuneration					
March 31, 2024	-	-	-	0.60	-
March 31, 2023	-	-	-	0.60	-
Contribution Given for Employee Benefit Plans					
March 31, 2024	-	-	-	-	-
March 31, 2023	-	0.04	-	-	-
Interest Income					
March 31, 2024	-	1.56	-	-	-
March 31, 2023	-	-	2.37	-	-
Loan Given/(Repaid)					
March 31, 2024	-	40.00	-	-	-
March 31, 2023	-	-	48.01	-	-
Loan Taken/(Repayment of Loan)					
March 31, 2024	88.40	(40.00)	-	-	-
March 31, 2023	10.00	-	-	-	-
Consultancy Charges					
March 31, 2024	-	-	-	-	1.50
March 31, 2023	-	-	-	-	1.50

Contd....



Arvind Lifestyle Brands Limited
Notes to the Financial Statements for the year ended March 31, 2024

c. Balances

Rs. In Crores

Particulars	Holding Company	Subsidiary Company	Fellow Subsidiaries	Key Managerial Personnel and Non Executive Directors	Enterprise on which Non-Executive Director/Key Management Personnel of Parent exercise significant influence
Guarantee Given					
March 31, 2024	-	67.50	-	-	-
March 31, 2023	-	52.50	-	-	-
Guarantee Availed					
March 31, 2024	643.02	-	-	-	-
March 31, 2023	845.14	-	-	-	-
Trade and Other Receivable					
March 31, 2024	-	0.14	-	-	1.73
March 31, 2023	-	21.61	-	-	2.99
Trade and Other Payable					
March 31, 2024	165.47	6.19	2.85	-	20.73
March 31, 2023	236.14	-	4.09	-	11.25
Payable in respect of Loans and Deposits					
March 31, 2024	127.85	-	-	-	-
March 31, 2023	36.60	-	0.11	-	-

d Terms and conditions of transactions with related parties

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

2) Loans in INR taken from the related party carries interest rate of 8.50% (March 31, 2023 : 8.50%)

3) Loans in INR given to the related party carries interest rate of 8.20% to 8.50 % (March 31, 2023 : 7.50% to 8.50%)

e Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2024 (March 31, 2023: Rs. Nil)

f Transactions with key management personnel

Compensation of key management personnel of the company

Rs. In Crores

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Short-term employee benefits	0.60	0.60
Termination benefits	-	-
Share based payments	-	-
Total compensation paid to key management personnel	0.60	0.60



Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Notes to the Financial Statements for the year ended March 31, 2024

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

Particulars	Rs. In Crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Purchase of Goods		
Arvind Fashions Limited	203.84	404.09

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 March 31, 2024	Year ended March 31, 2023
Trade and Other Payable		
Arvind Fashions Limited	165.47	236.14
Payable in respect of Loans and Deposits		
Arvind Fashions Limited	127.85	36.60
Guarantee Availed		
Arvind Fashions Limited	643.02	845.14



Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Notes to the Financial Statements for the year ended March 31, 2024

Note 31 : Earnings per share (Basic and Diluted)

Rs. In Crores

Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
Profit/(Loss) attributable to ordinary equity holders		
Continuing Operations	19.18	17.98
Discontinued Operations	1.27	(14.38)
Total no. of equity shares at the end of the year	15,75,00,000	15,75,00,000
Weighted average number of equity shares		
For basic EPS	15,75,00,000	15,75,00,000
For diluted EPS	15,75,00,000	15,75,00,000
Nominal value of equity shares	10	10
Continuing Operations		
Basic earning per share	1.22	0.29
Diluted earning per share	1.22	0.29
Discontinued Operations		
Basic earning per share	0.08	(0.06)
Diluted earning per share	0.08	(0.06)
Continuing and Discontinued Operations		
Basic earning per share	1.30	0.23
Diluted earning per share	1.30	0.23
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	15,75,00,000	15,75,00,000
Effect of dilution: Share options	-	-
Weighted average number of equity shares adjusted for the effect of dilution	15,75,00,000	15,75,00,000



Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Notes to the Financial Statements for the year ended March 31, 2024

Note 32 : 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 (Showrooms, office building and warehouse)		Rs. In Crores	
Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023	
Balance at the beginning of the year	344.11	251.26	
Recognition of ROU Asset on Deposits	9.10	8.99	
Additions	210.14	265.43	
Deletions	(28.81)	(86.11)	
Depreciation (charged to statement of profit and loss)	(115.73)	(95.46)	
Balance at the end of the year	418.81	344.11	

D. Movement in lease liabilities		Rs. In Crores	
Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023	
Balance at the beginning of the year	374.18	289.04	
Additions	210.14	265.43	
Deletions	(34.42)	(99.09)	
Finance cost accrued during the year (charged to statement of profit and loss)	42.84	33.37	
Payment of lease liabilities	(139.50)	(114.57)	
Balance at the end of the year	453.24	374.18	

E. Contractual maturities of lease liabilities		Rs. In Crores	
Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023	
Less than one year	94.84	88.39	
One to five years	308.98	176.12	
More than five years	49.42	109.67	
Total	453.24	374.18	

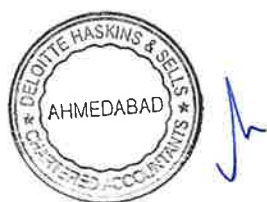
F. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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

		Rs. In Crores	
Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023	
Depreciation of Right-of-Use assets	115.73	95.46	
Interest expense on Lease Liabilities	42.84	33.37	
Rent expense - short-term lease and leases of low value assets	2.36	2.53	
Gain on Reassessment/Cancellation of Lease	5.61	12.83	
Total			

Note 33 : Corporate Social Responsibility (CSR) Activities

As per Section 135 of the Companies Act, 2013 read with rules thereunder, the Company is not liable to incur CSR expense as per requirement of Section 135 of Companies Act, 2013 in views of Average Net losses for past three Financial years.



Note 34 : 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 liabilities		
Borrowings		
Carrying Amount	414.11	413.85
Fair Value	414.11	413.85

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 35 : Fair value hierarchy

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

Fair value hierarchy

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

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

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

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

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



Note 36 : 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 analysis exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

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

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

Interest rate risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. As at March 31, 2024, approximately 31% of the Company's Borrowings are at fixed rate of interest (March 31, 2023: 9%)

Interest rate sensitivity

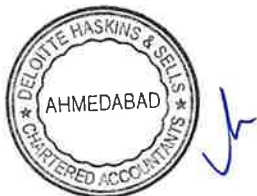
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the company's profit before tax is affected through the impact on floating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

Rs. In Crores	
Particulars	Effect on profit before tax
March 31, 2024	
Increase in 50 basis points	(1.43)
Decrease in 50 basis points	1.43
March 31, 2023	
Increase in 50 basis points	(1.88)
Decrease in 50 basis points	1.88

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

Rs. In Crores						
Particulars	Change in USD rate	Effect on profit before tax	Change in EUR rate	Effect on profit before tax	Change in SEK rate	Effect on profit before tax
March 31, 2024	+2%	(0.48)	+2%	*(0.00)	+2%	*(0.00)
	-2%	0.48	-2%	*0.00	-2%	*0.00
March 31, 2023	+2%	(0.83)	+2%	(0.02)	+2%	(0.01)
	-2%	0.83	-2%	0.02	-2%	0.01

*Represents amounts less than Rs. 50,000/-

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

(b) Credit risk

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

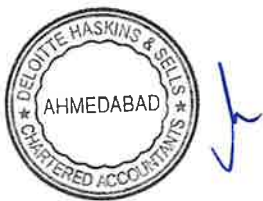
Trade receivables

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

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

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as is the carrying amount as disclosed in Note 34.



(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	
As at March 31, 2024				
Interest bearing borrowings	414.32	0.01	-	414.33
Lease Liabilities	139.01	396.23	58.62	593.86
Trade payables	657.28	-	-	657.28
Other financial liabilities#	28.68	90.95	-	119.63
	1,239.29	487.19	58.62	1,785.10
As at March 31, 2023				
Interest bearing borrowings	409.83	6.66	-	416.49
Lease Liabilities	115.06	322.84	28.40	466.30
Trade payables	681.28	-	-	681.28
Other financial liabilities#	16.23	87.41	-	103.64
	1,222.40	416.91	28.40	1,667.71

Other financial liabilities includes interest accrued but not due of Rs.9.51 Crores (March 31, 2023: Rs. 6.57 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. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

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

Note 37 : Capital management

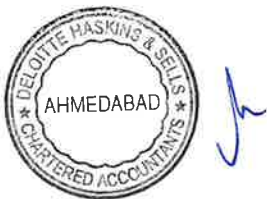
For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the company. The primary objective of the company's capital management is to ensure that it maintains an efficient capital structure and healthy 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)	414.33	416.49
Less: Cash and Cash equivalent (including other bank balance) (Note 7(d), 7(e))	(23.05)	(28.66)
Net debt	391.28	387.83
Equity share capital (Note 11)	157.50	157.50
Other equity (Note 12)	355.04	334.65
Total capital	512.54	492.15
Capital and net debt	903.82	879.98
Gearing ratio	43.29%	44.07%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements and other ratios. Breaches in meeting the financial covenants would permit the bank to charge penal interest or immediately call borrowings. There have been no breaches in the financial covenants of any borrowing in the current period.

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



Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Notes to the Financial Statements for the year ended March 31, 2024

Note 38 : Discontinued operation

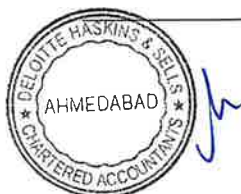
The Management of Arvind Lifestyle Brands Limited (ALBL), a wholly owned subsidiary of Arvind Fashions Limited(AFL) has decided to discontinue Brands Aeropostale and Ed Hardy. Accordingly, business of these brands are considered as discontinued operation in accordance with Ind As 105. Consequently, Profit before tax and tax expenses relating to these business have been disclosed separately as discontinued operations as part of the financial statements. The previous year figures have been re-classified to give effect to the presentation requirements of Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations.

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). ALBL has sold all the rights, title and interest for the trademarks of Ruf & Tuf and Newport to AFL, 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.

Assets and liabilities classified as Held for Sale:		Rs. In Crores	
Particulars	As at March 31, 2024	As at March 31, 2023	
Assets			
Property, plant and equipment & Intangible assets	-	-	
Non Current Financial assets	-	-	
Other financial assets	-	-	
Inventories	-	-	
Trade receivables	-	-	
Other Current Assets	1.63	-	
Total assets	1.63	-	
Other Equity			
Reserves & Surplus	-	-	
Liabilities			
Trade payables	21.16	-	
Total liabilities	21.16	-	

Results of discontinued operations for the year are presented below:		Rs. In Crores	
Particulars	2023-24	2022-23	
Income			
Revenue from operations	1.93	18.92	
Other income	47.40	(0.00)	
Total Income	49.33	18.92	
Expenses			
Purchases of stock-in-trade	2.17	14.87	
Change in inventories of stock in trade	-	5.00	
Employee benefits expense	0.00	0.04	
Finance costs	-	-	
Depreciation, Amortization & Impairment expense	0.77	1.38	
Other expenses	45.12	12.01	
Total expenses	48.06	33.30	
Profit before tax	1.27	(14.38)	
Tax expense			
Deferred tax	-	-	
Profit after tax	1.27	(14.38)	

Net cashflows of discontinued operations are presented below:		Rs. In Crores	
Particulars	2023-24	2022-23	
Net cashflows from operating activities	(25.83)	4.04	
Net cashflows from investing activities	47.40	-	
Net cashflows from financing activities	-	-	
Net cash inflow / (outflow) from discontinued operations	21.57	4.04	



Note 39 : Share based payments

Arvind Fashions Limited, the Parent (AFL) has instituted Employee Stock Option Scheme 2016 ("ESOP 2016"), and 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 September 26, 2022 respectively. Up to March 31, 2024, the 3,40,261 (March 31, 2023 - 3,92,761) options under ESOP 2016, and 56,000 (March 31, 2023 - nil) options under Employee Stock Option Scheme 2022 are outstanding which are convertible into equal number of Equity Shares of face value of Rs. 4 each pertaining to the employees of the Company.

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	0.76	0.88
Total employee share based payment expense	0.76	0.88

Note 40(a) : Additional Regulatory Disclosures as per Schedule III of the Companies Act, 2013

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

Note 40(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.

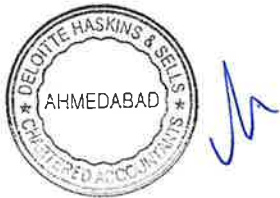


Note 41 : Ratio Analysis

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	1.01	1.03	-1%	Not Applicable
2	Debt-Equity Ratio (In times)	Total Debt	Total Equity	0.81	0.84	-4%	Not Applicable
3	Debt Service Coverage Ratio (In times)	Earnings before Interest, Tax, Depreciation and amortisation	Debt Service	1.17	1.15	2%	Not Applicable
3	Return on Equity Ratio (%)	Net Profit after Tax	Average Equity	3.82%	0.93%	310%	Note (a) below
5	Inventory turnover Ratio (In times)	Revenue from Operations	Average Inventories	4.07	4.40	-7%	Not Applicable
6	Trade Receivables turnover Ratio (In times)	Revenue from Operations	Average Trade Receivables	4.87	5.19	-6%	Not Applicable
7	Trade Payables turnover Ratio (In times)	Purchase of Goods	Average Trade Payables	1.67	1.82	-8%	Not Applicable
8	Net capital turnover Ratio (In times)	Net Sales	Working Capital	153.74	70.76	117%	Note (b) below
9	Net profit Ratio (%)	Net Profit after Tax	Net Sales	0.89%	0.21%	330%	Note (a) below
10	Return on Capital employed (%)	Profit before Interest, Exceptional Items and Tax	Total Capital Employed	19.45%	16.78%	16%	Not Applicable
11	Return on investment (%)						
	Return on Fixed Deposits (%)	Income during the year	Time Weighted Average of Investment	5.40%	8.82%	-39%	Note (c) below

Notes :

- (a) Increase in net profit after tax as compared to previous year.
(b) Reduction in working capital compared to previous year.
(c) Reduction in interest on fixed deposit income and reduction in average fixed deposit balances



Arvind Lifestyle Brands Limited
CIN - U64201GJ1995PLC024598
Notes to the Financial Statements for the year ended March 31, 2024

Note 42 : 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 43 : Events occurring after the reporting period

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of May 21, 2024, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

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



Shailesh Chaturvedi
Director
DIN: 03023079

Place : Bengaluru
Date : May 21, 2024



Girdhar Chitlangia
Director
DIN: 00589412

Place : Bengaluru
Date : May 21, 2024



S Raghupathy
Chief Financial Officer

Place : Bengaluru
Date : May 21, 2024



Lipi Jha
Company Secretary

Place : Bengaluru
Date : May 21, 2024

